**BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF IOWA**

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| In the matter of the application for Acquisition of control of FIDELITY & GUARANTY LIFE INSURANCE COMPANY by CF CORPORATION; FGL MERGER SUB, INC.; FGL US HOLDINGS INC.; CF BERMUDA HOLDINGS LIMITED; CHINH E. CHU; WILLIAM P. FOLEY, II; FIDELITY NATIONAL FINANCIAL, INC.; CFS HOLDINGS (CAYMAN), L.P.; CFS HOLDINGS II (CAYMAN), L.P.; BLACKSTONE GROUP MANAGEMENT L.L.C.; THE BLACKSTONE GROUP L.P.; BLACKSTONE HOLDINGS III GP MANAGEMENT L.L.C.; BLACKSTONE HOLDINGS III GP L.P.; BLACKSTONE HOLDINGS III L.P.; BLACKSTONE TACTICAL OPPORTUNITIES LR ASSOCIATES-B (CAYMAN) LTD.; CFS HOLDINGS (CAYMAN) MANAGER L.L.C.; QASIM ABBAS; MALCOLM JACKSON; KISHORE MOORJANI; ANDREA VALERI; STEPHEN SCHWARZMAN; AND MENES O. CHEE | ) | **NOTICE** of Public Hearing (Iowa Code chapter 521A) |

Pursuant to the provisions of Iowa Code sections 17A.12 and 521A.3(4)(1)-(6), the Commissioner of Insurance for the State of Iowa will hold a public hearing regarding the application of CF Corporation; Merger Sub, Inc.; FGL US Holdings Inc.; CF Bermuda Holdings Limited; Chinh E. Chu; William P. Foley, II; Fidelity National Financial, Inc.; CFS Holdings (Cayman), L.P.; CFS Holdings II (Cayman), L.P.; Blackstone Group Management L.L.C.; The Blackstone Group L.P.; Blackstone Holdings III GP Management L.L.C.; Blackstone Holdings III GP L.P.; Blackstone Holdings III L.P.; Blackstone Tactical Opportunities LR Associates-B (Cayman) Ltd.; CFS Holdings (Cayman) Manager L.L.C.; Qasim Abbas, Malcolm Jackson; Kishore Moorjani; Andrea Valeri, Stephen Schwarzman; and Menes O. Chee. (collectively the "Applicant") for the acquisition of control of Fidelity & Guaranty Life Insurance Company (the "Company").

1. **Date and Time:** November 7, 2017 at 1:00 P.M.
2. **Location:** Insurance Division Office: 4th Floor, Two Ruan Center, 601 Locust Street, Des Moines, Iowa 50309.

3. **Nature of Hearing**: The hearing will be a public opportunity for the Applicant and any other interested party to present evidence and argument relevant to Applicant's acquisition of control of or merger with the Company. Applicable rules of evidence are found at Iowa Code sections 17A.12-17 (2017).
4. **Legal Authority**: The hearing will be held pursuant to Iowa Code sections 521A.3(4)(a)(1)-(5). Procedures for the hearing are found at Iowa Code sections 17A.12-17(2017).
5. **Issue Presented:** The hearing will be held for the purpose of determining whether Applicant's acquisition of control through the purchase of all of the issued and outstanding shares of Fidelity & Guaranty Life Company, complies with the standards set forth in Iowa Code sections 521A.3(4)(a)(1)-(6) (2017) which are set forth below:

*Approval by the commissioner – hearings.*

*a. The commissioner shall approve any merger or other acquisition of control referred to in subsection 1 if, after a public hearing on such merger or acquisition, the applicant has demonstrated to the commissioner all of the following:*

*(1) After the change of control the domestic insurer referred to in subsection 1 will be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed.*

*(2) The effect of the merger or other acquisition of control will not substantially lessen competition in insurance in this state.*

*(3) The financial condition of any acquiring party will not jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders.*

*(4) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are not unfair or unreasonable to policyholders of the insurer and are not contrary to the public interest.*

*(5) The competence, experience, and integrity of those persons who would control the operation of the insurer are sufficient to indicate that the interests of policyholders of the insurer and of the public will not be jeopardized by the merger or other acquisition of control.*

*(6) The merger or other acquisition of control is not likely to be hazardous or prejudicial to the insurance-buying public.*

6. **Statutes and Rules Involved**: Iowa Code chapters 17A and 521A (2017) and 191 IAC chapter 46.
7. **ADA Notice**: If, due to a disability, you require the assistance of auxiliary aids or services to participate in or attend this hearing, please call your district ADA coordinators immediately at (515) 286-3394. If you are hearing impaired, please call Relay Iowa TTY at (800) 735-2942. For additional assistance, you may also contact Lori Taha at the Iowa Insurance Division, (515) 281-5706.

**IT IS HEREBY ORDERED**

DATED this 6th day of October, 2017.

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DOUG OMMEN
Commissioner of Insurance

Email Copies To:

Chris Littlefield, President & CEO Fidelity & Guaranty Life Insurance Company

Applicant:
Richard T. Freije, Faegre Baker Daniels, Indianapolis Indiana
Nicholas F. Potter, Debevoise & Plimpton, LLP, New York, New York

**AMENDED AND RESTATED FORM A STATEMENT REGARDING THE ACQUISITION OF CONTROL**

of

**Fidelity & Guaranty Life Insurance Company**
**NAIC No. 63274**
(the "Domestic Insurer")

By **CF Corporation, FGL Merger Sub Inc., FGL US Holdings Inc., CF Bermuda Holdings Limited, Chinh E. Chu, William P. Foley, II, Fidelity National Financial, Inc., CFS Holdings (Cayman), L.P., CFS Holdings II (Cayman), L.P., Blackstone Group Management L.L.C., The Blackstone Group L.P., Blackstone Holdings III GP Management L.L.C., Blackstone Holdings III GP L.P., Blackstone Holdings III L.P., Blackstone Tactical Opportunities LR Associates-B (Cayman) Ltd., CFS Holdings (Cayman) Manager L.L.C., Qasim Abbas, Malcolm Jackson, Kishore Moorjani, Andrea Valeri, Stephen A. Schwarzman and Menes O. Chee**
**(collectively, the "Applicants")**

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** To be filed with the Department supplementally.

i Applicants are requesting confidential treatment with respect to the information contained in the exhibits marked with an "i" and will be filing such information under separate cover as part of the Confidential Supplement to this Application.

AMENDED AND RESTATED FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

**FIDELITY & GUARANTY LIFE INSURANCE COMPANY**

NAIC No. 63274

(the "Domestic Insurer")

By

**CF Corporation** ("CF Corp.");

**FGL Merger Sub Inc.**
("Merger Sub");

Whose Direct Controlling Person Is
**FGL US Holdings Inc.**
("Parent");

Whose Direct Controlling Person Is
**CF Bermuda Holdings Limited**
("CF Bermuda");

CF Corp.'s Direct Controlling Persons Are
**Chinh E. Chu, William P. Foley, II, Fidelity National Financial, Inc.** ("FNFI"),
**CFS Holdings (Cayman), L.P.** and **CFS Holdings II (Cayman), L.P.**;

The Controlling Persons of
CFS Holdings (Cayman), L.P. and CFS Holdings II (Cayman), L.P.
With Respect to the Domestic Insurer Are
**Blackstone Group Management L.L.C.** ("Blackstone Group Management")**, The Blackstone Group L.P.** ("Blackstone")**, Blackstone Holdings III GP Management L.L.C., Blackstone Holdings III GP L.P., Blackstone Holdings III L.P.** ("Blackstone Holdings III")**, Blackstone Tactical Opportunities LR Associates-B (Cayman) Ltd.** ("BTO LR Associates-B")**, CFS Holdings (Cayman) Manager L.L.C.** ("CFS Holdings Manager") (collectively, the "Blackstone Applicants");

The Controlling Persons of BTO LR Associates-B Are
**Qasim Abbas, Malcolm Jackson, Kishore Moorjani** and **Andrea Valeri**; and

The Ultimate Controlling Persons of the Blackstone Applicants Are
**Stephen Schwarzman** and
**Menes O. Chee.**

(collectively, the "Applicants").

Filed with the Insurance Division of Iowa (the "Division")

Date: August 10, 2017

Names, Titles, Addresses and Telephone Numbers of Individuals to Whom
Notices and Correspondence Concerning This Statement Should be Addressed:

**Faegre Baker Daniels**
**300 North Meridian Street, Suite 2700**
**Indianapolis, Indiana 46204**
**Telephone: 317-237-1208**
**E-mail: dick.freije@FaegreBD.com**
**Attention: Richard T. Freije**

**Debevoise & Plimpton LLP**
**919 Third Avenue**
**New York, New York 10022**
**Telephone: 212-909-6459**
**E-mail: nfpotter@debevoise.com**
**Attention: Nicholas F. Potter**

This Application (this "Application") seeks the approval of the Insurance Commissioner of the State of Iowa (the "Commissioner") pursuant to the requirements of Section 521A.3 of the Iowa Insurance Code ("Insurance Holding Company Act" or "Act") for the acquisition of control of the Domestic Insurer by the Applicants.

This Amended and Restated Application amends and restates in its entirety the Application for Approval of the Acquisition of Control of the Domestic Insurer filed with the Division on May 26, 2017 (as supplemented thereafter, the "Original Application").

We hereby request confidential treatment and nondisclosure of certain information identified by an asterisk in the index of Exhibits set forth in Item 12 herein (the "Confidential Information") based on Iowa Code §§22.7(3) and (6) and 505.8 and Iowa Administrative Code §§191.1.3(11)(a) and (c) because the Confidential Information constitutes (1) trade secrets recognized and protected by law and (2) reports made to the agency which, if released, would give advantage to competitors and serve no public purpose. The financial projections of the Domestic Insurer are not publicly available and could give advantage to its competitors regarding its proposed operations and business plan. The funding structure proposed to be used by the Applicants is a proprietary structure. Disclosure of the same may give advantage to its competitors, who may seek to replicate such structure. Confidentiality of the supplemental personal information in the Biographical Affidavits labeled at Exhibit 10 and the personal financial statements contained in Exhibit 14 is requested in order to protect the privacy and safety of the persons submitting these Biographical Affidavits. Public disclosure of the home addresses, home telephone numbers, social security numbers (or equivalent national identification numbers) and financial information contained therein would be an unwarranted invasion of personal privacy and would place these individuals in undue risk of identity or credit-related theft, harassment or kidnapping. All such information in the supplemental personal information pages to biographical affidavits and in the personal financial statements is being provided with the express understanding that the confidentiality of such information will be safeguarded and such individuals will be protected from any and all unwarranted invasions of personal privacy pursuant to all applicable provisions of law.

If, upon your review of the submitted Confidential Information and this request for confidential treatment, it is the Division's analysis that the offered Confidential Information may not be afforded confidential treatment, then the Applicants' submission of the Confidential Information should be considered withdrawn, the Confidential Information shall not be deemed to belong to the Division and shall not be considered a "public record" as defined in Iowa Code §22.1(3)(a). In such event, it is requested that you return any such Confidential Information to counsel for the Applicants.

## Item 1. Insurer and Method of Acquisition.

This Application is being submitted to the Commissioner of the Division by:

- CF Corp., a Cayman exempted company which will lead the transaction described below (the "Proposed Acquisition") and will own all of the outstanding voting equity of CF Bermuda after the closing of the Proposed Acquisition (the "Closing") pursuant to the Merger Agreement (as defined below);

- Merger Sub, Parent and CF Bermuda, each of which is a holding company that has been formed to effect the Proposed Acquisition;

- Chinh E. Chu, a natural person who will beneficially and indirectly own approximately 6.5%[1] of the outstanding voting equity of CF Corp. after the Closing;

- William P. Foley, II, a natural person who will beneficially and indirectly own approximately 6.5%[1] of the outstanding voting equity of CF Corp. after the Closing;

- FNFI, which will directly and indirectly own approximately 8.7%[1] of the outstanding voting equity of CF Corp. after the Closing;

- CFS Holdings (Cayman), L.P. and CFS Holdings II (Cayman), L.P. (together, "CFS Holdings"), investment funds under common control, which will directly own approximately 6.8%[1] and 10.5%, respectively, of the outstanding voting equity of CF Corp. after the Closing;

- BTO LR Associates-B and CFS Holdings Manager, which will indirectly own approximately 17.3%[1] of the outstanding voting equity of CF Corp. after the Closing;

- Blackstone Group Management, Blackstone, Blackstone Holdings III GP Management L.L.C., Blackstone Holdings III GP L.P. and Blackstone Holdings III, which own, directly or indirectly, all of the Class A shares of BTO LR Associates-B;

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[1] Percentages of voting equity are based on an estimate of the pro forma capitalization of CF Corp. at the Closing assuming that: (i) certain outstanding penny warrants of CF Corp. (which give rights to, in the aggregate, approximately 3.9% of the voting equity of CF Corp.) have been fully exercised; and (ii) the Backstop Equity Commitment described in Paragraph 8 of Item 4(A) will not be required or utilized. To the extent that the Backstop Equity Commitment is required or drawn down, the percentage ownership of the Blackstone Applicants will increase accordingly. In addition, the Bye-Laws of CF Corp. provide that no U.S. Person within the meaning of Section 958(a) of the Internal Revenue Code of 1986 may exercise voting rights with respect to more than 9.5% of the voting equity of CF Corp. Mr. Chu and Mr. Foley are each U.S. Persons whose voting rights in CF Corp. will accordingly be capped at 9.5% if their respective percentage of voting equity otherwise exceeds 9.5%.

- Qasim Abbas, Malcolm Jackson, Kishore Moorjani and Andrea Valeri, natural persons who are senior executives of Blackstone and controlling persons of BTO LR Associates-B;

- Stephen Schwarzman, a natural person who is the Founding Member of Blackstone in his capacity as the ultimate controlling person of Blackstone, as described more fully below; and

- Menes O. Chee, a natural person who is a Senior Managing Director of Blackstone's Tactical Opportunities Group and to whom BTO LR Associates-B will delegate the authority to direct (or cause the direction of) the management and policies of the Domestic Insurer on behalf of the Blackstone Applicants after the Closing.

As described more fully below, the acquisition of control of the Domestic Insurer will result from the acquisition of the Domestic Insurer's indirect parent, Fidelity & Guaranty Life, a Delaware corporation ("FGL"). The Proposed Acquisition will be effected by merging Merger Sub, a Delaware corporation and merger vehicle that is a wholly-owned subsidiary of Parent, with and into FGL. Following the merger, FGL will continue to indirectly own 100% of the issued and outstanding shares of the Domestic Insurer. Consequently, the Domestic Insurer is expected to become a wholly-owned indirect subsidiary of Parent.

(A) **The Domestic Insurer.** The name and address of the Domestic Insurer to which this Application relates is:

Fidelity & Guaranty Life Insurance Company
601 Locust Street
Des Moines, Iowa 50309
NAIC No. 63274

(B) **Method of Acquisition.** The following is a summary of the Proposed Acquisition.

Merger Agreement

The Domestic Insurer is a wholly-owned subsidiary of Fidelity & Guaranty Life Holdings, Inc., a Delaware corporation ("FGL Holdings"), which in turn is a wholly-owned subsidiary of FGL. Public shareholders own 19.55% of FGL, and FS Holdco II Ltd., a Delaware limited liability company ("FS Holdco"), owns the remaining 80.45% of FGL shares. FS Holdco is a wholly-owned subsidiary of HRG Group Inc., a Delaware corporation, of which 60.23% is owned by public shareholders, 23.29% is owned by LUK HRG LLC, a Delaware limited liability company, and 16.48% is owned by CF Turul LLC, a Delaware limited liability company.

On May 24, 2017, CF Corp., Parent, a Delaware corporation, and Merger Sub, a Delaware corporation, entered into a Merger Agreement with FGL (the "Merger Agreement") to acquire FGL by means of a merger of Merger Sub with and into FGL. At the Closing, Parent will indirectly, through FGL and FGL Holdings, own 100% of the issued and outstanding shares of the Domestic Insurer.

On May 24, 2017, a number of existing CF Corp. shareholders (or their affiliates) agreed to make additional equity commitments to CF Corp. to fund the Proposed Acquisition. Those equity commitments are summarized below and in Item 4 of this Application:

- Blackstone Tactical Opportunities Fund II (Cayman) L.P. ("BTO Fund"), an investment fund under common control with CFS Holdings, entered into an equity commitment letter with CF Corp. (the "BTO Equity Commitment"). Pursuant to the BTO Equity Commitment, BTO Fund has agreed to cause CFS Holdings II (Cayman), L.P. to make an equity investment of $217 million in CF Corp. to fund the Proposed Acquisition.

- FNFI entered into an equity commitment letter with CF Corp. (the "FNFI Equity Commitment"). Pursuant to the FNFI Equity Commitment, FNFI has agreed to make an equity investment of up to $415 million in CF Corp. to fund the Proposed Acquisition. Up to $188 million of this equity investment was to be used to backstop any share redemptions by CF Corp. shareholders who elected to redeem their shares in CF Corp. rather than participate in the Proposed Acquisition as further described in detail in Item 4(A); however, as described in Item 4(B), no such redemptions occurred.

- GSO Capital Partners ("GSO Capital"), an alternative asset manager affiliated with the Blackstone Applicants (collectively, GSO Capital and the Blackstone Applicants are the "Blackstone Investors"), agreed to make a non-voting preferred equity investment in CF. Corp. of up to $715 million (the "GSO Equity Commitment"). Up to $449 million of this preferred equity investment was to be used to backstop any share redemptions by CF Corp. shareholders who elected to redeem their shares in CF Corp. rather than participate in the Proposed Acquisition, as further described in detail in Item 4(A); however, as described in Item 4(B), no such redemptions occurred.

- BTO Fund and FNFI committed to make an equity investment of $97 million and $194 million, respectively (for a total combined backstop commitment of $291 million), solely if and to the extent that certain "anchor investors" in CF Corp. fail to fund their equity commitments (the "Backstop Equity Commitment").

Copies of the Merger Agreement, the BTO Equity Commitment, the FNFI Equity Commitment, the GSO Equity Commitment and the Backstop Equity Commitment are attached hereto as Exhibit 1, Exhibit 2, Exhibit 3, Exhibit 4 and Exhibit 5, respectively. The foregoing summary of the principal terms of the Proposed Acquisition is qualified in its entirety by reference to the Merger Agreement, the BTO Equity Commitment, the FNFI Equity Commitment, the GSO Equity Commitment and the Backstop Equity Commitment.

**Item 2. Identity and Background of the Applicants.**

(A) **Name and Address of the Applicants**. The names and principal business addresses of the Applicants seeking to acquire control over the Domestic Insurer are as follows:

CF Corporation
1701 Village Center Circle
Las Vegas, Nevada 89134

FGL Merger Sub Inc.
c/o CF Corporation
1701 Village Center Circle
Las Vegas, Nevada 89134

FGL US Holdings Inc.
c/o CF Corporation
1701 Village Center Circle
Las Vegas, Nevada 89134

CF Bermuda Holdings Limited
c/o CF Corporation
1701 Village Center Circle
Las Vegas, Nevada 89134

Mr. Chinh E. Chu
c/o CC Capital Management LLC
555 Madison Avenue
26th Floor
New York, New York 10022

Mr. William P. Foley, II
c/o Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204

CFS Holdings (Cayman), L.P.
c/o The Blackstone Group L.P.
345 Park Avenue
New York, New York 10154

CFS Holdings II (Cayman), L.P.
c/o The Blackstone Group L.P.
345 Park Avenue
New York, New York 10154

Blackstone Group Management L.L.C.
c/o The Blackstone Group L.P.
345 Park Avenue
New York, New York 10154

The Blackstone Group L.P.
345 Park Avenue
New York, New York 10154

Blackstone Holdings III GP Management L.L.C.
c/o The Blackstone Group L.P.
345 Park Avenue
New York, New York 10154

Blackstone Holdings III GP L.P.
c/o The Blackstone Group L.P.
345 Park Avenue
New York, New York 10154

Blackstone Holdings III L.P.
c/o The Blackstone Group L.P.
345 Park Avenue
New York, New York 10154

Blackstone Tactical Opportunities LR Associates-B (Cayman) Ltd.
c/o The Blackstone Group L.P.
345 Park Avenue
New York, New York 10154

CFS Holdings (Cayman) Manager L.L.C.
c/o The Blackstone Group L.P.
345 Park Avenue
New York, New York 10154

Mr. Qasim Abbas
c/o The Blackstone Group L.P.
40 Berkeley Square
London, W1J5AL
United Kingdom

Mr. Malcolm Jackson
c/o The Blackstone Group L.P.
Marina Bay Financial Centre
Tower 2
Suite 13-01/02
10 Marina Boulevard
Singapore 018983

Mr. Kishore Moorjani
c/o The Blackstone Group L.P.
Marina Bay Financial Centre
Tower 2
Suite 13-01/02
10 Marina Boulevard
Singapore 018983

Mr. Andrea Valeri
c/o The Blackstone Group L.P.
40 Berkeley Square
London, W1J5AL
United Kingdom

Mr. Stephen Schwarzman
c/o The Blackstone Group L.P.
345 Park Avenue
New York, New York 10154

Mr. Menes O. Chee
c/o The Blackstone Group L.P.
345 Park Avenue
New York, New York 10154

(B) **Nature of the Business Operations of the Applicants**.

The nature of each Applicant's business operations for the last five years (or for such lesser period as such person and any predecessors thereof shall have been in existence) is described below.

CF Corp.

*CF Corp.* is a Cayman exempted company and special purpose acquisition company organized for the purpose of making an acquisition of one or more businesses. CF Corp. has raised $690 million dollars from blue chip long-term investors to be used to acquire an operating company. In addition, CF Corp. has received an aggregate of approximately $1.9 billion in equity commitments and back up equity commitments to fund the purchase price for the Proposed Acquisition as described in detail in Item 4(A). CF Corp. is listed on the NASDAQ exchange and is an SEC Reporting Company. CF Corp.'s current shareholders are Mr. Chu, William P. Foley, II, CF Capital Growth, LLC, certain "anchor investors" (including CFS Holdings (Cayman), L.P.) who have agreed to purchase additional shares of CF Corp. in order to finance an acquisition by CF Corp., certain directors of CF Corp. and members of the public.

At the Closing, CF Corp. is expected to receive equity financing from the "anchor investors" that, together with cash already held by CF Corp. in a trust account and other equity commitments, which are described in detail in Item 4(A), will be sufficient to pay the agreed consideration for the Proposed Acquisition and related expenses.

Merger Sub

*Merger Sub* is a Delaware corporation that is a wholly-owned subsidiary of Parent. Merger Sub was formed on May 19, 2017 expressly for the Proposed Acquisition and conducts no other business. At the Closing, Merger Sub will be merged with and into FGL, with FGL surviving. For a detailed description of the ownership structure of FGL after the Proposed Acquisition, please see Exhibit 7.

Parent

*Parent* is a Delaware corporation that is a wholly-owned subsidiary of CF Bermuda. Parent was formed on May 19, 2017 expressly for the Proposed Acquisition and conducts no other business. After the Closing, Parent will be the immediate parent company of FGL. For a detailed description of the ownership structure of Parent after the Proposed Acquisition, please see Exhibit 7.

CF Bermuda

*CF Bermuda* is a Bermuda exempted company. CF Bermuda is a wholly-owned subsidiary of CF Corp. and the sole shareholder of Parent. CF Bermuda was formed on May 22, 2017 to act as a holding company for Parent. For a detailed description of the ownership structure of CF Bermuda after the Proposed Acquisition, please see Exhibit 7.

Chinh E. Chu

*Chinh E. Chu* has been a Co-Executive Chairman of CF Corp. since April 16, 2016. Mr. Chu is the Founder and a Senior Managing Director at CC Capital Management LLC ("CC Capital"), a private investment firm which he founded in 2015. Before founding CC Capital, Mr. Chu worked at Blackstone from 1990 to 2015. Blackstone is a leading global alternative asset manager, with total assets under management of $371 billion as of June 30, 2017. Mr. Chu was a Senior Managing Director at Blackstone since 2000, and previously served as Co-Chair of Blackstone's Private Equity Executive Committee and was a member of Blackstone's Executive Committee. Mr. Chu currently serves as a Director of Catalent, Inc., Stearns Mortgage and NCR Corporation. Mr. Chu previously served as a Director of Kronos Incorporated, SunGard Data Systems, Inc., Stiefel Laboratories, Freescale Semiconductor, Ltd. Biomet, Inc., Alliant, Celanese Corporation, Nalco Company, DJO Global, Inc., HealthMarkets, Inc., Nycomed, Alliant Insurance Services, Inc., the London International Financial Futures and Options Exchange, or LIFFE, Graham Packaging and AlliedBarton Security Services. Before joining Blackstone in 1990, Mr. Chu worked at Salomon Brothers in the Mergers & Acquisitions Department. Mr. Chu received a B.S. in Finance from the University of Buffalo. Mr. Chu has substantial experience in mergers and acquisitions, corporate finance and strategic business planning and in advising and managing multi-national companies and serving as a director for various public and private companies.

William P. Foley, II

*William P. Foley, II* has been a Co-Executive Chairman of CF Corp. since April 16, 2016. Mr. Foley has over 32 years of experience as a director and executive officer of FNFI. Mr. Foley has served as the Chairman (and at times Executive Chairman) of FNFI since 1984, and Executive Chairman of Black Knight since January 2014. Mr. Foley served as FNFI's Chief Executive Officer from 1984 to 2007. In addition to his experience at FNFI and Black Knight, from 2006 to 2011 Mr. Foley served as Executive Chairman of Fidelity National Information Services, Inc., or FIS (NYSE:FIS), served as FIS's non-executive Chairman from 2011 to 2012 and has served as FIS's Vice Chairman since 2012. Under Mr. Foley's leadership, FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of FIS's solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries and has a market capitalization of approximately $19 billion. Mr. Foley has experience as a board member and executive officer of public and private companies in a wide variety of industries and a strong track record of building and maintaining stockholder value and successfully negotiating and implementing mergers and acquisitions. Mr. Foley has driven favorable outcomes due to his operational expertise, disciplined industry consolidation and rapid execution on cost-reduction opportunities in connection with mergers and acquisitions.

Mr. Foley is the founder and Chairman, CEO and President of Foley Family Wines Holdings, Inc., which has grown to become a major producer, marketer and distributor of highly-acclaimed, handmade wines from some of the world's greatest vineyards. From 2007 to 2014, Mr. Foley also served as Chairman of Remy International, Inc., a leading global manufacturer, remanufacturer and distributor of alternators, starter motors and electric traction motors for the automotive and commercial vehicle industry.

Mr. Foley devotes time to many educational and community organizations. He serves as an advisory board member for the University of Washington School of Law and on the Florida Forum Advisory Board for the Women's Board of Wolfson Children's Hospital. Mr. Foley and his wife are active philanthropists for many causes, especially in support of children's education. Mr. Foley serves as a trustee on the boards of the Folded Flag Foundation, the Jacksonville Chamber of Commerce and the Cummer Museum of Arts and Gardens. After receiving his B.S. degree in engineering from the United States Military Academy at West Point, Mr. Foley served in the U.S. Air Force, where he attained the rank of captain. Mr. Foley received an MBA degree from Seattle University and earned a J.D. degree from the University of Washington School of Law. In February 2016, Mr. Foley received the Distinguished Graduate Award from the United States Military Academy at West Point based on his character, distinguished service and stature drawing wholesome comparison to the qualities for which West Point strives, in keeping with its motto: "Duty, Honor, Country." Mr. Foley is one of only 121 West Point graduates who have received this prestigious award.

FNFI

*FNFI* is a Fortune 500 company listed on the New York Stock Exchange. It is a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. FNFI is the nation's largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title, Alamo Title and National Title Insurance of New York. FNFI's insurance companies are domiciled in and subject to primary regulation in the following states: Florida, New York and Texas. Through the third quarter of 2016, FNFI's insurance companies had a 33.3% share of the U.S. title insurance market, according to the American Land Title Association. FNFI's distribution network, which includes approximately 1,300 direct residential title offices and more than 5,000 agents, is among the largest in the United States.

FNFI also provides industry-leading mortgage technology solutions and transaction services, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiaries, Black Knight Financial Services and ServiceLink Holdings. Fidelity National Financial Ventures, LLC holds majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC, Ceridian HCM, Inc., Fleetcor Technologies, Inc. and Digital Insurance, Inc.

Blackstone

The Blackstone Investors are affiliated investment partnerships that were formed by Blackstone, a Delaware limited partnership that is a publicly traded limited partnership listed on the New York Stock Exchange and has a market capitalization in excess of $36 billion. Blackstone is one of the strongest and most stable global investment firms, with a balanced mix of businesses and total assets under management of $371 billion as of June 30, 2017. Blackstone has a core competence in insurance, having invested $6 billion to date in insurance transactions. Blackstone is investing in the Domestic Insurer through two separate groups of funds. BTO

Fund, the first group of funds, acting through CFS Holdings, has committed to purchase $350 million of voting equity of CF Bermuda. GSO Capital, the second group of funds, consists of alternative asset management funds that have agreed to purchase up to $740 million in non-voting preferred equity of CF Bermuda. For a detailed diagram of the ownership structure of Blackstone, please see Exhibit 7.

GSO Capital is not an Applicant on this Form A because it will not directly or indirectly own voting interests in the Domestic Insurer.

The Blackstone Applicants are as follows:

*CFS Holdings (Cayman), L.P.* and *CFS Holdings II (Cayman), L.P.* are each a Cayman Limited Partnership whose general partner is CFS Holdings Manager. The sole managing member of CFS Holdings Manager is BTO LR Associates-B, a newly formed Cayman Islands exempted company which has been vested with all of the voting control relating to portfolio investments of CFS Holdings (including the Domestic Insurer). Consequently, as described further below, the Ultimate Controlling Person of CFS Holdings with respect to the Domestic Insurer is BTO LR Associates-B, which will in turn delegate authority to direct (and cause the direction of) the management and policies of the Domestic Insurer on behalf of the Blackstone Applicants to Mr. Chee. For a detailed diagram of the ownership structure of CFS Holdings, please see Exhibit 7.

*Blackstone Group Management* is a Delaware limited liability company. Blackstone Group Management is the general partner of Blackstone and engages in activities and transactions incidental to the foregoing. Blackstone Group Management is controlled by Mr. Schwarzman, who is its Founding Member.

*Blackstone* is a Delaware limited partnership and the sole member of Blackstone Holdings III GP Management L.L.C. Blackstone is a leading global alternative asset manager, with total assets under management of $371 billion as of June 30, 2017. Its alternative asset management businesses include investment vehicles focused on private equity, real estate, hedge fund solutions, non-investment grade credit, secondary private equity funds and multi-class exposures. Blackstone also provides capital markets services.

*Blackstone Holdings III GP Management L.L.C.* is a Delaware limited liability company and is the general partner of Blackstone Holdings III GP L.P. and engages in activities and transactions incidental to the foregoing.

*Blackstone Holdings III GP L.P.* is a Delaware limited partnership and is the general partner of Blackstone Holdings III and engages in activities and transactions incidental to the foregoing.

*Blackstone Holdings III* is a Quebec, Canada limited partnership. It receives distributions from BTO LR Associates-B through the Class A shares but does not have voting rights relating to CF Corp. or any other portfolio company.

*BTO LR Associates-B*, a newly formed Cayman exempted company, is the sole managing member of CFS Holdings Manager. BTO LR Associates-B has issued Class A and Class B shares. The Class A Shares, all of which are owned by Blackstone Holdings III, a Quebec, Canada limited partnership, have no rights regarding the voting of securities of any portfolio companies owned by CFS Holdings or the BTO Fund in general. The Class B Shares, which hold all voting rights relating to CFS Holdings, are owned by four individuals who are senior executives and carry recipients of Blackstone. Each Class B Share gives the right to 25% of the voting interests in BTO LR Associates-B. Consequently, BTO LR Associates-B holds ultimate voting control over CFS Holdings' investment in the Domestic Insurer, and each of the four Class B Shareholders of BTO LR Associates-B is a controlling person with respect to CFS Holdings. BTO LR Associates-B will delegate to Mr. Chee the authority to direct (or cause the direction of) the management and policies of the Domestic Insurer after the Closing on behalf of the Blackstone Applicants until such time as he may resign or be removed or replaced by BTO LR Associates-B.

*CFS Holdings (Cayman) Manager L.L.C.* is a Cayman Islands exempted company and is the general partner of CFS Holdings and engages in activities and transactions incidental to the foregoing.

Qasim Abbas

*Qasim Abbas* is a Senior Managing Director with Blackstone's Tactical Opportunities Group.

Before joining Blackstone in 2012, Mr. Abbas was a Portfolio Manager with Trafalgar Asset Managers (a European credit-focused hedge fund), where he invested and traded in European Asset-Backed and Mortgage-Backed Securities across a range of asset classes. Prior to that, he was responsible for establishing a Europe-focused mortgage loan portfolio trading and investment desk at UBS AG in London. Before joining UBS AG, Mr. Abbas spent eight years at Citigroup in emerging markets, securitization, and asset-backed special situations roles.

Mr. Abbas graduated from Clark University with majors in Economics and Government.

Malcolm Jackson

*Malcolm Jackson* is a Managing Director in Blackstone's Tactical Opportunities Group in Singapore. Prior to joining the Tactical Opportunities Group, Mr. Jackson was a Managing Director in the RBS Special Opportunities Fund where he was heavily involved in the establishment of Shawbrook Bank and Arrow Global Group plc. Mr. Jackson received degrees in Law and Commerce from Otago University, is a Chartered Accountant and was admitted as a Barrister and Solicitor of the High Court of New Zealand.

Kishore Moorjani

*Kishore Moorjani* is a Senior Managing Director and leads the Asia efforts for Blackstone's Tactical Opportunities Group.

Prior to joining Blackstone, Mr. Moorjani was the Founder and Chief Investment Officer of Credit Asia Capital, an Asian special situations investment firm he established in partnership with the Blackstone Strategic Alliance Fund. Prior to that, Mr. Moorjani was Co-Head of Asia at D.B. Zwirn, a $5 billion special situations investment firm, where he was involved in launching the Asian investment business. From 1998 to 2004, Mr. Moorjani was with Colony Capital, where he held various positions across several of the firm's offices, including serving as the CEO of Colony Capital Taiwan. Mr. Moorjani moved to Asia in 1995 with CBRE, where he was part of the founding team for the Indian operations that established the firm as a preeminent real estate services firm in India.

Mr. Moorjani received an MBA in Real Estate Finance and a BBA in Finance/Strategy (honors) from the Schulich School of Business at York University in Toronto.

Andrea Valeri

*Andrea Valeri* is a Senior Managing Director in Blackstone's Tactical Opportunities Group and is based in London. Mr. Valeri has led several Tactical Opportunities Group investments, including European NPLs, Gems Education and Versace. Prior to joining the Tactical Opportunities Group, Mr. Valeri was with Blackstone's Private Equity Group where he was involved in a variety of private equity transactions including Jack Wolfskin, Center Parcs, Gardaland and Kabel BW. Before joining Blackstone in 2005, Mr. Valeri was a Vice President at Goldman, Sachs & Co. Prior to that, Mr. Valeri worked at Bain & Co. Mr. Valeri received an MBA from Columbia University, where he graduated with honors and a Master's degree in Engineering and Management from the University of Padua, where he graduated magna cum laude. Mr. Valeri serves as a Director of Lombard, Gems Education and Versace.

Stephen Schwarzman

*Stephen Schwarzman* is Chairman, CEO and a founder of Blackstone. He is the ultimate controlling person of Blackstone Group Management, which, as described above, is the general partner of Blackstone. Mr. Schwarzman has been involved in all phases of Blackstone's development since its founding in 1985. Mr. Schwarzman is an active philanthropist with a history of supporting education and schools. Whether in business or in philanthropy, he has always attempted to tackle big problems and find transformative solutions. In 2015, Mr. Schwarzman donated $150 million to Yale University to establish the Schwarzman Center, a first-of-its-kind campus center in Yale's historic "Commons" building. In 2013, he founded an international scholarship program, "Schwarzman Scholars," at Tsinghua University in Beijing to educate future leaders about China. At $450 million, the program is modeled on the Rhodes Scholarship and is the single largest philanthropic effort in China's history coming largely from international donors. Mr. Schwarzman currently maintains his position as Co-Chair of the Board of Trustees of Schwarzman Scholars. In 2007, Mr. Schwarzman donated $100 million to the New York Public Library, on whose board he serves. Mr. Schwarzman is a member of The

Council on Foreign Relations, The Business Council, The Business Roundtable and The International Business Council of the World Economic Forum. He is co-chair of the Partnership for New York City and serves on the boards of The Asia Society and New York-Presbyterian Hospital, as well as on The Advisory Board of the School of Economics and Management at Tsinghua University, Beijing. He is a Trustee of The Frick Collection in New York City and Chairman Emeritus of the Board of Directors of The John F. Kennedy Center for the Performing Arts. In 2007, Mr. Schwarzman was included in TIME's "100 Most Influential People." In 2016, he topped Forbes Magazine's list of the most influential people in finance. The Republic of France has awarded Mr. Schwarzman both the Légion d'Honneur and the Ordre des Arts et des Letters at the Commandeur level. Mr. Schwarzman is one of the only Americans to receive both awards recognizing significant contributions to France. He is also the Chairman of the President's Strategic and Policy Forum, which is charged with providing direct input to the President of the United States from business leaders through a non-partisan, non-bureaucratic exchange of ideas. Mr. Schwarzman holds a B.A. from Yale University and an MBA from Harvard Business School. He has served as an adjunct professor at the Yale School of Management and on the Harvard Business School Board of Dean's Advisors.

Menes O. Chee

*Menes O. Chee* is a Senior Managing Director of Blackstone's Tactical Opportunities Group who will serve as a director of CF Bermuda and to whom BTO LR Associates-B will delegate the authority to direct (or cause the direction of) the management and policies of the Domestic Insurer on behalf of the Blackstone Investors until such time as he may resign or be removed or replaced by BTO LR Associates-B.

Mr. Chee is a Senior Managing Director and founding member of Blackstone's Tactical Opportunities Group. He is responsible for sourcing, evaluating, and executing investments in private opportunities and capital markets. Mr. Chee is a member of the investment committees of Tactical Opportunities and Tactical Opportunities Residential Opportunities. Mr. Chee joined Blackstone as a Managing Director of GSO Capital.

Before joining Blackstone, Mr. Chee was a Principal in TPG-Axon Capital, where he invested globally in equity and credit public markets and private transactions. Prior to that, he was a private equity investment professional with Texas Pacific Group. Before TPG, Mr. Chee worked at Credit Suisse First Boston in the Merchant Banking Group and at Donald Lufkin & Jenrette in the Leveraged Finance Group.

Mr. Chee graduated magna cum laude from the University of Pennsylvania with a B.S. in Economics from the Wharton School and a B.A. from the College of Arts and Sciences, where he was elected Phi Beta Kappa. He currently serves on the boards of Lombard International, Philadelphia Financial Group, Finance of America, DRB Capital, Viva Capital, Blackstone TORO, and Ellington Residential Mortgage REIT.

(C) **Organizational Chart**.

Attached to this Application as Exhibit 6 and Exhibit 7 are organizational charts presenting the identities and interrelationships of the Applicants and their affiliates immediately before and after the Proposed Acquisition. Also included as a part of Exhibit 6 is an organizational chart showing the current structure of the Domestic Insurer. Such charts include the percentage of voting securities of each person that is owned or controlled by the Applicants (and the aggregate voting power represented by such shares), and the type of organization and the jurisdiction of domicile of each person specified therein. No court proceedings involving a reorganization or liquidation are pending with respect to any of the Applicants or their affiliates listed on Exhibit 6 and Exhibit 7.

**Item 3. Identity and Background of Individuals Associated with the Applicant.**

(A) **Name and Business Address**.

Lists setting forth the names and business addresses of the directors, officers and owners of 10 percent or more of the voting securities of any of the Applicants that are legal entities are attached as Exhibit 8 to this Application. A list setting forth the names and business addresses of the prospective members of the board of the Domestic Insurer ("Board Designees") is attached hereto as Exhibit 9 to this Application.

(B) **Principal Business Activity**.

The present principal business activity, occupation or employment, including position and office held, and the name, principal business and address of any corporation or other organization in which such employment is carried on with respect to the directors, executive officers and Board Designees is included in the biographical affidavits of such persons attached as Exhibit 10 to this Application.

(C) **Material Occupations, Positions, Offices or Employments**.

The material occupations, positions, offices or employment during the last five years, including the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on, with respect to the directors, executive officers and Board Designees are included in the biographical affidavits for such persons attached hereto as Exhibit 10. Except as may be set forth in the biographical affidavits, no such occupation, position, office or employment required licensing by or registration with any Federal, State or municipal governmental agency. The current status of any such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith, is stated in the biographical affidavits.

(D) **Criminal Proceedings**.

Except as may be set forth in the biographical affidavits attached as Exhibit 10 to this Application, to the best knowledge, information and belief of the Applicants, no person listed in Exhibit 8 has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

**Item 4. Nature, Source and Amount of Consideration.**

(A) **<u>Nature, Source and Amount of Funds or Other Consideration</u>.**

The consideration for Parent's purchase of the Domestic Insurer and certain of its affiliates pursuant to the Merger Agreement is approximately $1.835 billion (the "<u>Purchase Price</u>"). Parent will acquire the funds necessary to pay the Purchase Price through a cash contribution and a short term shareholder loan in an amount of $600 million from CF Bermuda. The shareholder loan is expected to be repaid shortly after the Closing by means of the Extraordinary Dividend whose proceeds will, in turn, be used by CF Bermuda to capitalize a wholly-owned reinsurance company in Bermuda as described in Item 5 (B) (1) and (3) below.

The cash contribution and shareholder loan from CF Bermuda to permit Parent to pay the Purchase Price will be fully funded from the proceeds of the equity commitments described in Table 1 below. The Closing is not subject to any financing condition or contingency.

None of the funds necessary to consummate the acquisition of the Domestic Insurer by Parent will be borrowed from third party sources.

**Table 1 – Purchase Price Components**

| | |
|---|---|
| 1. CF Corp. Trust Account | CF Corp. holds $690 million in a segregated account at JP Morgan Chase Bank, N.A. which will be released at the Closing to fund the Proposed Acquisition and related expenses. Shortly before the Closing, CF Corp. will contribute the proceeds of the trust account to CF Bermuda, which will in turn contribute them to Parent shortly before the Closing. |
| 2. Forward Purchase Equity Commitments from Investment Vehicles Controlled by Mr. Chu and Mr. Foley | Pursuant to a Forward Purchase Agreement dated April 18, 2016 and amended on May 24, 2017, CC Capital Management, LLC and BilCar, LLC, investment vehicles owned and controlled by Mr. Chu and Mr. Foley, respectively, have agreed to purchase approximately $55 million of equity in CF Corp. prior to the Closing to fund the Proposed Acquisition and related expenses. CF Corp. will contribute the proceeds of these equity commitments to CF Bermuda, which will in turn contribute them to Parent shortly before the Closing. |

| | |
|---|---|
| 3. Forward Purchase Equity Commitments from CFS Holdings (Cayman), L.P. | Pursuant to a Forward Purchase Agreement dated April 18, 2016 and amended on May 24, 2017, CFS Holdings (Cayman), L.P. has agreed to purchase $125 million of equity in CF Corp. prior to the Closing to fund the Proposed Acquisition and related expenses. CF Corp. will contribute the proceeds of these equity commitments to CF Bermuda, which will in turn contribute them to Parent shortly before the Closing. |
| 4. Other Forward Purchase Equity Commitments from Anchor Investors | Pursuant to a Forward Purchase Agreement dated April 18, 2016, a number of other "anchor investors" in CF Corp. have agreed to purchase an aggregate of approximately $330 million of equity in CF Corp. prior to the Closing to fund the Proposed Acquisition and related expenses. CF Corp. will contribute the proceeds of these equity commitments to CF Bermuda, which will in turn contribute them to Parent shortly before the Closing. |
| 5. BTO Equity Commitment | Pursuant to the BTO Equity Commitment, BTO Fund has agreed to cause CFS Holdings II (Cayman), L.P. to make an equity investment of $217 million in CF Corp. prior to the Closing to fund the Proposed Acquisition and related expenses. CF Corp. will contribute the proceeds of the BTO Equity Commitment to CF Bermuda, which will in turn contribute them to Parent shortly before the Closing. |
| 6. FNFI Equity Commitment | Pursuant to an agreement dated May 24, 2017, FNFI has agreed to contribute an aggregate of up to $415 million in equity to CF Corp. FNFI has agreed to invest $227 million ($130 million in common equity and $97 million in preferred equity) of this commitment at the Closing. The remaining $188 million of this commitment was to be invested in preferred equity solely to the extent necessary to backstop any share redemptions for CF Corp. shareholders who elected to redeem their shares in CF Corp. rather than participate in the Proposed Acquisition; however, no such redemptions occurred. |

| | |
|---|---|
| 7. GSO Equity Commitment | Pursuant to an agreement dated May 24, 2017, GSO Capital, an alternative asset manager affiliated with BTO Fund, has agreed to make a non-voting, non-convertible preferred equity investment in CF Corp. of up to $715 million. GSO Capital has agreed to invest $266 million of this amount at the Closing. The remaining $449 million of this preferred equity investment was to be invested solely to the extent necessary to backstop any share redemptions for CF Corp. shareholders who elected to redeem their shares in CF Corp. rather than participate in the Proposed Acquisition; however, no such redemptions occurred. CF Corp. will contribute the proceeds of this equity commitment to CF Bermuda, which will in turn contribute them to Parent shortly before the Closing. |
| 8. Backstop Equity Commitment | Pursuant to an agreement dated May 24, 2017, BTO Fund and FNFI have committed to cause CFS Holdings II (Cayman), L.P. to make an equity investment in CF Corp. of $97 million and $194 million, respectively (for a total combined backstop commitment of $291 million), solely if and to the extent that certain "anchor investors" in CF Corp. fail to fund their equity commitments (the "Backstop Equity Commitment"). |

(B) **CF Corp.'s Shareholder Vote and Redemption Mechanics.**

Pursuant to CF Corp.'s constitutional documents, its shareholders voted to approve the Proposed Acquisition on August 8, 2017, with 100% of the voted shares voting in favor.

CF Corp.'s shareholders had the right to elect, until two days prior to the shareholder meeting, to have their shares in CF Corp. redeemed at the initial purchase price of the shares. No shareholders elected to redeem their shares prior to the shareholder meeting. Accordingly, the amounts committed under the FNFI Equity Commitment and the GSO Equity Commitment with respect to the redemptions will not be utilized.

(C) **Criteria Used in Determining the Nature and Amount of Consideration.**

The basis and terms of the Merger Agreement, including the nature and amount of consideration for FGL, were determined by arms' length negotiation between unrelated parties with advice of their respective financial, legal and other advisors. The Purchase Price was determined in view of the financial position and results of operation of FGL and its subsidiaries to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as the Applicants considered relevant under the circumstances. The consideration for the Purchase Price is supported by the work of an independent, third party financial advisor.

(D) **<u>Confidentiality of Lender's Information in the Ordinary Course of Business</u>.**

The source of the consideration did not include a loan from a third party.

**Item 5. Future Plans for Insurer.**

The Applicants have a strategic vision for the Domestic Insurer and its affiliates which is based on the following considerations:

- stable long-term profile of fixed income annuity, multi-year guaranteed annuity and indexed universal life reserves allows for a prudent long-term investment strategy;

- the long-term need for guaranteed income retirement products to support U.S. "baby boomer" demographics;

- preserving the Domestic Insurer's high quality, well-run business with an excellent management team;

- remaining a part of the Iowa community and retaining the Domestic Insurer's employees and headquarters in Des Moines where the Domestic Insurer benefits from unique access to a pool of talented insurance professionals to grow the team, as well as a strong relationship with a respected insurance regulator that understands its products and business well; and

- the prudent stewardship of savings and investments on behalf of over 700,000 policyholders.

To this end, the Applicants' Business Plan provides for the Applicants and the Domestic Insurer to:

- continue prudent growth, while maintaining risk profile, stable operating performance and strong capitalization to support policyholders;

- enhance earnings and capitalization through an established, fully collateralized modified coinsurance reinsurance structure that keeps assets and liabilities onshore;

- focus on improving its ratings profile and maintaining more than 400% pro forma company action level risk-based capital to support policyholders and improve competitive positioning;

  - with no capital leaving the consolidated insurance group from the Proposed Acquisition.

- seek prior approval of the Commissioner over all dividends for a period of three years following the Closing;

- prudently enhance investment performance by leveraging Blackstone's best-in-class experience investing over a long-term horizon on behalf of leading pension funds, endowments and sovereign wealth funds;

- enter into an investment management agreement with affiliates of the Applicants;

- cause the new, affiliated Bermuda reinsurer to enter into a capital maintenance letter as described in Item 5(B)(3) below;

- seek the Commissioner's pre-approval of any affiliate transactions;

- maintain Iowa domicile;

- maintain current management team and employee base;

- remain publicly traded post-Closing, ensuring transparency and access to capital markets; and

- ensure continuity for cedants and policyholders through the parallel acquisition of Front Street Re as described in Item 5(A) below.

Other than as described in this Item 5, the Applicants have no present plans to cause the Domestic Insurer to declare a dividend (except for the Extraordinary Dividend which will be used to capitalize the Bermuda reinsurance affiliate as described in Item 5(B)(3) below and in the Form D filed concurrently with this Application), to liquidate the Domestic Insurer, to sell any of its assets (except for investment transactions and minor asset dispositions in the ordinary course of business and except with respect to the reinsurance transaction described in this Item 5), to merge the Domestic Insurer with any person or persons, or to make any other material change to the Domestic Insurer's business operations, corporate structure or management.

The Applicants reserve the right, after the consummation of the Proposed Acquisition, to review any of the Domestic Insurer's assets, name, corporate structure, capitalization, dividend policy, operations, products and services, Articles of Incorporation, by-laws, management and personnel and, subject to applicable state insurance regulatory requirements, including those under applicable law, to make any further changes that the Applicants deem necessary in light of such review or future developments. In each case, all such actions will be undertaken in accordance with applicable law, including any required regulatory approvals.

A copy of the Business Plan for the Domestic Insurer, including financial projections, has been filed separately under confidential cover as Exhibit 11.

(A) **Transactions Proposed to Occur At the Closing.**

**1. Potential Purchase of Two Reinsurance Subsidiaries**

On May 24, 2017 Parent, CF Corp., HRG Group, Inc., Front Street Re (Delaware) Ltd., Front Street Re (Cayman) Ltd. and Front Street Re Ltd. entered into a Stock Purchase Agreement (the "Stock Purchase Agreement"). Front Street Re (Cayman) Ltd. and Front Street Re Ltd. (the

"Reinsurers") are wholly-owned subsidiaries of FS Holdco, and their primary function is reinsuring insurance business of affiliates. Pursuant to the Stock Purchase Agreement, Parent will purchase the Reinsurers upon the Closing. With the consent of Front Street Re (Delaware) Ltd., Parent may assign its right to acquire Front Street Re Ltd. to an affiliate wholly-owned by CF Corp. The Proposed Acquisition is not conditioned on this transaction. However, the acquisition of the Reinsurers is conditioned on the Closing.

(B) **Transactions Proposed to Occur At or Immediately After the Closing.**

**1. Modified Coinsurance Agreement**

On or immediately following the Closing, pursuant to a Modified Coinsurance Agreement (the "Modco Agreement") to be entered into by the Domestic Insurer and a reinsurance company to be organized under the laws of Bermuda as a wholly-owned subsidiary of CF Bermuda ("Bermuda Re"), the Domestic Insurer plans to cede to Bermuda Re, on a modified coinsurance basis, specified percentages set forth in the Modco Agreement of certain insurance liabilities, including liabilities under certain of the Domestic Insurer's fixed indexed, multi-year guaranteed and deferred annuities and indexed universal life businesses. On July 11, 2017, the Applicants, on behalf of the Domestic Insurer, filed a Form D seeking the Division's approval of the new Modco Agreement.

**2. Refinancing of FGL Holdings Debt**

On May 24, 2017, Parent entered into a debt commitment letter with Royal Bank of Canada ("RBC") and RBC Capital Markets, LLC ("RBCCM"), pursuant to which RBC committed to provide up to $425 million of senior unsecured increasing rate loans (the "Bridge Loans") minus the amount of gross proceeds from the issuance of senior unsecured notes on or prior to the Closing and available at the Closing to fund the Debt Refinancing (as defined below).

On May 31, 2017, Parent entered into an amended and restated debt commitment letter (the "Debt Financing Commitment") with RBC, RBCCM, Bank of America, N.A. ("Bank of America") and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPFS"), which provided that each of RBC and Bank of America committed to provide 50 percent of the Bridge Loans.

The purpose of the Bridge Loans is to repay and terminate the existing indebtedness under the: (i) Credit Agreement, dated August 26, 2014 (as amended, restated, supplemented or otherwise modified, the "Credit Agreement"), by and among FGL Holdings, as borrower, the Royal Bank of Canada, as administrative agent and the other agents and lenders from time to time party thereto, including any successor credit agreement having terms substantially similar to the terms of such Credit Agreement, and (ii) public Indenture, dated March 27, 2013 (as amended, supplemented or otherwise modified, including pursuant to the First Supplemental Indenture, dated March 27, 2013, the "Indenture"), by and among FGL Holdings, as issuer, certain subsidiaries of FGL Holdings from time to time party thereto and Wells Fargo Bank, National Association, as trustee, and to pay the costs and expenses related to the foregoing (the "Debt Refinancing") in the event that the Credit Agreement is not replaced and/or the Credit

Agreement or the Indenture are not amended to permit the transaction. A copy of the Debt Financing Commitment is attached as Exhibit 12.

### 3. Extraordinary Dividend

On or immediately following the Closing, the Domestic Insurer is proposing to pay to FGL Holdings an extraordinary dividend in an aggregate amount equal to $600 million (the "Extraordinary Dividend"). FGL Holdings will then make a distribution of the proceeds of the Extraordinary Dividend to FGL, which will then pay such proceeds in the form of a dividend to Parent. Parent will then use such proceeds to repay a short-term shareholder loan from CF Bermuda, which will then contribute that amount to Bermuda Re immediately prior to the entry into the Modco Agreement.

In connection with the Extraordinary Dividend and capitalization of Bermuda Re, and entry into the Modco Agreement, Bermuda Re will enter into a capital maintenance letter (the "Capital Maintenance Letter") in the form attached as Exhibit 13.

The request for approval of the Extraordinary Dividend will be filed separately by the Domestic Insurer.

### 4. Affiliate Agreements

Immediately following the Closing, the Applicants plan to cause the Domestic Insurer, to become party to an investment management agreement with a newly formed affiliate of Blackstone, which will provide for an all-in investment management fee of 30 basis points, inclusive of the existing Domestic Insurer's team's costs. On July 11, 2017, the Applicants, on behalf of the Domestic Insurer, filed a Form D seeking the Division's approval of the new investment management agreement.

## Item 6. Voting Securities to be Acquired.

FGL Holdings currently owns 100% of the outstanding voting securities of the Domestic Insurer. As a result of the Proposed Acquisition, the Applicants will become controlling persons of the Domestic Insurer as a result of Parent acquiring 100% of the issued and outstanding shares of the Domestic Insurer pursuant to the Merger Agreement. Except for rights to acquire voting securities provided for or referenced in the Merger Agreement, none of the Applicants, their affiliates or the persons listed in Item 2 currently intends to acquire any voting securities issued by the Domestic Insurer or any of its controlling persons.

The terms and conditions of the transactions described in the prior paragraph are set forth in the Merger Agreement attached hereto as Exhibit 1, the BTO Equity Commitment attached as Exhibit 2, the FNFI Equity Commitment attached as Exhibit 3 and the GSO Equity Commitment attached as Exhibit 4 and the Backstop Equity Commitment attached as Exhibit 5 as discussed in Items 1 and 4 above. The terms and conditions of such agreements were agreed upon in an arms' length negotiation.

**Item 7. Ownership of Voting Securities.**

FGL Holdings currently owns 100% of the outstanding voting securities of the Domestic Insurer. None of the Applicants, their affiliates or the persons listed in Item 2 currently beneficially owns any voting securities issued by the Domestic Insurer or any of its controlling persons. Except for rights to acquire voting securities provided for or referenced in the Merger Agreement, none of the Applicants, their affiliates or the persons listed in Item 2 has any right to acquire beneficial ownership of any voting security issued by the Domestic Insurer or any of its controlling persons.

**Item 8. Contracts, Arrangements or Understandings with Respect to Voting Securities of the Insurer.**

At the Closing, CF Corp., CFS Holdings, Mr. Chu and Mr. Foley expect to enter into a nominating and voting agreement (the "Voting Agreement") pursuant to which CFS Holdings, Mr. Chu and Mr. Foley will collectively have the right to nominate one director of each class of directors on the board of directors of CF Corp. The Voting Agreement also will provide that each of CFS Holdings, Mr. Chu and Mr. Foley will agree to vote its or his respective shares for each director so nominated. The Voting Agreement would be intended to preserve continuity of leadership of the founding sponsors and lead investor to preserve the FGL investment thesis and long-term perspective upon which CF Corp. was founded. Other than the Voting Agreement and the transactions described in this Application, including the Merger Agreement, the BTO Equity Commitment, the FNFI Equity Commitment, the GSO Equity Commitment, the Backstop Equity Commitment and the Modco Agreement, there are no written or oral agreements, arrangements or undertakings between the Applicants, their affiliates or the persons listed in Item 2 and any other person with respect to any voting security of the Domestic Insurer or any of its controlling persons.

**Item 9. Recent Purchases of Voting Securities.**

During the last 12 calendar months preceding the filing of this Application, none of the Applicants, their affiliates or the persons listed in Item 2 has purchased any voting securities of the Domestic Insurer or any of its controlling persons.

**Item 10. Recent Recommendations to Purchase.**

None of the Applicants, their affiliates, nor, to the knowledge of the Applicants, any person listed in Item 2 has made any recommendations to purchase any voting security of the Domestic Insurer during the 12 calendar months preceding the date of this Application. No one, based upon interviews with or at the suggestion of the Applicants, their affiliates, or, to the knowledge of the Applicants, any person listed in Item 2, has made any recommendations to purchase any voting security of the Domestic Insurer during the 12 calendar months preceding the date of this Application.

**Item 11. Agreements with Broker-Dealers.**

Except for the agreements with Lazard Frères & Co. LLC, who acted as financial advisors in connection with the acquisition of the Domestic Insurer and its affiliates, no agreement, contract or understanding has been made by the Applicants or their affiliates with any broker-dealer as to solicitation of voting securities of the Domestic Insurer for tender and no amount of fees, commissions, or other compensation have been paid by the Applicants or their affiliates to broker-dealers with regard to solicitation of voting securities of the Domestic Insurer for tender.

**Item 12. Financial Statements, Exhibits and Three-Year Financial Projections.**

(A) **Exhibits.**

A list of Exhibits to this Application immediately follows the response to this Item 12.

(B) **Financial Statements.**

The financial statements of the Applicants that are attached as Exhibit 14 and related descriptions are as follows:

(a) Merger Sub does not have financial statements as this entity was recently formed and will merge with and into FGL prior to the Closing;

(b) Parent does not have financial statements as this entity is newly formed.

(c) CF Bermuda does not have financial statements as this entity is newly formed.

(d) CF Corp.'s audited annual financial statement for the year ending December 31, 2016 is attached as part of Exhibit 14. CF Corp. does not have financial statements for years prior to 2016 because it was incorporated in March 2016.

(e) FNFI's audited annual financial statements for the 2012, 2013, 2014, 2015 and 2016 fiscal years are attached as part of Exhibit 14.

(f) Blackstone's audited annual financial statements for the 2012, 2013, 2014, 2015 and 2016 fiscal years are attached as part of Exhibit 14.

(C) **Tender Offers, Exchange Offers and Agreements to Acquire or Exchange any Voting Securities.**

The Applicants are not aware of any tender offers for, requests or invitations for tenders of, exchange offers for and agreements to acquire or exchange any voting securities of the Domestic Insurer or any additional soliciting material relating thereto. The Applicants have not proposed or entered into any employment, consultation, advisory or management contracts concerning the Domestic Insurer. The Applicants expect to review existing employment agreements with employees of FGL and its subsidiaries and certain of those employees may enter into new or revised employment arrangements.

None of the Applicants have issued annual reports to their respective shareholders.

(D) **Competitive Impact.**

The Applicants previously supplied to the Division an analysis of competitive impact and such information is on file with the Division.

On June 16, 2017, the Applicants were notified that their and the Domestic Insurer's joint request for early termination of the waiting period under the Hart-Scott-Rodino Act had been granted by the Federal Trade Commission.

An index of the Exhibits to this Application follows:[*]

| Exhibit Number | Exhibit Title |
|---|---|
| 1 | Merger Agreement[†] |
| 2 | BTO Equity Commitment* |
| 3 | FNFI Equity Commitment* |
| 4 | GSO Equity Commitment* |
| 5 | Backstop Equity Commitment* |
| 6 | Organizational Chart Prior to the Change of Control* |
| 7 | Organizational Chart Following the Change of Control*, including Organizational Chart of BTO Fund* and Organizational Chart of FNFI[†] |
| 8 | Directors, Officers and Owners of 10 Percent or More of the Voting Securities of Any of the Applicants |
| 9 | Board Designees of the Domestic Insurer |
| 10 | Biographical Affidavits* |
| 11 | Business Plan (and Three-Year Financial Projections)* |
| 12 | Debt Financing Commitment* |
| 13 | Capital Maintenance Letter* |
| 14 | Financial Statements* |
| 15 | Merger Agreement Disclosure Letters* |

[*] Applicants are requesting confidential treatment with respect to the information contained in the exhibits marked with an asterisk and will be filing such information under separate cover as part of the Confidential Supplement to this Application.

[†] On file with the Department as part of the Original Application.

**Item 13. Agreement Requirements for Enterprise Risk Management.**

The Applicants agree to provide, to the best of their knowledge and belief, the information required by Form F within 15 days after the end of the month in which the acquisition of control occurs.

**Item 14. Signature and Certification.**

[*Signature Pages Follow.*]

**SIGNATURE**

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, CF CORPORATION has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 28th day of June, 2017.

(SEAL):

State of New York
County of New York

Julian M. Hill

*(Signature of Notary)*

JULIAN M HILL
Notary Public, State of New York
No. 01HI6233785
Qualified in New York County
Commission Expires Dec. 27, 2018

CF CORPORATION

By:___________________________________

Name: Chinh E. Chu

Title: Co-Executive Chairman

Attest:

___________________________________

(Signature of Officer of CF Corporation)

CHIEF FINANCIAL OFFICER

(Title)

**CERTIFICATION**

The undersigned deposes and says that deponent has duly executed the attached application dated June 28th, 2017 for and on behalf of CF CORPORATION that deponent is the Co-Executive Chairman of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By:___________________________________

Name: Chinh E. Chu

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, FGL MERGER SUB INC. has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 27t day of June, 2017.

L):

(Signature of Notary)

KERRY O'DONNELL
NOTARY PUBLIC-STATE OF NEW YORK
NO 01OD6339001
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES 03-21-2020

FGL MERGER SUB INC.

By: ____________________
Name: Menes O. Chee
Title: President and Secretary

Attest:

____________________
Menes O. Chee

President and Secretary
(Title)

## CERTIFICATION

The undersigned deposes and says that deponent has duly executed the attached application dated June 27th, 2017 for and on behalf of FGL MERGER SUB INC. that deponent is the President and Secretary of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By: ____________________
Name: Menes O. Chee

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, FGL US HOLDINGS INC. has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 27th day of June, 2017.

FGL US HOLDINGS INC.

By: [signature]
Name: Menes O. Chee
Title: President and Secretary

[signature]
*(Signature of Notary)*

KERRY O'DONNELL
NOTARY PUBLIC-STATE OF NEW YORK
NO 01OD6339001
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES 03-21-2020

Attest:

[signature]
Menes O. Chee

President and Secretary
(Title)

## CERTIFICATION

The undersigned deposes and says that deponent has duly executed the attached application dated June 27th, 2017 for and on behalf of FGL US HOLDINGS INC. that deponent is the President and Secretary of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By: [signature]
Name: Menes O. Chee

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, CF BERMUDA HOLDINGS LIMITED has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 27th day of June, 2017.

CF BERMUDA HOLDINGS LIMITED

By: ______________________

Name: Menes O. Chee

Title: Director

(Signature of Notary)

KERRY O'DONNELL
NOTARY PUBLIC-STATE OF NEW YORK
NO 01OD6339001
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES 03-21-2020

Attest:

______________________

Menes O. Chee

Director
(Title)

## CERTIFICATION

The undersigned deposes and says that deponent has duly executed the attached application dated June 27th, 2017 for and on behalf of CF BERMUDA HOLDINGS LIMITED that deponent is the Director of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By: ______________________

Name: Menes O. Chee

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, CHINH E. CHU has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 28th day of June, 2017.

CHINH E. CHU

By:________________________

## CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated June 28th, 2017 and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By:________________________

Name: Chinh E. Chu

STATE OF New York (SS:
County of New York

Subscribed and sworn to me this 28th day of June, 2017

By: Julian M. Hill

*(Signature of Notary)*

(SEAL):

JULIAN M HILL
Notary Public, State of New York
No. 01HI6233785
Qualified in New York County
Commission Expires Dec. 27, 2018

**SIGNATURE**

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, WILLIAM P. FOLEY, II has caused this application to be duly signed on its behalf in the City of Deer Lodge and State of MT, on the 28 day of June, 2017.

WILLIAM P. FOLEY, II

By:____________________

**CERTIFICATION**

The undersigned deposes and says that he has duly executed the attached application dated June 28, 2017 and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By:____________________

Name: William P. Foley, II

Subscribed and sworn to me this 28 day of June, 2017

By: Carrie Lease

*(Signature of Notary)*

(SEAL)

CARRIE LEASE NOTARIAL SEAL STATE OF MONTANA

CARRIE LEASE
NOTARY PUBLIC for the
State of Montana
Residing at Deer Lodge, MT
My Commission Expires
August 14, 2019

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, FIDELITY NATIONAL FINANCIAL, INC. has caused this application to be duly signed on its behalf in the City of ____________ and State of _________, on the ____ day of _______, 2017.

(SEAL):
KRYSTAL M. HOLMES
Notary Public State of Nevada
No. 05-96879-1
My Appt. Exp. May 20, 2021

*(Signature of Notary)*

FIDELITY NATIONAL FINANCIAL, INC.

By:______________________________
Name: Michael L. Gravelle
Title: Executive Vice President, General Counsel and Corporate Secretary

Attest:

______________________________
(Signature of Officer of Fidelity National Financial, Inc.)

Vice President, Corporate Finance
(Title)

## CERTIFICATION

The undersigned deposes and says that deponent has duly executed the attached application dated June 28, 2017 for and on behalf of FIDELITY NATIONAL FINANCIAL, INC. that deponent is the Executive Vice President, General Counsel and Corporate Secretary of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By:______________________________
Name: Michael L. Gravelle

**SIGNATURE**

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, CFS HOLDINGS (CAYMAN), LP has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 28th day of June, 2017.

CFS HOLDINGS (CAYMAN), LP

By: ______________________
Name: Christopher J. James
Title: Authorized Signatory

(Signature of Notary)

KERRY O'DONNELL
NOTARY PUBLIC-STATE OF NEW YORK
NO 01OD6339001
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES 03-21-2020

Attest:
CFS Holdings (Cayman) Manager L.L.C., its general partner

______________________
(Signature of Menes O. Chee)

Manager
(Title)

**CERTIFICATION**

The undersigned deposes and says that deponent has duly executed the attached application dated June 28th, 2017 for and on behalf of CFS HOLDINGS (CAYMAN), LP that deponent is the Authorized Signatory of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By: ______________________
Name: Christopher J. James

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, CFS HOLDINGS II (CAYMAN), LP has caused this application to be duly signed on its behalf in the City of New York and State of New York on the 28th day of June, 2017.

CFS HOLDINGS II (CAYMAN), LP

By: ______________________________
Name: Christopher J. James
Title: Authorized Signatory

______________________________
*(Signature of Notary)*

KERRY O'DONNELL
NOTARY PUBLIC-STATE OF NEW YORK
NO 01OD6339001
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES 03-21-2020

Attest:
CFS Holdings (Cayman) Manager L.L.C., its general partner

______________________________
(Signature of Menes O. Chee)

Manager
(Title)

## CERTIFICATION

The undersigned deposes and says that deponent has duly executed the attached application dated June 28th, 2017 for and on behalf of CFS HOLDINGS II (CAYMAN), LP that deponent is the Authorized Signatory of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By: ______________________________
Name: Christopher J. James

**SIGNATURE**

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, BLACKSTONE GROUP MANAGEMENT L.L.C. has caused this application to be duly signed on its behalf in the City of New York and State of New York on the 4th day of August, 2017.

*(SEAL):*

**Don Franklin Irwin**
**Notary Public, State of New York**
**No. 01IR6329710**
**Qualified in Kings County**
**My Commission Expires Aug 31, 2019**

*(Signature of Notary)*

BLACKSTONE GROUP MANAGEMENT L.L.C.

By: ____________________
Name: John G. Finley
Title: Chief Legal Officer

Attest: Kathleen Skero

(Signature of Officer of Blackstone Group Management L.L.C.)

Authorized Person
(Title)

**CERTIFICATION**

The undersigned deposes and says that deponent has duly executed the attached application dated August 4th, 2017 for and on behalf of BLACKSTONE GROUP MANAGEMENT L.L.C. that deponent is the Chief Legal Officer of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By: ____________________
Name: John G. Finley

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, THE BLACKSTONE GROUP L.P. has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 4th day of August, 2017.

*(SEAL):*

Don Franklin Irwin
Notary Public, State of New York
No. 01IR6329710
Qualified in Kings County
My Commission Expires Aug 31, 2019

*(Signature of Notary)*

THE BLACKSTONE GROUP L.P.

By: Blackstone Group Management L.L.C., its General Partner

By:____________________
Name: John G. Finley
Title: Chief Legal Officer

Attest: Kathleen Skero

____________________
(Signature of Officer of The Blackstone Group L.P.)

Authorized Person
(Title)

## CERTIFICATION

The undersigned deposes and says that deponent has duly executed the attached application dated August 4th, 2017 for and on behalf of THE BLACKSTONE GROUP L.P. that deponent is the Chief Legal Officer of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By:____________________
Name: John G. Finley

**SIGNATURE**

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, BLACKSTONE HOLDINGS III GP MANAGEMENT L.L.C. has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 4th day of August, 2017.

*(SEAL):*

**Don Franklin Irwin**
**Notary Public, State of New York**
**No. 01IR6329710**
**Qualified in Kings County**
**My Commission Expires Aug 31, 2019**

*(Signature of Notary)*

BLACKSTONE HOLDINGS III GP MANAGEMENT L.L.C.

By:____________________
Name: John G. Finley
Title: Chief Legal Officer

Attest: Tabea Hsi

(Signature of Officer of Blackstone Holdings III GP Management L.L.C.)

Authorized Person
(Title)

**CERTIFICATION**

The undersigned deposes and says that deponent has duly executed the attached application dated August 4th, 2017 for and on behalf of BLACKSTONE HOLDINGS III GP MANAGEMENT L.L.C. that deponent is the Chief Legal Officer of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By:____________________
Name: John G. Finley

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, BLACKSTONE HOLDINGS III GP L.P. has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 4th day of August, 2017.

*(SEAL):*

**Don Franklin Irwin**
**Notary Public, State of New York**
**No. 01IR6329710**
**Qualified in Kings County**
**My Commission Expires Aug 31, 2019**

*(Signature of Notary)*

BLACKSTONE HOLDINGS III GP L.P.

By: Blackstone Holdings III GP Management L.L.C., its General Partner

By:____________________
Name: John G. Finley
Title: Chief Legal Officer

Attest: Tabea Hsi

(Signature of Officer of Blackstone Holdings III GP L.P.)

Authorized Person
(Title)

## CERTIFICATION

The undersigned deposes and says that deponent has duly executed the attached application dated August 4th, 2017 for and on behalf of BLACKSTONE HOLDINGS III GP L.P. that deponent is the Chief Legal Officer of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By:____________________
Name: John G. Finley

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, BLACKSTONE HOLDINGS III L.P. has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 4th day of August, 2017.

*(SEAL):*

**Don Franklin Irwin**
**Notary Public, State of New York**
**No. 01IR6329710**
**Qualified in Kings County**
**My Commission Expires Aug 31, 2019**

*(Signature of Notary)*

BLACKSTONE HOLDINGS III L.P.

By: Blackstone Holdings III GP L.P., its General Partner
By: Blackstone Holdings III GP Management L.L.C., its General Partner

By:________________
Name: John G. Finley
Title: Chief Legal Officer

Attest: Tabea Hsi

(Signature of Officer of Blackstone Holdings III L.P.)

Authorized Person
(Title)

## CERTIFICATION

The undersigned deposes and says that deponent has duly executed the attached application dated August 4th, 2017 for and on behalf of BLACKSTONE HOLDINGS III L.P. ~~that~~ deponent is the Chief Legal Officer of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By:________________
Name: John G. Finley

**SIGNATURE**

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, BLACKSTONE TACTICAL OPPORTUNITIES LR ASSOCIATES-B (CAYMAN) LTD. has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 8th day of August, 2017.

BLACKSTONE TACTICAL OPPORTUNITIES LR ASSOCIATES-B (CAYMAN) LTD.

By: Blackstone Capital Partners Holdings Director L.L.C., its sole director

By: ______________________
Name: Christopher J. James
Title: Authorized Signatory

______________________
*(Signature of Notary)*

KERRY O'DONNELL
NOTARY PUBLIC-STATE OF NEW YORK
NO 01OD6339001
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES 03-21-2020

Attest:

______________________
(Signature of Officer of Blackstone Tactical Opportunities LR Associates-B (Cayman) Ltd.)

Authorized Signatory
(Title)

**CERTIFICATION**

The undersigned deposes and says that deponent has duly executed the attached application dated August 8th, 2017 for and on behalf of BLACKSTONE TACTICAL OPPORTUNITIES LR ASSOCIATES-B (CAYMAN) LTD. that deponent is the Authorized Signatory of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By: ______________________
Name: Christopher J. James

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, CFS HOLDINGS (CAYMAN) MANAGER L.L.C. has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 28th day of June, 2017.

(SEAL):

CFS HOLDINGS (CAYMAN) MANAGER L.L.C.

By: Blackstone Tactical Opportunities Management Associates (Cayman) L.P., its manager member
By: BTO GP L.L.C., its General Partner

By: ______________________
Name: Christopher J. James
Title: Authorized Signatory

______________________
*(Signature of Notary)*

KERRY O'DONNELL
NOTARY PUBLIC-STATE OF NEW YORK
NO 01OD6339001
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES 03-21-2020

Attest:

______________________
(Signature of Menes O. Chee)

Manager
(Title)

## CERTIFICATION

The undersigned deposes and says that deponent has duly executed the attached application dated June 28th, 2017 for and on behalf of CFS HOLDINGS (CAYMAN) MANAGER L.L.C. that deponent is the Authorized Signatory of such company; and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By: ______________________
Name: Christopher J. James

# NOTARIAL CERTIFICATE

## TO ALL TO WHOM THESE PRESENTS SHALL COME

**I, TAN CHYE KWEE,** Notary Public, duly authorised and appointed, practising in the Republic of Singapore do hereby **CERTIFY AND ATTEST** that I was present on the 10th day of August 2017 and did see **Kishore K. Moorjani,** the person named and described in the **Certification** attached hereto duly sign the same and that the name **"Kishore K. Moorjani"** thereto subscribed is of the proper handwritings of the said **Kishore K. Moorjani**.

**IN FAITH AND TESTIMONY** whereof I have hereunto subscribed my name and affixed my Seal of Office this 10th day of August in the Year of Our Lord Two Thousand and Seventeen.

**WHICH I ATTEST**

**Notary Public**
**Singapore**

NOTARY PUBLIC
Tan Chye Kwee
N2017/0301
1 Apr 2017 – 31 Mar 2018
SINGAPORE

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, KISHORE K. MOORJANI has caused this application to be duly signed on his behalf in the City of SINGAPORE and Country of SINGAPORE, on the 10TH day of AUGUST 2017.

KISHORE K. MOORJANI

By:____________________________

## CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated 10TH DAY OF AUGUST, 2017 and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By:____________________________

Name: Kishore K. Moorjani

Subscribed and sworn to me this 10TH day of AUGUST, 2017

By: ____________________________

*(Signature of Notary)*

(SEAL):

NOTARY PUBLIC
Tan Chye Kwee
N2017/0301
1 Apr 2017 – 31 Mar 2018
SINGAPORE

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, ANDREA VALERI has caused this application to be duly signed on his behalf in the City of London and Country of England, on the 31st day of July 2017.

ANDREA VALERI

By: ______________________

## CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated 31st July, 2017 and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: ______________________

Name: Andrea Valeri

Subscribed and sworn to me this 31st day of JULY, 2017

By: Sophie Milburn np.

*(Signature of Notary)*

Notary Public London, England (Sophie J. Milburn)
My Commission expires at Death

SAVILLE & CO.
Notaries
One Carey Lane
London EC2V 8AE
Tel: +44 (0)20 7920 0000

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, QASIM ABBAS has caused this application to be duly signed on his behalf in the City of LONDON and Country of UNITED KINGDOM, on the 26 day of JULY 2017.

QASIM ABBAS

By: ____________________

## CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated 26 JULY, 2017 and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: ____________________
Name: Qasim Abbas

**KINGDOM OF ENGLAND**
**CITY OF LONDON** } **SS**

Subscribed and sworn to me this 26 day of July, 2017

By: ____________________
*(Signature of Notary)*

**Notary Public London, England (Richard J. Saville)**

**My Commission expires at Death**

SAVILLE & Co
NOTARY PUBLIC
Telephone: +44 (0)20 7776 9800
www.savillenotaries.com

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, MALCOLM P. JACKSON has caused this application to be duly signed on his behalf in the City of LONDON and Country of UNITED KINGDOM, on the 26 day of JULY 2017.

MALCOLM P. JACKSON

By: [signature]

## CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated 26 JULY, 2017 and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: [signature]
Name: Malcolm P. Jackson

**KINGDOM OF ENGLAND**
**CITY OF LONDON** } **SS**

Subscribed and sworn to me this 26 day of July, 2017

By: [signature]
*(Signature of Notary)*

**Notary Public London, England (Richard J. Saville)**

**My Commission expires at Death**

SAVILLE & CO.
Notaries
One Carey Lane, London EC2V 8AE
Telephone: +44 (0)20 7920 0000
Fax: +44 (0)20 7920 0088
www.savillenotaries.com

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, STEPHEN A. SCHWARZMAN has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 9th day of August, 2017.

STEPHEN A. SCHWARZMAN

By: Stephen A. Daly

## CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated August 9th, 2017 and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: Stephen A. Daly
Name: Stephen A. Schwarzman

Subscribed and sworn to me this 9th day of August, 2017

By: Rhonda Coleman
(Signature of Notary)

(SEAL):

RHONDA COLEMAN
NOTARY PUBLIC-STATE OF NEW YORK
No. 01CO6330815
Qualified in Queens County
My Commission Expires September 28, 2019

## SIGNATURE

Pursuant to the requirements of Iowa Code section 521A.3 and Regulation 3.01, MENES O. CHEE has caused this application to be duly signed on its behalf in the City of NewYork and State of NewYork, on the 27t day of June, 2017.

MENES O. CHEE

By:____________________

## CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated June 27t, 2017 and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By:____________________
Name: Menes O. Chee

Subscribed and sworn to me this 27t day of June, 2017

By:____________________
*(Signature of Notary)*

(SEAL):

KERRY O'DONNELL
NOTARY PUBLIC-STATE OF NEW YORK
NO 01OD6339001
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES 03-21-2020

EXHIBIT 1

**Execution Version**

# AGREEMENT AND PLAN OF MERGER

by and among

**CF CORPORATION,**

**FGL US HOLDINGS INC.,**

**FGL MERGER SUB INC.**

and

**FIDELITY & GUARANTY LIFE**

Dated as of May 24, 2017

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SCHEDULES

**AGREEMENT AND PLAN OF MERGER**

This AGREEMENT AND PLAN OF MERGER (together with all annexes, letters, schedules and exhibits hereto, this "Agreement"), dated as of May 24, 2017, is by and among CF Corporation, a Cayman Islands exempted corporation ("CF Corp"), FGL US Holdings Inc., a Delaware corporation and wholly owned indirect subsidiary of CF Corp ("Parent"), FGL Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of Parent ("Merger Sub"), and Fidelity & Guaranty Life, a Delaware corporation (the "Company").

W I T N E S S E T H:

WHEREAS, the Company and Merger Sub each has determined that it is advisable, fair to and in the best interests of its respective stockholders to effect a merger (the "Merger") of Merger Sub with and into the Company pursuant to the Delaware General Corporation Law (the "DGCL") upon the terms and subject to the conditions set forth in this Agreement, pursuant to which each outstanding share of common stock, par value $0.01 per share, of the Company (the "Company Common Stock") shall be converted into the right to receive cash, as set forth herein, all upon the terms and subject to the conditions of this Agreement;

WHEREAS, the Board of Directors of the Company (the "Company Board of Directors") has (i) determined that this Agreement, the Merger and the other transactions contemplated hereby, taken together, are at a price and on terms that are fair to, advisable and in the best interests of the Company and its stockholders (the "Company Stockholders") and (ii) adopted resolutions adopting and approving this Agreement, the Merger and the other transactions contemplated hereby, declaring its advisability and recommending the adoption by the Company Stockholders of this Agreement, the Merger and the other transactions contemplated hereby;

WHEREAS, following the execution and delivery of this Agreement, and as a condition and material inducement to CF Corp's, Parent's and Merger Sub's willingness to enter into this Agreement, a certain stockholder of the Company is executing and delivering to the Company and CF Corp an irrevocable written consent pursuant to which such holder shall approve and adopt this Agreement in accordance with Sections 228 and 251(c) of the DGCL;

WHEREAS, the Board of Directors of Merger Sub has (i) determined that this Agreement, the Merger and the other transactions contemplated hereby, taken together, are at a price and on terms that are fair to, advisable and in the best interests of Merger Sub and its sole stockholder and (ii) adopted resolutions adopting and approving this Agreement, the Merger and the other transactions contemplated hereby, declaring its advisability and recommending the adoption by its sole stockholder of this Agreement, the Merger and the other transactions contemplated hereby;

WHEREAS, the Board of Directors of each of CF Corp and Parent, and Parent, as the sole stockholder of Merger Sub, in each case has approved and adopted this Agreement, the Merger and the other transactions contemplated hereby;

WHEREAS, concurrently with the execution and delivery of this Agreement, CF Corp is delivering to the Company the Equity Commitment Letters whereby Blackstone Tactical

Opportunities Fund II L.P. (the "Blackstone Fund"), GSO Capital Partners LP (the "GSO Fund") and Fidelity National Financial, Inc. ("FNF") have each committed to provide or cause to be provided to CF Corp a portion of the equity financing necessary to fund the transactions contemplated hereby;

WHEREAS, concurrently with the execution and delivery of this Agreement, CF Corp is delivering to the Company (i) a limited guaranty of the Blackstone Fund, dated as of the date hereof, in favor of the Company (the "Blackstone Fund Limited Guaranty"), whereby the Blackstone Fund has guaranteed certain obligations of CF Corp, Parent and Merger Sub under this Agreement, (ii) a limited guaranty of the GSO Guarantors, dated as of the date hereof, in favor of the Company (the "GSO Limited Guaranty"), whereby the GSO Guarantors have guaranteed certain obligations of CF Corp, Parent and Merger Sub under this Agreement, (iii) a limited guaranty of FNF, dated as of the date hereof, in favor of the Company (the "FNF Limited Guaranty"), whereby FNF has guaranteed certain obligations of CF Corp, Parent and Merger Sub under this Agreement and (iv) a limited guaranty of Chinh E. Chu and William P. Foley in favor of the Company (the "Fee Reimbursement Letter" and together with the Blackstone Fund Limited Guaranty, the GSO Limited Guaranty and the FNF Limited Guaranty, the "Limited Guaranties"); and

WHEREAS, concurrently with the execution and delivery of this Agreement, CF Corp is delivering to the Company (i) a letter agreement, dated as of the date hereof, by and among the Blackstone Fund, CF Corp and the Company (the "Blackstone Information Letter Agreement"), (ii) a letter agreement, dated as of the date hereof, by and among FNF, William P. Foley, CF Corp and the Company (the "FNF Information Letter Agreement") and (iii) a letter agreement, dated as of the date hereof, by and among CC Capital Management, LLC, Chinh E. Chu, CF Corp and the Company (together with the Blackstone Information Letter Agreement and the FNF Information Letter Agreement, the "Information Letter Agreements").

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, the parties agree as follows:

## ARTICLE I

## DEFINITIONS AND TERMS

Section 1.01 Defined Terms.

"Accommodation Filings" shall have the meaning set forth in Section 6.03(e).

"Action" shall mean any action, suit or proceeding by or before any Governmental Authority.

"Adverse Recommendation Change" shall have the meaning set forth in Section 6.06(b).

"Affiliate" of any Person shall mean another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person; provided, that Leucadia National Corporation and Fortress Investment Group LLC and their respective Affiliates, other than HRG Group, Inc. and its controlled Affiliates, shall not constitute “Affiliates” of the Company.

“Agreement” shall have the meaning set forth in the Preamble.

“Alternative Financing” shall have the meaning set forth in Section 6.10(c).

“Annual Financial Statements” shall have the meaning set forth in Section 6.10(a).

“Appraisal Shares” shall mean Shares issued and outstanding immediately prior to the Effective Time that are held by any holder who is entitled to demand and properly demands appraisal of such Shares pursuant to, and who complies with, the provisions of Section 262 of the DGCL.

“Benefit Plan” shall have the meaning set forth in Section 4.17(a).

“Blackstone Fund” shall have the meaning set forth in the Recitals.

“Blackstone Fund Limited Guaranty” shall have the meaning set forth in the Recitals.

“Blackstone Information Letter Agreement” shall have the meaning set forth in the Recitals.

“Book-Entry Share” shall mean each entry in the books of the Company (or its transfer agent) representing uncertificated Shares.

“Business Day” shall mean any day other than a Saturday, Sunday or a day on which banking institutions in New York, New York or Bermuda are authorized or obligated by Law or executive order to be closed.

“Certificate” shall mean each certificate representing one or more Shares or, in the case of uncertificated Shares, each Book-Entry Share.

“Certificate of Merger” shall mean the certificate of merger with respect to the Merger, containing the provisions required by, and executed in accordance with, the DGCL.

“CF Corp” shall have the meaning set forth in the Preamble.

“CF Corp Balance Sheet” shall mean the balance sheet of CF Corp as of December 31, 2016 and the footnotes thereto set forth in CF Corp’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

“CF Corp Class A Shares” shall have the meaning set forth in Section 5.03(a).

“CF Corp Class B Shares” shall have the meaning set forth in Section 5.03(a).

“CF Corp Disclosure Letter” shall mean the CF Corp Disclosure Letter dated the date hereof and delivered by CF Corp to the Company prior to the execution of this Agreement.

"CF Corp Financial Statements" shall mean all of the financial statements of CF Corp included in the CF Corp Reports.

"CF Corp Material Adverse Effect" shall mean a failure of, or a material impairment of, or material delay in, the ability of CF Corp and its Subsidiaries to perform their obligations under this Agreement.

"CF Corp Ordinary Shares" shall have the meaning set forth in Section 5.03(a).

"CF Corp Permits" shall mean all Permits necessary for the lawful conduct of the businesses of CF Corp and its Subsidiaries (but not including the Company or the Company Insurance Entities).

"CF Corp Preferred Shares" shall have the meaning set forth in Section 5.03(a).

"CF Corp Proxy Statement" shall mean a definitive proxy statement, including the related preliminary proxy statement, and any amendment or supplement thereto, relating to the Merger and this Agreement and the CF Corp Shareholder Proposals to be mailed to the CF Corp Shareholders in connection with the CF Corp Shareholders Meeting.

"CF Corp Reports" shall mean all forms, reports, statements, information, registration statements and other documents (as supplemented and amended since the time of filing) filed or required to be filed by CF Corp with the SEC.

"CF Corp Required Vote" shall mean the affirmative vote of the holders of a majority of the CF Corp Ordinary Shares voted at the CF Corp Shareholders Meeting to approve the CF Corp Shareholder Proposals.

"CF Corp Shareholder Proposals" shall have the meaning set forth in Section 6.05(b).

"CF Corp Shareholder Redemption" shall have the meaning set forth in Section 6.05(b).

"CF Corp Shareholders" shall mean the shareholders of CF Corp.

"CF Corp Shareholders Meeting" shall mean a meeting of the CF Corp Shareholders to be called to consider the CF Corp Shareholder Proposals, including giving effect to any adjournment or postponement thereof.

"CF Corp Shares" shall have the meaning set forth in Section 5.03(a).

"Change in Circumstance" shall mean any material event or development or material change in circumstance with respect to the Company or its Subsidiaries that was not known to the Company Board of Directors prior to the date hereof; provided, that for the avoidance of doubt the receipt or publication of a Takeover Proposal shall not constitute a Change in Circumstance.

"Closing" shall have the meaning set forth in Section 2.02.

"Closing Date" shall have the meaning set forth in Section 2.02.

"Code" shall mean the Internal Revenue Code of 1986.

"Committed Lenders" shall have the meaning set forth in Section 5.13(a).

"Company" shall have the meaning set forth in the Preamble.

"Company 10-K" shall mean the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2016.

"Company Balance Sheet" shall mean the consolidated balance sheet of the Company as of September 30, 2016 and the footnotes thereto set forth in the Company 10-K.

"Company Board of Directors" shall have the meaning set forth in the Recitals.

"Company By-laws" shall mean the Second Amended and Restated By-laws of the Company as amended and restated and as in effect as of the date hereof.

"Company Certificate of Incorporation" shall mean the Amended and Restated Certificate of Incorporation of the Company as amended and restated and as in effect as of the date hereof.

"Company Common Stock" shall have the meaning set forth in the Recitals.

"Company Disclosure Letter" shall mean the Company Disclosure Letter dated the date hereof and delivered by the Company to CF Corp prior to the execution of this Agreement.

"Company Employee" shall have the meaning set forth in Section 6.13(a).

"Company Equity Plan" shall mean the 2013 Stock Incentive Plan and any other plan or award agreement pursuant to which outstanding Company Stock Options, Company Performance RSUs and Company Restricted Stock Rights have been granted.

"Company Existing Credit Agreement" shall mean that certain Credit Agreement, dated as of August 26, 2014 (as amended, restated, supplemented or otherwise modified from time to time), by and among Fidelity & Guaranty Life Holdings, Royal Bank of Canada, as administrative agent, and the lenders party thereto, including any successor credit agreement having terms substantially similar to the terms of such Credit Agreement, as such terms may be amended or otherwise modified in accordance with the terms of this Agreement.

"Company Existing Credit Documents" shall mean, collectively, (a) the Company Existing Credit Agreement and (b) the Loan Documents (as defined in the Company Existing Credit Agreement).

"Company Existing Indenture" shall mean the Indenture, dated as of March 27, 2013 (as amended, supplemented or otherwise modified from time to time, including pursuant to the First Supplemental Indenture, dated as of March 27, 2013) by and among Fidelity & Guaranty Life

Holdings, as issuer, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as trustee.

"Company Existing Notes" means the 6.375% Senior Notes of the Company due March 27, 2021 issued under the Company Existing Indenture.

"Company Existing Notes Payoff Amount" means an amount sufficient to pay the redemption price of the Company Existing Notes, together with accrued interest thereon, on the Closing Date pursuant to Section 5.6 of the Company Existing Indenture.

"Company Financial Statements" shall mean all of the financial statements of the Company and its Subsidiaries included in the Company Reports.

"Company Insurance Entities" shall have the meaning set forth in Section 4.11(a).

"Company Material Adverse Effect" shall mean a material adverse effect on the financial condition or results of operations of the Company and its Subsidiaries, taken as a whole; provided, however, that in no event shall any of the following, alone or in combination, be deemed to constitute, nor be taken into account in determining whether there has been or will be, a Company Material Adverse Effect: (a) any change, event, effect or circumstance that results from changes affecting the life insurance and annuity industry, or the United States economy, or from changes affecting worldwide economic or capital market conditions, (b) any failure by the Company to meet any published analyst estimates or expectations of the Company's revenue, earnings or other financial performance or results of operations for any period, in and of itself (but not the underlying cause thereof), or any failure by the Company to meet its internal or published projections, budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations or any change in the price or trading volume of the Company Common Stock, in and of itself (but not the underlying cause thereof), (c) any change, event, effect or circumstance arising out of the announcement of this Agreement and the transactions contemplated hereby or the pendency of the Merger or the identity of the parties to this Agreement, including any termination of, reduction in or similar negative impact on relationships, contractual or otherwise, with any customers, suppliers, agents, policyholders, partners or employees of the Company and its Subsidiaries, (d) any actions taken or omitted to be taken in connection with this Agreement (including pursuant to Section 6.03) to obtain any consent, approval, authorization or waiver under applicable Law in connection with the Merger and the other transactions contemplated by this Agreement, (e) any changes in global or national political conditions (including the outbreak or escalation of war, military action, sabotage or acts of terrorism) or changes due to any pandemic, natural disaster or other act of nature, (f) the entering into and performance of this Agreement and the transactions contemplated hereby, including compliance with the covenants set forth herein, or any action taken or omitted to be taken by the Company at the request or with the prior consent of CF Corp, Parent or Merger Sub, (g) the effects of any breach, violation or non-performance of any provision of this Agreement by CF Corp, Parent or any of their Affiliates, (h) changes in or adoption of any applicable Laws or regulations or applicable accounting regulations or principles or interpretations thereof (including, changes in GAAP or in SAP prescribed or permitted by the applicable insurance regulatory authority and accounting pronouncements by the SEC, the National Association of Insurance Commissioners and the Financial Accounting Standards Board), (i) any pending, initiated or threatened Action against the Company, any of its Affiliates or any of their respective directors or officers arising out of this Agreement or the transactions contemplated hereby, (j) changes in the value of the Investment Assets, (k) any change or development in the credit, financial strength or other rating of the Company, any of its Subsidiaries or its outstanding debt (but not the underlying cause thereof, unless the underlying cause thereof arises directly or indirectly from the proposed funding of the Merger Consideration or the proposed refinancing of any outstanding indebtedness of the Company or any of its Subsidiaries, in which case it shall not be deemed to constitute, or be taken into account in determining whether there has been or will be, a Company Material Adverse Effect), or (l) any item set forth in the Company Disclosure Letter; except with respect to clauses (a), (e) or (h), to the extent that such change, event or effect is disproportionately adverse to the Company and its Subsidiaries, taken as a whole, as compared to other companies operating in the industries in which the Company and its Subsidiaries operate.

"Company Performance RSU" shall mean a performance restricted stock unit granted pursuant to a Company Equity Plan that vests on the basis of time and the achievement of performance targets and pursuant to which the holder has a right to receive shares of Company Common Stock or cash after the vesting or lapse of restrictions applicable to such performance restricted stock unit.

"Company Permits" shall mean all Permits necessary for the lawful conduct of the businesses of the Company and its Subsidiaries.

"Company Proxy Statement" shall mean a definitive proxy statement, including the related preliminary proxy statement, and any amendment or supplement thereto, relating to the Merger and this Agreement to be mailed to the Company Stockholders in connection with the Company Stockholders Meeting, in the event the Stockholder Written Consent is not delivered to CF Corp and CF Corp does not terminate this Agreement in accordance with Section 8.01(c).

"Company Related Parties" means the Company, its Affiliates and their respective stockholders, partners, members, officers, directors, employees, controlling persons, agents and representatives; it being understood that the Equity Providers, William P. Foley, Chinh E. Chu, CF Corp, Parent and Merger Sub, together with their respective Affiliates, shall not be Company Related Parties for any purposes hereunder.

"Company Reports" shall mean all forms, reports, statements, information, registration statements and other documents (as supplemented and amended since the time of filing) filed or required to be filed by the Company with the SEC since September 30, 2016 through the date hereof.

"Company Required Vote" shall mean the affirmative vote of the holders of at least a majority of the outstanding Shares in favor of adoption of this Agreement.

"Company Restricted Stock Right" shall mean a share of Company Common Stock granted pursuant to a Company Equity Plan that vests solely on the basis of time.

"Company SAP Statements" shall have the meaning set forth in Section 4.11(a).

"Company Stock Option" shall mean each option to purchase shares of Company Common Stock granted pursuant to a Company Equity Plan.

"Company Stock Rights" shall mean any options, warrants, calls, redemption rights, preemptive rights, convertible securities, subscriptions, stock appreciation rights, phantom stock plans or stock equivalents or other rights, agreements, arrangements or commitments (contingent or otherwise) obligating the Company to issue or sell any shares of capital stock of, or options, warrants, convertible securities, subscriptions or other equity interests in, the Company.

"Company Stockholders" shall have the meaning set forth in the Recitals.

"Company Stockholders Meeting" shall mean a meeting of the Company Stockholders to be called to consider the Merger, including giving effect to any adjournment or postponement thereof.

"Company Termination Fee" shall be $50,000,000.

"Confidentiality Agreement" shall mean the Confidentiality and Non-Disclosure Agreement between the Company and Blackstone Tactical Opportunities Advisors L.L.C. dated March 14, 2017.

"Consent Solicitation" shall have the meaning set forth in Section 6.10(d)(i).

"Consent Solicitation Documents" shall have the meaning set forth in Section 6.10(d)(i).

"Continuing Obligations" means obligations that survive the termination of the Company Existing Credit Documents and repayment of Indebtedness thereunder for which no claim has been asserted and which is not then due and owing.

"Contract" shall have the meaning set forth in Section 4.05(a).

"control" shall mean the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of stock, as trustee or executor, by contract or credit arrangement or otherwise.

"Debt Commitment Letter" shall have the meaning set forth in Section 5.13(a).

"Debt Disclosed Conditions" shall have the meaning set forth in Section 5.13(e).

"Debt Documents" means, collectively, the definitive agreements with respect to the Debt Financing or any high-yield bonds being issued in lieu of all or a portion of the Debt Financing.

"Debt Financing" means the debt financing incurred or intended to be incurred pursuant to the Debt Commitment Letter.

"Debt Financing Sources" means the agents, arrangers, lenders and other Persons (including the Committed Lenders) that have committed to provide or have otherwise entered into agreements in connection with the Debt Financing, any high-yield bonds being issued in lieu of any portion of the Debt Financing or any Alternative Financing in connection with the transactions contemplated hereby pursuant to the Debt Commitment Letter, and any joinder agreements, indentures or credit agreements entered into pursuant thereto or relating thereto, together with their respective Affiliates, and the respective officers, directors, employees, partners, trustees, shareholders, controlling persons, agents and representatives of the foregoing, and their respective successors and assigns; it being understood that the Equity Providers, William P. Foley, Chinh E. Chu, CF Corp, Parent and Merger Sub, together with their respective Affiliates, shall not be Debt Financing Sources for any purposes hereunder.

"Debt Tender Offer" shall have the meaning set forth in Section 6.10(d)(ii).

"Debt Tender Offer Documents" shall have the meaning set forth in Section 6.10(d)(ii).

"Delaware Courts" shall have the meaning set forth in Section 9.07.

"Delaware Secretary" shall mean the Secretary of State of the State of Delaware.

"DGCL" shall have the meaning set forth in the Recitals.

"Disclosed Conditions" shall have the meaning set forth in Section 5.10(e).

"Effective Time" shall mean the effective time of the Merger, which shall be the time the Certificate of Merger is duly filed with and accepted by the Delaware Secretary, or such later time as agreed by the parties hereto and specified in such Certificate of Merger.

"Environmental Laws" shall mean any Laws governing pollution or the protection of human health or the environment.

"Equity Commitment Letters" shall have the meaning set forth in Section 5.10(a).

"Equity Financing" shall have the meaning set forth in Section 5.10(a).

"Equity Providers" shall have the meaning set forth in Section 5.10(a).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974.

"Exchange Act" shall mean the Securities Exchange Act of 1934.

"Exchange Fund" shall have the meaning set forth in Section 3.01.

"Fee Letter" shall have the meaning set forth in Section 5.13(a).

"Fee Reimbursement Letter" shall have the meaning set forth in the Recitals.

"Fidelity & Guaranty Life Holdings" shall mean Fidelity & Guaranty Life Holdings, Inc., a Delaware corporation.

"FNF" shall have the meaning set forth in the Recitals.

"FNF Information Letter Agreement" shall have the meaning set forth in the Recitals.

"FNF Limited Guaranty" shall have the meaning set forth in the Recitals.

"Forward Purchase Agreements" shall have the meaning set forth in Section 5.11(a).

"Forward Purchasers" shall have the meaning set forth in Section 5.11(a).

"FP Disclosed Conditions" shall have the meaning set forth in Section 5.11(e).

"FP Financing" shall have the meaning set forth in Section 5.11(a).

"GAAP" shall mean United States generally accepted accounting principles in effect from time to time.

"Governmental Authority" shall mean any United States federal, state or local or any foreign government or any court of competent jurisdiction, administrative or regulatory agency or commission or other governmental authority or agency, domestic or foreign.

"GSO Fund" shall have the meaning set forth in the Recitals.

"GSO Guarantors" means, collectively, GSO Capital Opportunities Fund III LP, GSO COF III Co-Investment Fund LP, GSO Credit Alpha Fund LP, GSO Aiguille des Grands Montets Fund II LP, GSO Churchill Partners II LP, GSO Credit-A Partners LP and GSO Harrington Credit Alpha Fund (Cayman) L.P.

"GSO Limited Guaranty" shall have the meaning set forth in the Recitals.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"Indebtedness" shall have the meaning set forth in Section 6.01(h).

"Indemnified Parties" shall have the meaning set forth in Section 6.14(a).

"Indemnitees" shall have the meaning set forth in Section 6.10(b).

"Information Letter Agreements" shall have the meaning set forth in the Recitals.

"Information Statement" shall mean a written information statement of the type contemplated by Rule 14c-2 of the Exchange Act, and any amendment or supplement thereto, relating to the Stockholder Written Consent, the Merger and this Agreement.

"Insurance Contract" shall mean any insurance policy or contract, or any annuity contract or certificate, whether or not registered under the Securities Act, in each case, together with all policies, binders, slips, certificates, participation agreements, applications, supplements, endorsements, riders and ancillary agreements in connection therewith that are issued by the Company Insurance Entities prior to the Closing.

"Insurance Laws" shall have the meaning set forth in Section 4.11(a).

"Intellectual Property Rights" shall mean trademarks, service marks, trade names and trade dress, whether registered or unregistered, and all applications for registrations thereof, and all goodwill associated with or symbolized by any of the foregoing; internet domain names; patents, including pending applications, provisional applications, continuations, divisionals, reissues, and reexaminations thereof and therefor; and copyrights, whether registered or unregistered, and all applications for registration thereof.

"Interim Financial Statements" shall have the meaning set forth in Section 6.10(a).

"Investment Assets" shall have the meaning set forth in Section 4.14(a).

"Investment Guidelines" shall have the meaning set forth in Section 4.14(a).

"IRS" shall mean the Internal Revenue Service.

"Knowledge" shall mean, with respect to (a) the Company as it relates to any fact or other matter, the actual knowledge of the natural Persons set forth in Section 1.01 of the Company Disclosure Letter of such fact or matter as of the date hereof and (b) CF Corp as it relates to any fact or other matter, the actual knowledge of the natural Persons set forth in Section 1.01 of the CF Corp Disclosure Letter of such fact or matter as of the date hereof.

"Law" shall mean any national, regional or local law, statute, ordinance, regulation, judgment, decree, injunction or other legally binding obligation imposed by or on behalf of a Governmental Authority.

"Lead Arrangers" shall have the meaning set forth in Section 5.13(a).

"Letter of Transmittal" shall have the meaning set forth in Section 3.02(a).

"Lien" shall mean any lien, mortgage, pledge, deed of trust, security interest, charge, encumbrance or hypothecation.

"Limited Guaranties" shall have the meaning set forth in the Recitals.

"Material Contract" shall have the meaning set forth in Section 4.10(a).

"Maximum Premium" shall have the meaning set forth in Section 6.14(b).

"Merger" shall have the meaning set forth in the Recitals.

"Merger Consideration" shall have the meaning set forth in Section 2.04(a).

"Merger Sub" shall have the meaning set forth in the Preamble.

"New Debt Commitment Letter" shall have the meaning set forth in Section 6.10(c).

"Notice of Superior Proposal" shall have the meaning set forth in Section 6.06(b).

"Optional Redemption" shall have the meaning set forth in Section 6.10(d)(iv).

"Order" shall mean any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Outside Actuarial Analysis" shall have the meaning set forth in Section 4.12(b).

"Outside Termination Date" shall have the meaning set forth in Section 8.01(h).

"Parent" shall have the meaning set forth in the Preamble.

"Paying Agent" shall mean a bank or trust company reasonably satisfactory to the Company that is organized and doing business under the Laws of the United States or any state thereof appointed by CF Corp to act as paying agent for payment of the Merger Consideration.

"Permit" shall mean any authorization, license, permit, certificate, approval or order of any Governmental Authority.

"Permitted Investments" shall have the meaning set forth in Section 3.01.

"Person" shall mean any individual, corporation, partnership (general or limited), limited liability company, limited liability partnership, trust, joint venture, joint-stock company, syndicate, association, entity, unincorporated organization or Governmental Authority.

"Prior Transaction Merger Agreement" shall mean the Agreement and Plan of Merger by and among Anbang Insurance Group Co., Ltd., AB Infinity Holding, Inc., AB, Inc. and the Company, dated as of November 8, 2015, as amended.

"Producers" shall mean the agents, general agents, sub-agents, brokers, wholesale brokers, independent contractors, consultants, affinity groups, insurance solicitors, producers or other Persons who sell the Insurance Contracts.

"Prospectus" shall have the meaning set forth in Section 9.12.

"Refinancing" shall have the meaning set forth in Section 5.13(f).

"Reinsurance Contracts" shall have the meaning set forth in Section 4.13.

"Representatives" shall mean directors, officers, employees, auditors, attorneys and financial advisors and other agents or advisors.

"Required Information" shall have the meaning set forth in Section 6.10(a).

"Reserves" shall mean all reserves and other liabilities for claims, benefits, losses (including incurred but not reported losses and losses in the course of settlement), expenses and unearned premium arising under or in connection with an Insurance Contract issued by a Company Insurance Entity as required by SAP.

"Rule 14e-1" shall have the meaning set forth in Section 6.10(d)(ii).

"SAP" shall mean, as to any insurance or reinsurance company, the statutory accounting practices prescribed or permitted by the applicable insurance regulatory authority of the jurisdiction in which it is domiciled.

"SEC" shall mean the Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933.

"Shares" shall have the meaning set forth in Section 2.04(a).

"Stockholder Written Consent" shall have the meaning set forth in Section 6.04(a).

"Subsidiary" of any Person shall mean any corporation, partnership, limited liability company, joint venture or other legal entity of which such Person (either directly or through or together with another Subsidiary of such Person) owns more than 50% of the voting stock, equity interests or general partnership interests of such corporation, partnership, limited liability company, joint venture or other legal entity, as the case may be.

"Subsidiary Cancellation Amount" shall have the meaning set forth in Section 2.07(d)(i).

"Subsidiary Stock Plan" shall mean the Fidelity & Guaranty Life Holdings Amended and Restated Stock Incentive Plan, dated November 7, 2013.

"Subsidiary Stock Rights" shall mean any options, warrants, calls, redemption rights, preemptive rights, convertible securities, subscriptions, stock appreciation rights, phantom stock plans or stock equivalents or other rights, agreements, arrangements or commitments (contingent or otherwise) of any character issued or authorized by the Company or any Subsidiary of the Company obligating the Company or any of its Subsidiaries to issue or sell any shares of capital stock of, or options, warrants, convertible securities, subscriptions or other equity interests in, any Subsidiary of the Company.

"Superior Proposal" shall mean any Takeover Proposal that if consummated would result in a Third Party (or the shareholders of any Third Party) owning, directly or indirectly, (a) 50% or more of any class of equity securities of the Company or of the surviving entity in a merger or the resulting direct or indirect parent of the Company or such surviving entity or (b) 50% or more (based on the fair market value thereof, as determined by the Company Board of Directors) of the assets of the Company and its Subsidiaries, taken as a whole, which, in either case, the Company Board of Directors determines (after consultation with its financial advisors and outside counsel), taking into account legal, financial, regulatory and other aspects of the proposal and the Person making the proposal (including any break-up fee, expense reimbursement provisions, conditions to consummation and financing term), would be more favorable to the stockholders of the Company than the Merger.

"Supplemental Indenture" shall have the meaning set forth in Section 6.10(d)(i).

"Surviving Corporation" shall mean the corporation surviving the Merger.

"Takeover Proposal" shall mean any inquiry, proposal or offer from any Third Party relating to (a) any direct or indirect acquisition or purchase, in a single transaction or a series of transactions, of (i) 15% or more of the outstanding shares of Company Common Stock or (ii) 15% or more (based on the fair market value thereof, as determined by the Company Board of Directors) of the assets (including capital stock of the Subsidiaries of the Company) of the Company and its Subsidiaries, taken as a whole, (b) any tender offer or exchange offer that, if consummated, would result in any Third Party owning, directly or indirectly, 15% or more of the outstanding shares of Company Common Stock or (c) any merger, consolidation, business combination, recapitalization, liquidation, dissolution, binding share exchange or similar transaction involving the Company pursuant to which any Third Party (or the shareholders of any Third Party) would own, directly or indirectly, 15% or more of any class of equity securities of the Company or of the surviving entity in a merger or the resulting direct or indirect parent of the Company or such surviving entity, other than, in each case, the transactions contemplated by this Agreement.

"Takeover Proposal Documentation" shall mean any letter of intent, agreement in principle, merger agreement, stock purchase agreement, asset purchase agreement, acquisition agreement, option agreement or similar agreement relating to a Takeover Proposal (other than a confidentiality agreement referred to in Section 6.06(a)).

"Tax" (and, with correlative meaning, "Taxes") shall mean any federal, state, local or foreign income, gross receipts, property, sales, use, license, excise, franchise, employment, payroll, premium, withholding, alternative or added minimum, ad valorem, transfer or excise tax, or any other tax, governmental fee or other like assessment or charge in the nature of a tax of any kind whatsoever, together with any interest or penalty or addition thereto, whether disputed or not, imposed by any Governmental Authority.

"Tax Return" shall mean any return, report, information, filing, document or similar statement required to be filed with a Governmental Authority with respect to any Tax, including any information return, claim for refund, amended return or declaration of estimated Tax.

"Third Party" shall mean any Person or group (as defined in Section 13(d)(3) of the Exchange Act) other than CF Corp, Parent, Merger Sub or any Affiliates thereof.

"TIA" shall have the meaning set forth in Section 6.10(d)(ii).

"Topco" shall have the meaning set forth in Section 5.16(a).

"Trust Account" has the meaning given to such term in the Trust Agreement.

"Trust Agreement" shall mean the Investment Management Trust Agreement dated as of May 19, 2016, by and between CF Corp and the Trustee.

"Trustee" shall have the meaning set forth in Section 5.12(a).

"Voting Agreement" means the Voting Agreement, dated as of the date hereof, among the Company and the shareholders of CF Corp party thereto.

"WARN" shall have the meaning set forth in Section 6.13(g).

"Written Consent Delivery Period" shall have the meaning set forth in Section 6.04(a).

Section 1.02 Interpretation.

(a) As used in this Agreement, references to the following terms have the meanings indicated: (i) to the Preamble or to the Recitals, Sections, Articles, Exhibits or Schedules are to the Preamble or a Recital, Section or Article of, or an Exhibit or Schedule to, this Agreement unless otherwise clearly indicated to the contrary; (ii) to any Contract (including this Agreement) or "organizational document" are to the Contract or organizational document as amended, modified, supplemented or replaced from time to time; (iii) to any Law are to such Law as amended, modified, supplemented or replaced from time to time and any rules or regulations promulgated thereunder and to any section of any Law including any successor to such section; (iv) to any Governmental Authority include any successor to the Governmental Authority and to any Affiliate include any successor to the Affiliate; (v) to any "copy" of any Contract or other document or instrument are to a true and complete copy thereof; (vi) to "hereof," "herein," "hereunder," "hereby," "herewith" and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or clause of this Agreement, unless otherwise clearly indicated to the contrary; (vii) to the "date of this Agreement," "the date hereof" and words of similar import refer to May 24, 2017; and (viii) to "this Agreement" includes the Exhibits and Schedules (including the Company Disclosure Letter and the CF Corp Disclosure Letter) to this Agreement.

(b) Whenever the words "include," "includes" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation." The word "or" shall not be exclusive. Any singular term in this Agreement will be deemed to include the plural, and any plural term the singular. All pronouns and variations of pronouns will be deemed to refer to the feminine, masculine or neuter, singular or plural, as the identity of the Person referred to may require. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(c) Whenever the last day for the exercise of any right or the discharge of any duty under this Agreement falls on a day other than a Business Day, the party hereto having such right or duty shall have until the next Business Day to exercise such right or discharge such duty. Unless otherwise indicated, the word "day" shall be interpreted as a calendar day.

(d) The table of contents and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(e) References to a "party" hereto means CF Corp, Parent, Merger Sub or the Company and references to "parties" hereto means CF Corp, Parent, Merger Sub and the Company.

(f) References to "dollars" or "$" mean United States dollars, unless otherwise clearly indicated to the contrary.

(g) The parties hereto have participated jointly in the negotiation and drafting of this Agreement; consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provision of this Agreement.

(h) No summary of this Agreement prepared by or on behalf of any party hereto shall affect the meaning or interpretation of this Agreement.

(i) All capitalized terms used without definition in the Exhibits and Schedules (including the Company Disclosure Letter and the CF Corp Disclosure Letter) to this Agreement shall have the meanings ascribed to such terms in this Agreement.

## ARTICLE II

## THE MERGER

Section 2.01 The Merger.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, Merger Sub shall be merged with and into the Company in accordance with the DGCL, whereupon the separate existence of Merger Sub shall cease and the Company shall continue as the Surviving Corporation under the Laws of the State of Delaware.

(b) The Merger shall have the effects set forth in Section 259 of the DGCL and other applicable Law. Accordingly, from and after the Effective Time, the Surviving Corporation shall have all the properties, rights, privileges, powers, interests and franchises and shall be subject to all restrictions, disabilities, debts, duties and liabilities of the Company and Merger Sub.

Section 2.02 Closing. Subject to the terms and conditions of this Agreement, the closing of the Merger (the "Closing") will take place at 10:00 a.m., local time, on the date that is the second (2nd) Business Day after the satisfaction or waiver of the conditions (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions) set forth in Article VII, at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036, unless another time, date or place is agreed to in writing by the parties. The actual time and date at which the Closing occurs are herein referred to as the "Closing Date."

Section 2.03 Effective Time; Effect of the Merger. On the Closing Date and subject to the terms and conditions hereof, the Certificate of Merger shall be filed with the Delaware Secretary by CF Corp. The Merger shall become effective at the Effective Time. The Merger shall have the effects set forth herein and in the applicable provisions of the DGCL.

Section 2.04 Conversion of the Shares. At the Effective Time, by virtue of the Merger and without any action on the part of CF Corp, Parent, Merger Sub, the Company or the holders of any of the following securities:

(a) Except as provided in Section 2.04(b), each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (the "Shares") (excluding Appraisal Shares and Company Restricted Stock Rights) shall be canceled and shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted automatically into the right to receive, in cash, without interest, $31.10 (the "Merger Consideration"), upon surrender of the Certificate representing such Shares as provided in Article III, in the case of certificated Shares, and automatically, in the case of Book-Entry Shares. All Shares, when so converted, shall no longer be outstanding and shall automatically be retired and shall cease to exist, and each holder of a Certificate representing Shares or Book-Entry Shares shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration into which such Shares have been converted, as provided herein.

(b) Each Share that is owned by the Company as treasury stock or otherwise or by any Subsidiary of the Company and each Share owned by CF Corp, Parent, Merger Sub or any other Subsidiary of CF Corp immediately prior to the Effective Time shall be canceled and retired and cease to exist and no payment or distribution shall be made with respect thereto.

(c) Each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Surviving Corporation and shall constitute the only outstanding shares of capital stock of the Surviving Corporation.

Section 2.05 Organizational Documents.

(a) At the Effective Time, pursuant to the Merger, the certificate of incorporation of the Company shall be amended so as to read in its entirety as set forth on Exhibit A, and, as so amended, shall be the certificate of incorporation of the Surviving Corporation. Thereafter, the certificate of incorporation of the Surviving Corporation may be amended in accordance with its terms and as provided by Law (subject to Section 6.14).

(b) At the Effective Time, pursuant to the Merger, the by-laws of the Company shall be amended so as to read in their entirety as set forth on Exhibit B, and, as so amended, shall be the by-laws of the Surviving Corporation. Thereafter, the by-laws of the Surviving Corporation may be amended in accordance with their terms and the certificate of incorporation of the Surviving Corporation and as provided by Law (subject to Section 6.14).

Section 2.06 Directors and Officers of the Surviving Corporation. At the Effective Time, the directors of Merger Sub shall continue in office as the directors of the Surviving Corporation and the officers of the Company shall continue in office as the officers of the Surviving Corporation, and such directors and officers shall hold office until successors are duly elected or appointed and qualified in accordance with and subject to applicable Law and the certificate of incorporation and by-laws of the Surviving Corporation.

Section 2.07 Treatment of Company Stock Options, Company Performance RSUs, Company Restricted Stock Rights and Cash-Settled Awards.

(a) Company Stock Options. At the Effective Time, each Company Stock Option that is outstanding and unexercised as of immediately prior to the Effective Time, whether vested or unvested, shall become fully vested and shall automatically be converted into the right to receive an amount, if any, equal to the product of (i) the total number of Shares underlying such Company Stock Option multiplied by (ii) the excess, if any, of the Merger Consideration over the exercise price per Share of such Company Stock Option. Each Company Stock Option issued and outstanding immediately prior to the Effective Time, whether vested or unvested, shall thereafter be immediately canceled, and the holder thereof shall thereafter have only the right to receive the consideration to which such holder is entitled pursuant to this Section 2.07(a). In the event the exercise price of any Company Stock Option is equal to or greater than the Merger Consideration, such Company Stock Option shall be canceled without any payment in respect thereof.

(b) Company Performance RSUs. At the Effective Time, each Company Performance RSU that is outstanding immediately prior to the Effective Time, whether vested or unvested, shall become fully vested and shall automatically be converted into the right to receive an amount equal to the product of (i) the number of shares of Company Common Stock subject to such Company Performance RSU multiplied by (ii) the Merger Consideration; provided, that for purposes of clause (i), the number of shares of Company Common Stock in respect of such Company Performance RSU immediately prior to the Effective Time shall be deemed to be the target number of shares of Company Common Stock subject to such Company Performance RSU. Each Company Performance RSU issued and outstanding immediately prior to the Effective Time, whether vested or unvested, shall thereafter be immediately canceled, and the holder thereof shall thereafter have only the right to receive the consideration to which such holder is entitled pursuant to this Section 2.07(b).

(c) Company Restricted Stock Rights. At the Effective Time, each Company Restricted Stock Right that is outstanding immediately prior to the Effective Time, whether vested or unvested, shall become fully vested and shall automatically be converted into the right to receive an amount equal to the product of (i) the number of shares of Company Common Stock subject to such Company Restricted Stock Right multiplied by (ii) the Merger Consideration. Each Company Restricted Stock Right issued and outstanding immediately prior to the Effective Time, whether vested or unvested, shall thereafter be immediately canceled, and the holder thereof shall thereafter have only the right to receive the consideration to which such holder is entitled pursuant to this Section 2.07(c).

(d) Cash-Settled Awards.

(i) Fidelity & Guaranty Life Holdings Stock Options. At the Effective Time, any stock option under the Subsidiary Stock Plan that is outstanding immediately prior to the Effective Time, whether vested or unvested, shall become fully vested and shall automatically be converted into the right to receive an amount equal to the product of (A) the number of shares of Fidelity & Guaranty Life Holdings common stock underlying such stock option multiplied by (B) the excess, if any, of $176.32 (the "Subsidiary Cancellation Amount") over the exercise price per share of Fidelity & Guaranty Life Holdings common stock underlying such stock option. Each Fidelity & Guaranty Life Holdings stock option issued and outstanding immediately prior to the Effective Time, whether vested or unvested, shall thereafter be immediately canceled, the holder thereof shall thereafter have only the right to receive the consideration to which such holder is entitled pursuant to this Section 2.07(d)(i). In the event the exercise price of any stock option under the Subsidiary Stock Plan is equal to or greater than the Subsidiary Cancellation Amount, such stock option under the Subsidiary Stock Plan shall be cancelled without any payment in respect thereof.

(ii) Fidelity & Guaranty Life Holdings Restricted Stock Units. At the Effective Time, any restricted stock unit under the Subsidiary Stock Plan that is outstanding immediately prior to the Effective Time, whether vested or unvested, shall become fully vested and shall automatically be converted into the right to receive an amount equal to the product of (A) the number of shares of Fidelity & Guaranty Life Holdings common stock subject to such restricted stock units multiplied by (B) the Subsidiary Cancellation Amount. Each Fidelity & Guaranty Life Holdings restricted stock unit issued and outstanding immediately prior to the Effective Time, whether vested or unvested, shall thereafter be immediately canceled, and the holder thereof shall thereafter have only the right to receive the consideration to which such holder is entitled pursuant to this Section 2.07(d)(ii).

(iii) Fidelity & Guaranty Life Holdings Dividend Equivalents. At the Effective Time, each dividend equivalent under the Fidelity & Guaranty Life Holdings 2012 Dividend Equivalent Plan that is outstanding immediately prior to the Effective Time, whether vested or unvested, shall become fully vested and shall automatically be converted into the right to receive an amount equal to the applicable amount accrued with respect thereto. Each Fidelity & Guaranty Life Holdings dividend equivalent issued and outstanding immediately prior to the Effective Time, whether vested or unvested, shall thereafter be immediately canceled, and the holder thereof shall thereafter have only the right to receive the consideration to which such holder is entitled pursuant to this Section 2.07(d)(iii).

(e) Payment. Except as otherwise required under the terms of the applicable award agreement or as necessary to avoid the imposition of any additional Taxes or penalties with respect to awards under the Company Equity Plans and the cash-settled awards described in Section 2.07(d) pursuant to Section 409A of the Code, Parent shall, or shall cause the Surviving Corporation to, pay in cash through its payroll systems all amounts payable pursuant to this Section 2.07 as promptly as practicable following the Effective Time, but in no event later than the later of (i) the third (3rd) Business Day following the Effective Time and (ii) the end of the Company's first payroll period following the Effective Time; provided, that any such amounts shall be paid without interest.

(f) Required Actions. As promptly as reasonably practicable following the date hereof, the Company shall, or shall cause one of its Subsidiaries, as applicable, to (i) take all actions as may be necessary to implement the provisions of this Section 2.07, and (ii) if requested by Parent, take all actions as may be necessary to terminate the Company Equity Plan and/or the Subsidiary Stock Plan, effective as of and conditioned upon the occurrence of the Effective Time.

(g) No Other Payments. Other than with respect to those Company Stock Rights and Subsidiary Stock Rights set forth in Section 4.03(b) of the Company Disclosure Letter and Section 4.03(c) of the Company Disclosure Letter, respectively, there will be no other payments with respect to any Company Stock Options, Company Performance RSUs and Company

Restricted Stock Rights or any stock option, restricted stock unit or dividend equivalent under the Subsidiary Stock Plan pursuant to clauses (a) through (d) of this Section 2.07.

Section 2.08 Appraisal Shares. Notwithstanding anything in this Agreement to the contrary, any Appraisal Shares shall not be converted into the right to receive the Merger Consideration as provided in Section 2.04(a), but instead at the Effective Time the holders of Appraisal Shares shall be entitled to payment of the fair value of such shares in accordance with the provisions of Section 262 of the DGCL. Notwithstanding the foregoing, if any such holder shall fail to perfect or otherwise shall waive, withdraw or lose the right to appraisal under Section 262 of the DGCL or a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by Section 262 of the DGCL, then the right of such holder to be paid the fair value of such holder's Appraisal Shares under Section 262 of the DGCL shall cease and such Appraisal Shares shall be deemed to have been converted at the Effective Time into, and shall have become, the right to receive the Merger Consideration as provided in Section 2.04(a), without interest or any other payments. The Company shall serve prompt notice to CF Corp of any demands for appraisal of any of the Shares, attempted withdrawals of such demands and any other instruments served pursuant to the DGCL received by the Company, and CF Corp shall have the right to participate in all negotiations and proceedings with respect to such demands. The Company shall not, without the prior written consent of CF Corp (which consent shall not be unreasonably withheld, conditioned or delayed), or as otherwise required under the DGCL, make any payment with respect to, or settle or offer to settle, any such demands, or agree to do or commit to do any of the foregoing.

Section 2.09 Adjustments to Prevent Dilution. Subject to the restrictions contained in Section 6.01, in the event that the Company changes the number of Shares issued and outstanding prior to the Effective Time as a result of a reclassification, stock split (including a reverse stock split), stock dividend or distribution, recapitalization, merger, subdivision, issuer tender or exchange offer, or other similar transaction, the Merger Consideration shall be proportionately adjusted to reflect such change.

## ARTICLE III

## EXCHANGE OF CERTIFICATES

Section 3.01 Paying Agent. Prior to the Effective Time, Parent shall enter into an agreement (in form and substance reasonably satisfactory to the Company) with the Paying Agent to act as paying agent for the payment of the Merger Consideration upon surrender of the Certificates pursuant to this Article III, in the case of certificated Shares, and automatically, in the case of Book-Entry Shares. Immediately prior to the Effective Time, Parent shall deposit with the Paying Agent cash in the aggregate amount required to pay the Merger Consideration in respect of the Shares (such cash amount being referred to herein as the "Exchange Fund"). The Exchange Fund shall be used solely for purposes of paying the Merger Consideration in accordance with this Article III and shall not be used to satisfy any other obligation of the Company or any of its Subsidiaries. Pending distribution of the Exchange Fund in accordance with this Article III, Parent may direct the Paying Agent to invest such cash; provided, that (a) no such investment or losses thereon shall affect the Merger Consideration payable to the Company Stockholders and following any losses Parent shall promptly provide additional funds to the

Paying Agent for the benefit of the Company Stockholders in the amount of any such losses and (b) such investments (i) shall be obligations of or guaranteed by the United States of America, commercial paper obligations receiving the highest rating from either Moody's Investors Services, Inc. or Standard & Poor's Corporation, or certificates of deposit, bank repurchase agreements or bankers acceptances of domestic commercial banks with capital exceeding $500,000,000 (collectively "Permitted Investments") or money market funds that are invested solely in Permitted Investments and (ii) shall have maturities that will not prevent or delay payments to be made pursuant to this Article III. Any income from investment of the Exchange Fund will be payable solely to Parent. The Surviving Corporation shall pay all charges and expenses, including those of the Paying Agent, in connection with the exchange of Shares for the Merger Consideration.

Section 3.02 Exchange Procedures.

(a) As promptly as practicable and in any event within two (2) Business Days after the Effective Time, the Paying Agent shall mail to each holder of record of a Certificate or Certificates that, immediately prior to the Effective Time, represented outstanding Shares subsequently converted into the right to receive the Merger Consideration, as set forth in Section 2.04 (i) a letter of transmittal (a "Letter of Transmittal") that (A) shall specify that delivery shall be effected and risk of loss and title to the Certificates shall pass only upon proper delivery of the Certificates to the Paying Agent (or an affidavit of loss in lieu thereof, together with any bond or indemnity agreement, as contemplated by Section 3.06) and (B) shall be in such form and have such other provisions as the Surviving Corporation may specify, subject to the Company's reasonable approval (to be sought prior to the Effective Time) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for the applicable Merger Consideration.

(b) Upon surrender of a Certificate for cancellation to the Paying Agent, together with a Letter of Transmittal, duly completed and executed, and any other documents reasonably required by the Paying Agent or the Surviving Corporation, (i) the holder of such Certificate shall be entitled to receive in exchange therefor the Merger Consideration that such holder has the right to receive pursuant to Section 2.04 and (ii) the Certificate so surrendered shall forthwith be canceled. No interest will be paid or accrued on the cash payable upon surrender of the Certificates. Until surrendered as contemplated by this Section 3.02, each such Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the applicable Merger Consideration.

(c) Notwithstanding anything to the contrary contained in this Agreement, any holder of Book-Entry Shares shall not be required to deliver a Certificate or an executed Letter of Transmittal to the Paying Agent to receive the Merger Consideration that such holder is entitled to receive pursuant to this Article III. In lieu thereof, each holder of record of one or more Book-Entry Shares whose Shares were converted into the right to receive the Merger Consideration shall automatically upon the Effective Time (or, at any later time at which such Book-Entry Shares shall be so converted) be entitled to receive, and Parent shall cause the Paying Agent to pay and deliver as promptly as practicable and in any event within three (3) Business Days after the Effective Time, the Merger Consideration to which such holder is entitled to receive pursuant to this Article III.

(d) In the event of a transfer of ownership of Shares that is not registered in the transfer records of the Company, the appropriate amount of the Merger Consideration may be paid to a transferee if the Certificate representing such Shares is presented to the Paying Agent properly endorsed or accompanied by appropriate stock powers and otherwise in proper form for transfer and accompanied by all documents reasonably required by the Paying Agent to evidence and effect such transfer and to evidence that any applicable Taxes have been paid.

Section 3.03 No Further Ownership Rights. All Merger Consideration paid upon the surrender for exchange of the Certificates in accordance with the terms hereof shall be deemed to have been paid in full satisfaction of all rights pertaining to such Shares and, after the Effective Time, there shall be no further registration of transfers on the transfer books of the Surviving Corporation of the Shares that were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be canceled and exchanged as provided in this Article III, subject to applicable Law in the case of Appraisal Shares.

Section 3.04 Termination of Exchange Fund. Any portion of the Exchange Fund (including any interest and other income received with respect thereto) that remains undistributed to the former Company Stockholders on the date twelve (12) months after the Effective Time shall be delivered to Parent upon demand, and any former holder of Shares who has not theretofore received any applicable Merger Consideration to which such Company Stockholder is entitled under this Article III shall thereafter look only to Parent (subject to abandoned property, escheat or other similar Laws) for payment of claims with respect thereto.

Section 3.05 No Liability. None of CF Corp, Parent, the Surviving Corporation or Merger Sub or any of their respective Representatives shall be liable to any holder of Shares for any part of the Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law. Any amounts remaining unclaimed by holders of any such Shares two years after the Effective Time or at such earlier date as is immediately prior to the time at which such amounts would otherwise escheat to, or become property of, any Governmental Authority shall, to the extent permitted by applicable Law or Order, become the property of Parent free and clear of any claims or interest of any such holders or their successors, assigns or personal representatives previously entitled thereto.

Section 3.06 Lost, Stolen or Destroyed Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by and at the discretion of Parent or the Surviving Corporation, the posting by such Person of a bond in such reasonable amount as Parent or the Surviving Corporation may direct, or the execution and delivery by such Person of an indemnity agreement in such form as Parent or the Surviving Corporation may direct, in each case as indemnity against any claim that may be made against it with respect to such Certificate, the Paying Agent shall issue in exchange for such lost, stolen or destroyed Certificate the appropriate amount of the Merger Consideration.

Section 3.07 Withholding of Tax. Notwithstanding anything to the contrary in this Agreement, Parent, the Surviving Corporation, any Affiliate thereof or the Paying Agent shall be entitled to deduct and withhold from amounts otherwise payable pursuant to this Agreement to any holder of Shares, Appraisal Shares, Company Stock Options, Company Performance RSUs, Company Restricted Stock Rights or cash-settled awards described in Section 2.07(d), such amounts as Parent, the Surviving Corporation, any Affiliate thereof or the Paying Agent is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign Tax Law. To the extent that amounts are so withheld by Parent, the Surviving Corporation, any Affiliate thereof, or the Paying Agent are paid over to the applicable Governmental Authority in accordance with applicable Law or Order, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made by Parent, the Surviving Corporation, any Affiliate thereof, or the Paying Agent, as the case may be.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as disclosed in any report, schedule, form, statement or other document filed with, or furnished to, the SEC by the Company and publicly available prior to the date of this Agreement (but excluding any forward-looking disclosure set forth in any sections titled "Risk Factors" or "forward-looking statements" (or similarly captioned section) or in any other section to the extent the disclosure is a forward-looking statement or predictive, cautionary or forward-looking in nature), or set forth in the Company Disclosure Letter (it being understood that any information set forth in one section or subsection of the Company Disclosure Letter shall be deemed to apply to and qualify the Section or subsection of this Agreement to which it corresponds in number and each other Section or subsection of this Agreement or the Company Disclosure Letter to the extent reasonably relevant to such Section or subsection), the Company represents and warrants to each of the other parties hereto as follows:

Section 4.01 Organization and Good Standing; Organizational Documents.

(a) Each of the Company and its Subsidiaries (i) is a corporation or other legal entity, duly organized, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the Laws of its jurisdiction of incorporation, except where any failure to be so organized, existing or in good standing would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, (ii) has full corporate or similar power and authority to own, lease and operate its properties and assets and to conduct its business as presently conducted, except where any failure to have such power or authority would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, and (iii) is duly qualified or licensed to do business as a foreign corporation and is in good standing (with respect to jurisdictions that recognize such concept) in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except where the failure to be so qualified or licensed would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect.

(b) The copies of the Company Certificate of Incorporation and Company By-laws that are incorporated by reference into the Company 10-K are complete and correct copies thereof as in effect on the date hereof. The Company is not in violation of any of the provisions of the Company Certificate of Incorporation or the Company By-laws.

Section 4.02 Authority for Agreement. The Company has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Merger and the other transactions contemplated by this Agreement. The execution, delivery and performance by the Company of this Agreement, and the consummation by the Company of the Merger and the other transactions contemplated by this Agreement, have been duly authorized by all necessary corporate action (including the approval of the Company Board of Directors), and no other corporate proceedings on the part of the Company, and no other votes or approvals of any class or series of capital stock of the Company, are necessary to authorize this Agreement or to consummate the Merger or the other transactions contemplated hereby (other than, with respect to the consummation of the Merger and the adoption of this Agreement, the Company Required Vote). This Agreement has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by CF Corp, Parent and Merger Sub, constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited against the Company by (a) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing, or remedies in general, as from time to time in effect, or (b) the exercise by courts of equity powers. As of the date of this Agreement, the Company Board of Directors has (i) approved, and declared advisable, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the Merger, (ii) determined that the terms of this Agreement are fair to, and in the best interests of, the Company and its stockholders, (iii) directed that this Agreement be submitted to the Company Stockholders for adoption and (iv) recommended that the Company Stockholders adopt this Agreement and the transactions contemplated hereby, including the Merger, at the Company Stockholders Meeting, if required to be held pursuant to the terms of this Agreement. The only vote of the stockholders of the Company required to adopt this Agreement and approve the transactions contemplated hereby is the Company Required Vote.

Section 4.03 Capitalization.

(a) The authorized capital stock of the Company consists of 500,000,000 shares of Company Common Stock and 50,000,000 shares of preferred stock. As of May 5, 2017, 58,992,572 shares of Company Common Stock are issued and outstanding of which (i) 108,480 shares are Company Restricted Stock Rights, as set forth in Section 4.03(b), and (ii) 568,847 shares are held in the Company's treasury, no shares of preferred stock are issued and outstanding and no shares of Company Common Stock or preferred stock are held by a Subsidiary of the Company. All outstanding Shares are, and any additional shares of Company Common Stock issued by the Company after the date hereof and prior to the Effective Time will be, duly authorized and validly issued, fully paid and nonassessable, and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right. Except as set forth in this Section 4.03(a) and for changes after the date hereof resulting from the vesting of awards granted pursuant to the

Company Equity Plans outstanding on the date hereof, there are no outstanding shares of capital stock of or other voting securities or ownership interests in the Company.

(b) As of May 5, 2017, (i) 364,865 Company Stock Options are outstanding, (ii) 487,404 Company Performance RSUs are outstanding, (iii) 108,480 Company Restricted Stock Rights are outstanding and (iv) 1,090,260 shares of Company Common Stock are authorized and reserved for future issuance pursuant to the Company Equity Plans. Section 4.03(b) of the Company Disclosure Letter sets forth a true and complete list (which shall be updated not later than five (5) days prior to the Effective Time) of each outstanding award granted pursuant to the Company Equity Plans, including, as applicable, the holder, date of grant, vesting schedule and number of shares of Company Common Stock subject thereto (assuming target level performance). Except as set forth in this Section 4.03(b), as of the date hereof, there are no Company Stock Rights.

(c) As of May 5, 2017, (i) 73,572 Fidelity & Guaranty Life Holdings stock options are outstanding, (ii) no Fidelity & Guaranty Life Holdings restricted stock units are outstanding, (iii) no Fidelity & Guaranty Life Holdings dividend equivalents are outstanding and (iv) no shares of Fidelity & Guaranty Life Holdings common stock are authorized and reserved for future issuance pursuant to the Subsidiary Stock Plans. Section 4.03(c) of the Company Disclosure Letter sets forth a true and complete list (which shall be updated not later than five (5) days prior to the Effective Time) of each outstanding award granted pursuant to the Subsidiary Stock Plan or the Fidelity & Guaranty Life Holdings 2012 Dividend Equivalent Plan, as applicable, including, as applicable, the holder, date of grant, exercise price, vesting schedule and number of shares of Fidelity & Guaranty Life Holdings common stock subject thereto. Except as set forth in this Section 4.03(c), there are no Subsidiary Stock Rights.

(d) There are no outstanding contractual obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Shares or Company Stock Rights or to pay any dividend or make any other distribution in respect thereof. There are no stockholder agreements, voting trusts or other agreements or understandings to which the Company or any of its Subsidiaries is a party with respect to the holding, voting, registration, redemption, repurchase or disposition of, or that restricts the transfer of, any capital stock or other voting securities or equity interests of the Company or any of its Subsidiaries.

(e) As of the date hereof, neither the Company nor any of its Subsidiaries has provided any guarantee with respect to material indebtedness of another Person, other than the Company or any wholly-owned Subsidiary of the Company.

Section 4.04 Company Subsidiaries. A true and complete list of all the Subsidiaries of the Company as of the date hereof is set forth in Exhibit 21.1 to the Company 10-K. The Company or one of its wholly owned Subsidiaries is the owner of all outstanding shares of capital stock of each Subsidiary of the Company and all such shares are duly authorized, validly issued, fully paid and nonassessable. All of the outstanding shares of capital stock of each Subsidiary of the Company are owned by the Company free and clear of all Liens. There are no outstanding Subsidiary Stock Rights. There are no outstanding contractual obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any capital stock of any Subsidiary of the Company or any Subsidiary Stock Rights or to pay any dividend or make any other distribution in respect thereof.

Section 4.05 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company and the consummation of the Merger (subject to the approval of this Agreement by the Company Required Vote) and the other transactions contemplated by this Agreement will not, (i) conflict with or violate any provision of the Company Certificate of Incorporation or Company By-laws, or the equivalent charter documents of any Subsidiary of the Company, (ii) assuming that all consents, approvals, authorizations and waivers contemplated by Section 4.05(b) have been obtained, and all filings described therein have been made, and assuming the accuracy and completeness of the representations and warranties contained in Section 5.04(b), conflict with or violate any Law applicable to the Company or its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, (iii) require any consent or other action by any Person under, result in a breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to others (immediately or with notice or lapse of time or both) any right of termination, amendment, acceleration or cancellation of, result (immediately or with notice or lapse of time or both) in triggering any payment or other obligations under, or result in the loss of any right or benefit to which the Company or any of its Subsidiaries is entitled under, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation or authorization (each, a "Contract") to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries, or any property or asset of the Company or any of its Subsidiaries, is bound or affected or (iv) result (immediately or with notice or lapse of time or both) in the creation of a Lien on any property or asset of the Company or its Subsidiaries, except in the case of clauses (ii), (iii) and (iv) for any such conflicts, violations, breaches, defaults or other occurrences that would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect.

(b) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company and the consummation of the Merger and the other transactions contemplated by this Agreement will not, require any action, consent, approval, authorization, waiver or permit of, or filing with or notification to, or registration or qualification with, any Governmental Authority, except for applicable requirements, if any, of (i) the Securities Act, the Exchange Act, state securities laws or "blue sky" laws, (ii) the HSR Act, (iii) the New York Stock Exchange or Nasdaq, (iv) filing and recordation of the Certificate of Merger, as required by the DGCL, (v) the consents, approvals, authorizations, waivers, permits, filings and notifications set forth in Section 4.05(b) of the Company Disclosure Letter and (vi) such other consents, approvals, authorizations, waivers, permits, filings and notifications that would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect.

Section 4.06 Compliance. The Company and its Subsidiaries hold, and at all times since June 30, 2016 have held, all Company Permits material to the conduct of their respective businesses and are, and since June 30, 2016 have been, in compliance with the terms of such material Company Permits. All such material Company Permits are in full force and effect in all material respects. The business of the Company and its Subsidiaries is not being, and at all times since June 30, 2016 has not been, conducted in material violation of any Law or Order. Since June 30, 2016 through the date hereof, neither the Company nor any of its Subsidiaries has received any written notification or, to the Knowledge of the Company, oral notification from any Governmental Authority of any material violation of Law applicable to the Company or any of its Subsidiaries or by which any of their businesses, operations, properties or assets are bound.

Section 4.07 Litigation.

(a) As of the date hereof, there is no Action pending or, to the Knowledge of the Company, threatened in writing against the Company or any of its Subsidiaries or their respective directors or officers in their capacities as such, that, if determined adversely, would reasonably be likely to have a Company Material Adverse Effect.

(b) As of the date hereof, there is no Order outstanding against the Company or any of its Subsidiaries or their respective businesses that would reasonably be likely to have a Company Material Adverse Effect. Since June 30, 2016, neither the Company nor any of its Subsidiaries has been advised in writing by any Governmental Authority that it is considering issuing any Order that would, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect.

Section 4.08 Company Reports; Financial Statements.

(a) The Company has filed all Company Reports required to be filed with the SEC. As of their respective filing date or, if amended, as of the date of that last such amendment, each Company Report has complied with the applicable requirements of the Securities Act and the Exchange Act, as applicable, except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect. None of the Company Reports contained when filed (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of mailing, respectively) any untrue statement of a material fact or omitted or omits or will omit, as the case may be, to state a material fact required to be stated or incorporated by reference therein or necessary to make the statements therein, in the light of the circumstances under which they were or are made, not misleading.

(b) The Company has made available (including via the SEC's EDGAR system, as applicable) to CF Corp all of the Company Financial Statements. The Company Financial Statements fairly present, in conformity in all material respects with GAAP, in each case, consistently applied for the periods involved, the consolidated financial position of the Company at the respective dates thereof and the consolidated results of its operations and changes in cash flows for the respective periods indicated (subject, in the case of unaudited statements, to normal year-end audit adjustments consistent with GAAP).

(c) There are no liabilities of the Company or any of its Subsidiaries, whether fixed, contingent or otherwise, other than liabilities (i) disclosed and provided for in the Company Balance Sheet or in the balance sheets included in the Company Reports filed prior to the date of this Agreement, (ii) incurred in the ordinary course of business since June 30, 2016, (iii) incurred on behalf of the Company in connection with the transactions contemplated by this Agreement or (iv) which would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect.

(d) The Company maintains "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) reasonably designed to ensure that information required to be disclosed by the Company in reports that its files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to the management of the Company as appropriate to allow timely decisions regarding required disclosure and to make the certifications required by the Exchange Act with respect to the Company Reports.

(e) The Company maintains a system of "internal control over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) sufficient to provide reasonable assurance (i) that receipts and expenditures are made in accordance with management's authorization, (ii) that transactions are recorded as necessary to permit the preparation of financial statements for external purposes in accordance with GAAP and (iii) regarding prevention and timely detection of the unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

(f) The Company has disclosed, based on the most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company Board of Directors, (i) all "significant deficiencies" or "material weaknesses" in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting. For the purposes of this Section 4.08(f), the terms "significant deficiency" and "material weakness" shall have the meanings assigned to them in Appendix A of Auditing Standard No. 5 of the Public Company Accounting Oversight Board, as in effect on the date of this Agreement.

(g) Since June 30, 2016, (i) neither the Company nor any of its Subsidiaries has received any material complaint, allegation, assertion or claim, regarding the accounting or auditing practices, procedures, methodologies or methods of the Company or any of its Subsidiaries or their respective internal accounting controls, including any credible complaint, allegation, assertion or claim that the Company or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no attorney representing the Company or any of its Subsidiaries, whether or not employed by the Company or any of its Subsidiaries, has reported evidence of a material violation of securities Laws, breach of fiduciary duty or similar violation by the Company or any of its Subsidiaries or their respective officers, directors, employees or agents to the Company Board of Directors or any committee thereof or to any director or officer of the Company pursuant to the rules of the SEC adopted under Section 307 of the Sarbanes-Oxley Act of 2002.

(h) There are no "off balance sheet arrangements" as defined in Item 303 of Regulation S-K under the Securities Act, to which the Company or any of its Subsidiaries is a party.

Section 4.09 Absence of Certain Changes or Events. Except as contemplated by, or as disclosed in, this Agreement: (a) since September 30, 2016 through the date hereof, the Company and its Subsidiaries have conducted their businesses in the ordinary course in all material respects; and (b) since September 30, 2016, no Company Material Adverse Effect has occurred.

Section 4.10 Contracts.

(a) Except for this Agreement, as of the date hereof, none of the Company or any of its Subsidiaries is a party to or bound by: (i) any Contract that would be required to be filed by the Company as a "material contract" pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act (in each case, other than a Benefit Plan); (ii) any Contract containing covenants binding upon the Company or any of its Subsidiaries that materially restricts the ability of the Company or any of its Subsidiaries to compete in any business or in any geographic area that is material to the Company and its Subsidiaries, taken as a whole, as of the date hereof; (iii) any Contract with respect to a material joint venture or material partnership agreement; (iv) any Contract which provides for any guarantee of third party obligations, other than any guarantees by the Company of its Subsidiaries' obligations or guarantees by the Subsidiaries of the Company of the Company's obligations; or (v) any Contract which provides for material payments to be made by the Company or any of its Subsidiaries upon a change in control thereof (other than a Benefit Plan), except in the case of clauses (i) through (v) for any (A) such Contract that may be canceled without material penalty by the Company or any of its Subsidiaries upon notice of one hundred and twenty (120) days or less and (B) information technology Contract. Each such Contract described in clauses (i) through (v) is referred to herein as a "Material Contract."

(b) Each of the Material Contracts is valid and binding on the Company and each of its Subsidiaries party thereto and, to the Knowledge of the Company, each other party thereto and is in full force and effect, except for such failures to be valid and binding or to be in full force and effect which would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect. There is no default under any Material Contract by the Company or any of its Subsidiaries and no event has occurred that with the lapse of time or the giving of notice or both would constitute a default thereunder by the Company or any of its Subsidiaries, in each case except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect.

Section 4.11 Insurance Reports.

(a) A true and complete list as of the date hereof of all the Subsidiaries through which the Company conducts its material insurance operations (collectively, the "Company Insurance Entities") is set forth in Section 4.11 of the Company Disclosure Letter. Since June 30, 2016, each of the Company Insurance Entities has filed all annual and quarterly statements, together with all exhibits, interrogatories, notes, schedules and any actuarial opinions, affirmations or certifications or other supporting documents in connection therewith, required to be filed with or submitted to the appropriate insurance regulatory authorities of the jurisdiction in which it is domiciled or commercially domiciled on forms prescribed or permitted by such authority (collectively, the "Company SAP Statements"), except for such failures to file which would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect. The financial statements included in the Company SAP Statements fairly present, in conformity in all material respects with SAP, in each case, consistently applied for the periods involved, the statutory financial position of the relevant Company Insurance Entity at the respective dates thereof and the results of operations of such Company Insurance Entity for the respective periods indicated, and no material deficiency has been asserted by any Governmental Authority with respect to any Company SAP Statements that has not been resolved prior to the date hereof. Except as indicated therein, all assets that are reflected as admitted assets on the Company SAP Statements comply with all applicable federal, state and local statutes and regulations regulating the business and products of insurance and all applicable orders and directives of insurance regulatory authorities (collectively, the "Insurance Laws") with respect to admitted assets, as applicable, except for such failures to comply that would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect.

(b) The Reserves reported in the Company SAP Statements (i) were determined in accordance with generally accepted actuarial standards consistently applied throughout the specified period and (ii) are fairly stated in accordance with sound actuarial principles and applicable SAP, except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect. The Company does not make any representation or warranty in this Section 4.11(b) or in any other provision of this Agreement to the effect that the Reserves will be sufficient or adequate for the purposes for which they were established or that such Reserves may not develop adversely or, subject to Section 4.13, that the reinsurance recoverables taken into account in determining the amount of the Reserves will be collectible.

Section 4.12 Insurance Business.

(a) All policies, binders, slips, certificates, guaranteed insurance contracts, annuity contracts and participation agreements and other agreements of insurance, whether individual or group, in effect as of the date hereof (including all applications, supplements, endorsements, riders and ancillary documents in connection therewith) that are issued by a Company Insurance Entity, and any and all marketing materials are, to the extent required under applicable Insurance Laws, on forms and at rates approved by the insurance regulatory authority of the jurisdiction where issued or, to the extent required by applicable Laws, have been filed with and not objected to by such authority within the period provided for objection, except that would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect.

(b) A true and complete copy of the actuarial report referenced in Section 4.12(b) of the Company Disclosure Letter has been made available to CF Corp (the "Outside Actuarial Analysis"). To the Knowledge of the Company, the information and data furnished by the Company or any Company Insurance Entity to its outside actuary and used in the preparation of the Outside Actuarial Analysis were accurate in all material respects for the periods covered in the Outside Actuarial Analysis.

(c) Except to the extent prohibited by applicable Law, the Company has made available to CF Corp true and complete copies of (i) any material reports on financial examination (including draft reports where final reports are not yet available) and (ii) any material reports on market conduct examination (including draft reports where final reports are not yet available), in the case of each of (i) and (ii) delivered by any insurance regulatory authority in respect of any Company Insurance Entity since June 30, 2016 through the date hereof.

(d) Except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, since June 30, 2016, to the Knowledge of the Company, (i) each Producer, at the time such Producer sold or produced any Insurance Contract, was duly and appropriately appointed by a Company Insurance Entity, in compliance with applicable Law, to act as a Producer for a Company Insurance Entity and was duly and appropriately licensed as a Producer (for the type of business sold or produced by such Producer on behalf of a Company Insurance Entity), in each jurisdiction in which such Producer was required to be so licensed and no such Producer violated any term or provision of applicable Law relating to the sale or production of any Insurance Contract, (ii) no Producer has breached the terms of any agency or broker contract with a Company Insurance Entity or violated any Law or policy of a Company Insurance Entity in the solicitation, negotiation, writing, sale or production of business for any Company Insurance Entity and (iii) no Producer has been enjoined, indicted, convicted or made the subject of any consent decree or judgment on account of any violation of applicable Law in connection with such Producer's actions in his, her or its capacity as a Producer for a Company Insurance Entity or any enforcement or disciplinary proceeding alleging any such violation.

Section 4.13 Reinsurance. Except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, (a) each Company Insurance Entity has appropriately taken credit in its Company SAP Statements pursuant to Insurance Laws for all reinsurance, coinsurance or excess insurance ceded pursuant to any reinsurance, coinsurance, excess insurance, ceding of insurance, assumption of insurance or indemnification with respect to insurance or similar arrangements (the "Reinsurance Contracts") to which it is a party, (b) none of the applicable Company Insurance Entities or, to the Knowledge of the Company, any counterparty to any Reinsurance Contract is (with or without notice or lapse of time or both) in default or breach under the terms of such Reinsurance Contract, (c) none of the Company Insurance Entities or, to the Knowledge of the Company, any reinsurer under any Reinsurance Contract is insolvent or the subject of a rehabilitation, liquidation, conservatorship, receivership, bankruptcy or similar proceeding and the financial condition of any such reinsurer is not impaired to the extent that a default thereunder is reasonably anticipated and (d) no written notice of intended cancellation has been received by any Company Insurance Entity from any such reinsurer, and there are no disputes under any Reinsurance Contract.

Section 4.14 Investment Assets.

(a) Except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, (i) each of the investment assets owned by a Company Insurance Entity (the "Investment Assets") complied in all respects with the investment policies and guidelines as in effect at the time such Investment Asset was acquired by the applicable Company Insurance Entity (the "Investment Guidelines") and (ii) the Company and each of its

Subsidiaries has good and marketable title in and to all of the Investment Assets it purports to own, free and clear of all Liens.

(b) As of the date hereof, except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, (i) neither the Company nor any of its Subsidiaries has any material funding obligations of any kind, or material obligation to make any additional advances or investments (including any obligation relating to any currency or interest rate swap, hedge or similar arrangement) in respect of, any of the Investment Assets and (ii) there are no material outstanding commitments, options, put agreements or other arrangements relating to the Investment Assets to which the Company or any of its Subsidiaries may be subject upon or after the Closing.

Section 4.15 Taxes.

(a) Except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, the Company and each of its Subsidiaries:

(i) have timely filed or caused to be filed (taking into account any extension of time within which to file) all Tax Returns required to be filed by such entities with the appropriate Governmental Authority in all jurisdictions in which Tax Returns are required to be filed, and all such Tax Returns are complete and correct;

(ii) have timely paid or caused to be paid all Taxes due and payable other than Taxes being contested in good faith and for which adequate reserves in accordance with GAAP have been established on the most recent Company Financial Statements; and

(iii) have complied with all applicable Tax Laws with respect to the withholding of Taxes.

(b) There are no pending audits with respect to any material Tax Returns of the Company or any of its Subsidiaries and no waivers of statutes of limitations in respect of material Taxes have been given or requested by the Company or any of its Subsidiaries that are currently outstanding.

(c) Except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, no Liens for Taxes have been filed against the Company or any of its Subsidiaries, except for Liens for Taxes (i) not yet due and payable or (ii) being contested in good faith and for which adequate reserves in accordance with GAAP have been established on the most recent Company Financial Statements.

(d) With respect to all taxable periods in which the applicable statute of limitations has not expired, no material unresolved deficiencies or additions to Taxes have been proposed, asserted, or assessed in writing against the Company or any of its Subsidiaries.

(e) Since April 6, 2011 through the date hereof, neither the Company nor any of its Subsidiaries has received written notice from any Governmental Authority in a jurisdiction in which the Company or any of its Subsidiaries does not file Tax Returns that the Company or any of its Subsidiaries is or may be subject to taxation by that jurisdiction.

(f) There are no agreements relating to the allocating or sharing of Taxes to which the Company or any of its Subsidiaries is a party, other than agreements with the Company or any of its Subsidiaries and other than agreements entered into by the Company or any of its Subsidiaries in the ordinary course of business, the primary purpose of which does not relate to Taxes.

(g) Neither the Company nor any of its Subsidiaries is required to include any material amounts in income, or exclude any material item of deduction, after the Closing Date as a result of any (i) installment sale or open transaction disposition made on or prior to the Closing Date, (ii) prepaid amount received on or prior to the Closing Date outside of the ordinary course of business, (iii) election under Section 108(i) of the Code or (iv) adjustment pursuant to Section 481(a) or Section 807 of the Code with respect to a change in accounting method that occurred before the date hereof.

(h) Neither the Company nor any of its Subsidiaries has entered into a closing agreement or other similar agreement with a Governmental Authority relating to Taxes of the Company or any of its Subsidiaries with respect to a taxable period for which the statute of limitations is still open.

(i) Neither the Company nor any of its Subsidiaries has any material liability for Taxes as a result of having been a member of any affiliated group within the meaning of Section 1504(a) of the Code, or any similar affiliated, consolidated, combined or unitary group for Tax purposes under state, local or foreign Law (other than a group the common parent of which is the Company or any Subsidiary), or has any material liability for the Taxes of any Person (other than the Company or any Subsidiary) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law), or as a transferee or successor. None of Company Insurance Entities is included in any affiliated, consolidated, combined or unitary group for Tax purposes (other than a group the common parent of which is one of the Company Insurance Entities).

(j) Within the two-year period ending on the Closing Date, neither the Company nor any of its Subsidiaries has distributed stock of another Person or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 of the Code.

(k) Each of the Company Insurance Entities is and has been a life insurance company under Section 816(a) of the Code and subject to United States federal income taxation under Section 801 of the Code. None of the Company Insurance Entities has a "policyholders surplus account" within the meaning of Section 815 of the Code which has a positive balance.

(l) Notwithstanding any other representation or warranty in this Article IV, the representations and warranties in this Section 4.15 and in Section 4.17 constitute the sole and exclusive representations and warranties of the Company and its Subsidiaries with respect to Taxes.

Section 4.16 Related Party Transactions. Since June 30, 2016 through the date hereof, there has been no transaction, or series of related transactions, agreements, arrangements or understandings to which the Company or any of its Subsidiaries was or is to be a party, that would be required to be disclosed under Item 404 of Regulation S-K promulgated under the Securities Act.

Section 4.17 Employee Benefit Plans.

(a) Section 4.17(a) of the Company Disclosure Letter sets forth a true and complete list as of the date hereof of (i) each material "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) that the Company or any of its Subsidiaries sponsors, participates in, is a party or contributes to, or with respect to which the Company or any of its Subsidiaries would reasonably be likely to have any material liability; and (ii) each other material employee benefit plan, program or arrangement, including any stock option, stock purchase, stock appreciation right or other stock or stock-based incentive plan, cash bonus or incentive compensation arrangement, retirement or deferred compensation plan, profit sharing plan, unemployment or severance compensation plan, or employment or consulting agreement, for the benefit of any current or former employee or director of the Company or any of its Subsidiaries that does not constitute an "employee benefit plan" (as defined in Section 3(3) of ERISA), that the Company or any of its Subsidiaries presently sponsors, participates in, is a party or contributes to, or with respect to which the Company or any of its Subsidiaries would reasonably be likely to have any material liability (each, a "Benefit Plan").

(b) With respect to each Benefit Plan, the Company has made available to CF Corp a true and complete copy of such Benefit Plan, including any amendments thereto, and a true and complete copy of the following items (in each case, only if applicable) (i) each trust or other funding arrangement, (ii) each summary plan description and summary of material modifications, (iii) the most recently filed annual report on IRS Form 5500, (iv) the most recent financial statements and actuarial or other valuation reports prepared with respect thereto and (v) the most recently received IRS determination letter.

(c) Neither the Company nor any Person that is a member of a "controlled group of corporations" with, or is under "common control" with, or is a member of the same "affiliated service group" with the Company, in each case, as defined in Sections 414(b), (c), (m) or (o) of the Code maintains, contributes to or sponsors (or has in the past six (6) years maintained, contributed to, or sponsored) a multiemployer plan as defined in Section 3(37) of ERISA or an employee benefit plan that is subject to Section 302 or Title IV Plan of ERISA or Section 412 of the Code.

(d) Except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, (i) each Benefit Plan has been operated and administered in accordance with its terms and applicable Law, including but not limited to ERISA and the Code, (ii) as of the date hereof, there is no Action pending or, to the Knowledge of the Company, threatened in writing by or on behalf of any Benefit Plan, by any employee or beneficiary covered under any such Benefit Plan, as applicable, or otherwise involving any such Benefit Plan (other than routine claims for benefits), (iii) with respect to each Benefit Plan intended to be "qualified" within the meaning of Section 401(a) of the Code, (A) each such Benefit Plan has been determined to be so qualified and has received a favorable determination or opinion letter from the IRS with respect to its qualification, (B) the trusts maintained thereunder have been determined to be exempt from taxation under Section 501(a) of the Code, and (C) no event has occurred that would reasonably be likely to result in disqualification or adversely affect such exemption and (iv) no Benefit Plan provides welfare benefits, including death or medical benefits (whether or not insured), beyond retirement or termination of service, other than coverage mandated solely by applicable Law.

(e) Except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, (i) the consummation of the transactions contemplated by this Agreement will not, either alone or in combination with another event, (A) entitle any current or former officer or employee of the Company to severance pay, unemployment compensation or any other payment, except as expressly provided in this Agreement, or (B) accelerate the time of payment or vesting, or increase the amount of compensation due any such officer or employee and (ii) no amounts payable under the Benefit Plans will fail to be deductible for federal income tax purposes by virtue of Section 280G of the Code.

Section 4.18 Labor Relations. None of the Company or any of its Subsidiaries is a party to or bound by any collective bargaining agreement. Since June 30, 2016 through the date hereof, there has been no strike or lockout affecting the Company or any of its Subsidiaries.

Section 4.19 Intellectual Property. Section 4.19 of the Company Disclosure Letter sets forth a true and complete list as of the date hereof of all patents and patent applications, trademark registrations and applications, copyright registrations and applications and domain name registrations, in each case which are owned by the Company or a Subsidiary of the Company as of the date hereof. Except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, the Company or a Subsidiary of the Company owns, or is licensed or otherwise has the right to use, all Intellectual Property Rights that are used in and material to the conduct of the business of the Company and its Subsidiaries, taken as a whole, as presently conducted. To the Knowledge of the Company, the conduct of the business of the Company and its Subsidiaries as currently conducted does not infringe, misappropriate or otherwise violate any Intellectual Property Rights of any Person, and, as of the date hereof, there is no Action pending or, to the Knowledge of the Company, threatened in writing that the Company or any of its Subsidiaries is infringing the Intellectual Property Rights of any Person, except for such infringements, misappropriations, violations and claims that would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect. To the Knowledge of the Company, no Person is infringing any Intellectual Property Rights owned by the Company or a Subsidiary of the Company in a manner that would, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect.

Section 4.20 Insurance Coverage. The Company and its Subsidiaries maintain policies of insurance in such amounts and against such risks as the Company believes to be commercially reasonable. Except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, all such insurance policies are in full force and effect and neither the Company nor any of its Subsidiaries is in breach or default under any such insurance policy.

Section 4.21 Real Property. Section 4.21 of the Company Disclosure Letter sets forth a true and complete list as of the date hereof of each lease and/or sublease to which the Company or any of its Subsidiaries is a party. Other than the leases and/or subleases set forth in Section 4.21 of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries owns or holds any interest in any real property.

Section 4.22 Environmental Matters. Except as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect, (a) neither the Company nor any Subsidiary has received written notice from any Governmental Authority or other Person alleging that the Company or any Subsidiary is in violation of any applicable Environmental Law and (b) the Company and its Subsidiaries are in compliance with applicable Environmental Laws.

Section 4.23 Proxy or Information Statement. The Company Proxy Statement or the Information Statement, as applicable, will, if and when filed with the SEC and at the time it is mailed to the Company Stockholders comply as to form in all material respects with the applicable requirements of the Exchange Act. None of the information provided by the Company to be included in the Company Proxy Statement, the CF Corp Proxy Statement or the Information Statement, as applicable, at the date it is first mailed to the Company Stockholders or the CF Corp Shareholders, and at the time of the Company Stockholders Meeting and/or the CF Corp Shareholders Meeting, as applicable, will contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If at any time prior to the Effective Time any event with respect to the Company or any of its Subsidiaries shall occur which is required to be described in the Company Proxy Statement, the CF Corp Proxy Statement or the Information Statement, as applicable, such event shall be so described, and an amendment or supplement shall be filed with the SEC and, if required by Law, disseminated to the Company Stockholders and the CF Corp Shareholders. Notwithstanding the foregoing, the Company makes no representation or warranty with respect to any information supplied by CF Corp, Parent or Merger Sub that is contained or incorporated by reference in any of the foregoing documents.

Section 4.24 Takeover Statutes. Assuming the accuracy of the representations and warranties of CF Corp, Parent and Merger Sub contained in Section 5.18, the Company Board of Directors has taken or shall have taken all action prior to the Closing, to ensure that no restrictions included in any “fair price”, “moratorium”, “control share acquisition” or other similar antitakeover statute or regulation (including Section 203 of the DGCL) enacted under state or federal laws in the United States applicable to the Company is applicable to the Merger or the other transactions contemplated hereby.

Section 4.25 Termination of Prior Transaction. The Company has terminated the Prior Transaction Merger Agreement in accordance with its terms and, to the Knowledge of the Company, has no material further liabilities or obligations thereunder.

Section 4.26 Financial Advisor Opinion. Each of Credit Suisse Securities (USA) LLC and Rothschild Inc. has delivered to the Company Board of Directors its opinion to the effect that, as of the date of such opinion, the Merger Consideration to be received by the holders (other than CF Corp, Parent and their respective Affiliates and FS Holdco II Ltd.) of shares of Company Common Stock pursuant to this Agreement is fair, from a financial point of view, to such holders.

Section 4.27 Brokers. No broker, finder or investment banker (other than Credit Suisse Securities (USA) LLC, Jefferies LLC and Rothschild Inc.) is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement, the Merger or the other transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company, its Subsidiaries or any of their respective directors, officers or employees.

Section 4.28 No Other Representation or Warranty. Except for the representations and warranties expressly contained in this Article IV, neither the Company nor any other Person on behalf of the Company makes any express or implied representation or warranty with respect to the Company, its Subsidiaries or their respective businesses or with respect to any other information provided to CF Corp, Parent, Merger Sub or their Representatives or Affiliates in connection with the transactions contemplated hereby. Neither the Company nor any other Person will have or be subject to any liability to CF Corp, Parent, Merger Sub or any other Person resulting from the distribution to CF Corp, Merger Sub or their respective Representatives or Affiliates, or CF Corp's, Parent's, Merger Sub's or their Representatives' or Affiliates' use of, any such information, including any information, documents, projections, forecasts or any other material made available to CF Corp, Parent, Merger Sub or their Representatives or Affiliates in certain "data rooms" or management presentations in connection with CF Corp's, Parent's and Merger Sub's consideration and review of the transactions contemplated hereby, unless any such information is expressly included in a representation or warranty contained in this Article IV. Except for the representations and warranties contained in Article V, the Company acknowledges that none of CF Corp, Parent, Merger Sub or any Person on behalf of CF Corp, Parent or Merger Sub makes any other express or implied representation or warranty with respect to CF Corp, Parent or Merger Sub or with respect to any other information provided or made available to the Company in connection with the transactions contemplated by this Agreement.

## ARTICLE V

## REPRESENTATIONS AND WARRANTIES OF CF CORP, PARENT AND MERGER SUB

Except as set forth in the CF Corp Disclosure Letter (it being understood that any information set forth in one section or subsection of the CF Corp Disclosure Letter shall be deemed to apply to and qualify the Section or subsection of this Agreement to which it corresponds in number and each other Section or subsection of this Agreement or the CF Corp Disclosure Letter to the extent reasonably relevant to such Section or subsection), CF Corp, Parent and Merger Sub jointly and severally represent and warrant to the Company as follows:

Section 5.01 Organization and Good Standing. Each of CF Corp and its Subsidiaries, including Parent and Merger Sub, (i) is a corporation or other legal entity duly organized, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the Laws of its jurisdiction of incorporation, except where any failure to be so organized, existing or in good standing would not, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect, (ii) has full corporate or similar power and authority and all necessary governmental approvals to own, lease and operate its properties and assets and to conduct its business as presently conducted, except where any failure to have such power or authority would not, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect, and (iii) is duly qualified or licensed to do business as a foreign corporation and is in good standing (with respect to jurisdictions that recognize such concept) in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except where the failure to be so qualified or licensed would not, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect.

Section 5.02 Authority for Agreement. Each of CF Corp, Parent and Merger Sub has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Merger and the other transactions contemplated by this Agreement. The execution, delivery and performance by CF Corp, Parent and Merger Sub of this Agreement, and the consummation by CF Corp, Parent and Merger Sub of the Merger and the other transactions contemplated by this Agreement, have been duly authorized by all necessary corporate action and no other corporate proceedings on the part of CF Corp, Parent or Merger Sub, and no other votes or approvals of any class or series of capital stock of CF Corp, Parent or Merger Sub, are necessary to authorize this Agreement or to consummate the Merger or the other transactions contemplated hereby (other than solely the CF Corp Required Vote). This Agreement has been duly executed and delivered by CF Corp, Parent and Merger Sub and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of CF Corp, Parent and Merger Sub enforceable against CF Corp, Parent and Merger Sub in accordance with its terms, except as enforcement thereof may be limited against CF Corp, Parent or Merger Sub by (a) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing, or remedies in general, as from time to time in effect, or (b) the exercise by courts of equity powers.

Section 5.03 Capitalization.

(a) The authorized capital stock of CF Corp consists of 400,000 shares of Class A ordinary shares, par value $0.0001 per share ("CF Corp Class A Shares"), 50,000,000 Class B ordinary shares, par value $0.0001 per share ("CF Corp Class B Shares" and, together with the CF Corp Class A Shares, the "CF Corp Ordinary Shares") and 1,000,000 preferred shares, par value $0.0001 per share (the "CF Corp Preferred Shares" and, together with the CF Corp Ordinary shares, the "CF Corp Shares"). As of the date hereof, 69,000,000 CF Corp Class A Shares, 15,000,000 CF Corp Class B Shares and no CF Corp Preferred Shares are issued and outstanding. All outstanding CF Corp Shares are, and any additional CF Corp Shares issued by CF Corp after the date hereof and prior to the Effective Time will be, duly authorized and validly issued, fully paid and nonassessable, and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right. Except as set forth in this Section 5.03(a), there are no outstanding shares of capital stock of or other voting securities or ownership interests in CF Corp.

(b) As of the date hereof, 50,300,000 warrants, each entitling the holder thereof to purchase one CF Corp Class A Share at a price of $11.50, are issued and outstanding.

Section 5.04 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by CF Corp, Parent and Merger Sub do not, and the performance of this Agreement by CF Corp, Parent and Merger Sub and the consummation of the Merger and the other transactions contemplated by this Agreement will not (subject to receipt of the CF Corp Required Vote), (i) conflict with or violate the certificate of incorporation, by-laws or the equivalent charter documents of CF Corp, Parent or Merger Sub, (ii) assuming that all consents, approvals, authorizations and waivers contemplated by Section 5.04(b) have been obtained, and all filings described therein have been made, and assuming the accuracy and completeness of the representations and warranties contained in Section 4.05(b), conflict with or violate any Law applicable to CF Corp or its Subsidiaries or by which any property or asset of CF Corp or any of its Subsidiaries is bound or affected, (iii) require any consent or other action by any Person under, result in a breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to others (immediately or with notice or lapse of time or both) any right of termination, amendment, acceleration or cancellation of, result (immediately or with notice or lapse of time or both) in triggering any payment or other obligations under, or result in the loss of any right or benefit to which CF Corp or any of its Subsidiaries is entitled under, any Contract to which CF Corp or any of its Subsidiaries is a party or by which CF Corp or any of its Subsidiaries, or any property or asset of CF Corp or any of its Subsidiaries, is bound or affected or (iv) result (immediately or with notice or lapse of time or both) in the creation of a Lien on any property or asset of CF Corp or its Subsidiaries, except in the case of clauses (ii), (iii) and (iv) for any such conflicts, violations, breaches, defaults or other occurrences that would not, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect.

(b) The execution and delivery of this Agreement by CF Corp, Parent and Merger Sub do not, and the performance of this Agreement by CF Corp, Parent and Merger Sub will not, require any action, consent, approval, authorization, waiver or permit of, or filing with or notification to, or registration or qualification with, any Governmental Authority, except for applicable requirements, if any, of (i) the Securities Act, the Exchange Act, state securities laws or "blue sky" laws, (ii) the HSR Act, (iii) the New York Stock Exchange or Nasdaq, (iv) filing and recordation of the Certificate of Merger, as required by the DGCL, (v) the consents, approvals, authorizations, waivers, permits, filings and notifications set forth in Section 5.04(b) of the CF Corp Disclosure Letter and (vi) such other consents, approvals, authorizations, waivers, permits, filings and notifications that would not, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect.

Section 5.05 Compliance. CF Corp and its Subsidiaries, including Merger Sub, hold all CF Corp Permits and are in compliance with the terms of such CF Corp Permits, except where the failure to hold or be in compliance with such CF Corp Permits would not, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect. The business of CF Corp and its Subsidiaries, including Merger Sub, is not being conducted in violation of any Law or Order, except for violations that would not, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect. No investigation or review by any

Governmental Authority with respect to CF Corp or any of its Subsidiaries or their respective business is pending or, to the Knowledge of CF Corp, threatened in writing that would, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect.

Section 5.06 Litigation.

(a) As of the date hereof, there is no Action pending or, to the Knowledge of CF Corp, threatened in writing against CF Corp or any of its Subsidiaries, including Merger Sub, that, if determined adversely, would, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect.

(b) As of the date hereof, there is no Order outstanding against CF Corp or any of its Subsidiaries, including Merger Sub, or their respective businesses that would, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect.

Section 5.07 No Regulatory Impediments.

(a) CF Corp has no reason to believe that any facts or circumstances related to its or its Affiliates' identity, financial condition, jurisdiction of domicile or regulatory status will impair or delay its ability to promptly obtain the consents, approvals, authorizations and waivers set forth in Section 5.04(b).

(b) Since December 31, 2016, no CF Corp Material Adverse Effect has occurred.

Section 5.08 CF Corp Reports; Financial Statements.

(a) CF Corp has filed all CF Corp Reports required to be filed with the SEC. As of their respective filing date or, if amended, as of the date of that last such amendment, each CF Corp Report has complied with the applicable requirements of the Securities Act and the Exchange Act, as applicable, except as would not, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect. None of the CF Corp Reports contained when filed (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of mailing, respectively) any untrue statement of a material fact or omitted or omits or will omit, as the case may be, to state a material fact required to be stated or incorporated by reference therein or necessary to make the statements therein, in the light of the circumstances under which they were or are made, not misleading.

(b) CF Corp has made available (including via the SEC's EDGAR system, as applicable) to the Company all of the CF Corp Financial Statements. The CF Corp Financial Statements fairly present, in conformity in all material respects with GAAP, in each case, consistently applied for the periods involved (except as may be indicated in the notes thereto), the consolidated financial position of CF Corp at the respective dates thereof and the consolidated results of its operations and changes in cash flows for the respective periods indicated (subject, in the case of unaudited statements, to normal year-end audit adjustments consistent with GAAP).

(c) There are no liabilities of CF Corp or any of its Subsidiaries, whether fixed, contingent or otherwise, other than liabilities (i) disclosed and provided for in the CF Corp

Balance Sheet or in the balance sheets included in the CF Corp Reports filed prior to the date of this Agreement, (ii) incurred in the ordinary course of business since June 30, 2016, (iii) incurred on behalf of CF Corp in connection with the transactions contemplated by this Agreement or (iv) which would not, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect.

(d) CF Corp maintains "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) reasonably designed to ensure that information required to be disclosed by CF Corp in reports that its files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to the management of CF Corp as appropriate to allow timely decisions regarding required disclosure and to make the certifications required by the Exchange Act with respect to the CF Corp Reports.

(e) CF Corp maintains a system of "internal control over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) sufficient to provide reasonable assurance (i) that receipts and expenditures are made in accordance with management's authorization, (ii) that transactions are recorded as necessary to permit the preparation of financial statements for external purposes in accordance with GAAP and (iii) regarding prevention and timely detection of the unauthorized acquisition, use or disposition of CF Corp's assets that could have a material effect on the financial statements.

(f) Since June 30, 2016, (i) neither CF Corp nor any of its Subsidiaries has received any material complaint, allegation, assertion or claim, regarding the accounting or auditing practices, procedures, methodologies or methods of CF Corp or any of its Subsidiaries or their respective internal accounting controls, including any credible complaint, allegation, assertion or claim that CF Corp or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no attorney representing CF Corp or any of its Subsidiaries, whether or not employed by CF Corp or any of its Subsidiaries, has reported evidence of a material violation of securities Laws, breach of fiduciary duty or similar violation by CF Corp or any of its Subsidiaries or their respective officers, directors, employees or agents to CF Corp's Board of Directors or any committee thereof or to any director or officer of CF Corp pursuant to the rules of the SEC adopted under Section 307 of the Sarbanes-Oxley Act of 2002.

(g) There are no "off balance sheet arrangements" as defined in Item 303 of Regulation S-K under the Securities Act, to which CF Corp is a party.

Section 5.09 Financial Capability. The aggregate proceeds from the Equity Financing, together with the amounts to be contributed to CF Corp from the Trust Account and the proceeds of the FP Financing, constitute all of the financing required for the consummation of the transactions contemplated by this Agreement and are sufficient to permit CF Corp to fund the Merger Consideration set forth in Article II and any other amounts payable by CF Corp, Parent, Merger Sub, the Surviving Corporation or any of their respective Subsidiaries in connection with this Agreement and the transactions contemplated hereby.

Section 5.10 Equity Financing.

(a) CF Corp has delivered to the Company true, correct and complete copies of the fully executed equity commitment letters from each of the Blackstone Fund, GSO Fund and FNF (collectively, the "Equity Providers"), dated as of the date hereof (including all exhibits, schedules, annexes and amendments thereto as of the date of this Agreement, the "Equity Commitment Letters") pursuant to which each of the Equity Providers has committed, subject to the terms and conditions therein, to provide equity financing to Parent in the amounts set forth therein for purpose of funding the transactions contemplated hereby (the "Equity Financing"). The Equity Commitment Letters provide, and will continue to provide, that the Company is a third party beneficiary thereof.

(b) The Equity Commitment Letters are in full force and effect and are legal, valid and binding obligations of CF Corp and the Equity Providers, enforceable in accordance with their respective terms. As of the date of this Agreement, the Equity Commitment Letters have not been withdrawn, terminated, repudiated, rescinded, amended, supplemented or modified, in any respect, and no such withdrawal, termination, repudiation, rescission, amendment, supplement or modification is contemplated.

(c) As of the date of this Agreement, neither CF Corp nor any Equity Provider has committed any breach of any of its covenants or other obligations set forth in, or is in default under, the Equity Commitment Letters, and to the Knowledge of CF Corp, no event has occurred or circumstance exists that, with or without notice, lapse of time or both, would or would reasonably be likely to (i) constitute or result in a breach or default on the part of any Person under the Equity Commitment Letters, (ii) constitute or result in a failure by CF Corp or the Equity Providers to satisfy a condition precedent to or other contingency to be satisfied by CF Corp or the Equity Providers set forth in the Equity Commitment Letters, (iii) make any of the statements by CF Corp or the Equity Providers set forth in the Equity Commitment Letters inaccurate in any material respect or (iv) subject to the satisfaction (or waiver by CF Corp, CF Corp and Merger Sub) of the conditions set forth in Section 7.01 and Section 7.02, otherwise result in any portion of the Equity Financing not being available.

(d) As of the date of this Agreement, none of CF Corp, Parent or Merger Sub has received any notice or other communication from the Equity Providers with respect to (i) any actual or potential breach or default on the part of CF Corp or the Equity Providers, (ii) any actual or potential failure by CF Corp or the Equity Providers to satisfy any condition precedent or other contingency to be satisfied by CF Corp or the Equity Providers set forth in the Equity Commitment Letters or (iii) any intention of the Equity Providers to terminate the Equity Commitment Letters or to not provide all or any portion of the Equity Financing. As of the date hereof, subject to the satisfaction (or waiver by CF Corp, Parent and Merger Sub) of the conditions set forth in Section 7.01 and Section 7.02, CF Corp, Parent and Merger Sub (A) have no reason to believe CF Corp will not be able to satisfy on a timely basis each term and condition to be satisfied by CF Corp relating to the closing or funding of the Equity Financing, (B) know of no fact, occurrence, circumstance or condition that would reasonably be likely to (1) cause the Equity Commitment Letters to terminate, to be withdrawn, modified, repudiated or rescinded or to be or become ineffective, (2) cause any of the terms or conditions to be satisfied by CF Corp relating to the closing or funding of any portion of the Equity Financing not to be met or complied with, or (3) otherwise cause the full amount (or any portion) of the funds contemplated to be available under the Equity Commitment Letters to not be available to CF Corp, Parent and Merger Sub on a timely basis (and in any event as of the Closing) and (C) know of no potential impediment to the funding of any of the payment obligations of CF Corp, Parent or Merger Sub under this Agreement.

(e) There are no, and there will not be any, conditions precedent or other contingencies related to the obligation of any party to the Equity Commitment Letters to fund or invest, as applicable, the full amount (or any portion) of the Equity Financing, other than as expressly set forth in the Equity Commitment Letters as in effect on the date hereof (the "Disclosed Conditions"). Other than the Disclosed Conditions, neither the Equity Providers nor any other Person has any right to impose, and none of the Equity Providers, CF Corp, Parent, Merger Sub, the Company or any Subsidiary obligor have any obligation to accept, any condition precedent to any funding of the Equity Financing nor any reduction to the aggregate amount available under the Equity Commitment Letters (nor any term or condition which would have the effect of reducing the aggregate amount available under the Equity Commitment Letters). There are no side letters and (except for the Equity Commitment Letters) there are no agreements, contracts, arrangements or understandings, whether written or oral, with the Equity Providers or any other Person relating to the Equity Financing or the Equity Commitment Letters that, in each case, could permit the Equity Providers to reduce their commitments with respect to the Equity Financing. Other than as set forth in the Equity Commitment Letters, there are no conditions precedent relating to the funding of the full amount of the Equity Financing that would reasonably be likely to, (i) impair the validity of the Equity Commitment Letters, (ii) reduce the aggregate amount of the Equity Financing, (iii) prevent or delay the consummation of the transactions contemplated hereby, (iv) cause the Equity Commitment Letters to be ineffective, or (v) otherwise result in the Equity Financing not being available on a timely basis in order to consummate the transactions contemplated hereby.

Section 5.11 Forward Purchase Agreements.

(a) CF Corp has delivered to the Company true, correct and complete copies of the fully executed forward purchase agreements between CF Corp, solely for the purposes of Section 6 thereof, CF Capital Growth, LLC, and each of the counterparties parties thereto (collectively, the "Forward Purchasers") (including all exhibits, schedules, annexes and amendments thereto as of the date of this Agreement, the "Forward Purchase Agreements") pursuant to which each of the Forward Purchasers has committed, subject to the terms and conditions therein, to provide equity financing to CF Corp in the amounts set forth therein for purpose of funding the transactions contemplated hereby (the "FP Financing").

(b) The Forward Purchase Agreements are in full force and effect and are legal, valid and binding obligations of CF Corp and the Forward Purchasers, enforceable in accordance with their respective terms. As of the date of this Agreement, the Forward Purchase Agreements have not been withdrawn, terminated, repudiated, rescinded, amended, supplemented or modified, in any respect, and no such withdrawal, termination, repudiation, rescission, amendment, supplement or modification is contemplated.

(c) As of the date of this Agreement, neither CF Corp nor the Forward Purchasers has committed any breach of any of its covenants or other obligations set forth in, or is in default under, the Forward Purchase Agreements, and to Knowledge of CF Corp no event has occurred or circumstance exists that, with or without notice, lapse of time or both, would or would reasonably be likely to (i) constitute or result in a breach or default on the part of any Person under the Forward Purchase Agreements, (ii) constitute or result in a failure by CF Corp or the Forward Purchasers to satisfy a condition precedent to or other contingency to be satisfied by CF Corp or the Forward Purchasers set forth in the Forward Purchase Agreements, (iii) make any of the statements by CF Corp or the Forward Purchasers set forth in the Forward Purchase Agreements inaccurate in any material respect or (iv) subject to the satisfaction (or waiver by CF Corp, Parent and Merger Sub) of the conditions set forth in Section 7.01 and Section 7.02 of this Agreement and the FP Disclosed Conditions, otherwise result in any portion of the FP Financing not being available.

(d) As of the date of this Agreement, none of CF Corp, Parent or Merger Sub has received any notice or other communication from the Forward Purchasers with respect to (i) any actual or potential breach or default on the part of CF Corp or the Forward Purchasers, (ii) any actual or potential failure by CF Corp or the Forward Purchasers to satisfy any condition precedent or other contingency to be satisfied by CF Corp or the Forward Purchasers set forth in the Forward Purchase Agreements or (iii) any intention of the Forward Purchasers to terminate the Forward Purchase Agreements or to not provide all or any portion of the FP Financing. As of the date hereof, subject to the satisfaction (or waiver by CF Corp, Parent and Merger Sub) of the conditions set forth in Section 7.01 and Section 7.02 of this Agreement and the FP Disclosed Conditions, CF Corp, Parent and Merger Sub (A) have no reason to believe CF Corp will not be able to satisfy on a timely basis each term and condition to be satisfied by CF Corp relating to the closing or funding of the FP Financing, (B) know of no fact, occurrence, circumstance or condition that would reasonably be likely to (1) cause the Forward Purchase Agreements to terminate, to be withdrawn, modified, repudiated or rescinded or to be or become ineffective, (2) cause any of the terms or conditions to be satisfied by CF Corp relating to the closing or funding of any portion of the FP Financing not to be met or complied with, or (3) otherwise cause the full amount (or any portion) of the funds contemplated to be available under the Forward Purchase Agreements to not be available to CF Corp, Parent and Merger Sub on a timely basis (and in any event as of the Closing) and (C) know of no potential impediment to the funding of any of the payment obligations of CF Corp, Parent or Merger Sub under this Agreement.

(e) There are no, and there will not be any, conditions precedent or other contingencies related to the obligation of any party to the Forward Purchase Agreements to fund or invest, as applicable, the full amount (or any portion) of the FP Financing, other than as expressly set forth in the Forward Purchase Agreements as in effect on the date hereof (the "FP Disclosed Conditions"). Other than the FP Disclosed Conditions, neither the Forward Purchasers nor any other Person has any right to impose, and none of the Forward Purchasers, CF Corp, Parent, Merger Sub, the Company or any Subsidiary obligor have any obligation to accept, any condition precedent to any funding of the FP Financing nor any reduction to the aggregate amount available under the Forward Purchase Agreements (nor any term or condition which would have the effect of reducing the aggregate amount available under the Forward Purchase Agreements). There are no side letters and (except for the Forward Purchase Agreements) there are no agreements, contracts, arrangements or understandings, whether written or oral, with the Forward Purchasers or any other Person relating to the FP Financing or the Forward Purchase Agreements that, in each case, could permit the Forward Purchasers to reduce their commitments with respect to the FP Financing. Other than as set forth in the Forward Purchase Agreements, there are no conditions precedent relating to the funding of the full amount of the FP Financing that would reasonably be likely to, (i) impair the validity of the Forward Purchase Agreements, (ii) reduce the aggregate amount of the FP Financing, (iii) prevent or delay the consummation of the transactions contemplated hereby, (iv) cause the Forward Purchase Agreements to be ineffective, or (v) otherwise result in the FP Financing not being available on a timely basis in order to consummate the transactions contemplated hereby.

Section 5.12 Trust Account.

(a) CF Corp has delivered to the Company a true, correct and complete copy of the fully executed Trust Agreement. As of the date of this Agreement, CF Corp has at least $690,000,000 in the Trust Account, with such funds invested in United States Government securities or money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act of 1940 and held in trust by Continental Stock Transfer & Trust Company (the "Trustee") pursuant to the Trust Agreement.

(b) The Trust Agreement is in full force and effect and is a legal, valid and binding obligation of CF Corp and the Trustee, enforceable in accordance with its terms. As of the date of this Agreement, the Trust Agreement has not been terminated, repudiated, rescinded, amended, supplemented or modified, in any respect, and no such termination, repudiation, rescission, amendment, supplement or modification is contemplated.

(c) There are no side letters and (except for the Trust Agreement) there are no agreements, contracts, arrangements or understandings, whether written or oral, with the Trustee or any other Person that would (i) cause the description of the Trust Agreement in the CF Corp Reports to be inaccurate in any material respect or (ii) entitle any Person (other than shareholders of CF Corp holding CF Corp Shares sold in CF Corp's initial public offering who shall have elected to redeem their CF Corp Shares pursuant to CF Corp's Amended and Restated Articles of Association) to any portion of the proceeds in the Trust Account. Prior to the Closing, none of the funds held in the Trust Account may be released except (A) to pay income and franchise taxes from any interest income earned in the Trust Account and (B) to redeem CF Corp Shares in accordance with the provisions of CF Corp's Amended and Restated Articles of Association.

(d) There is no Action pending or, to the Knowledge of CF Corp, threatened in writing with respect to the Trust Account.

Section 5.13 Debt Financing.

(a) Parent has delivered to the Company true, correct and complete copies of a fully executed debt commitment letter, dated as of May 24, 2017 (including all related exhibits, schedules, annexes, supplements and term sheets thereto, and as amended from time to time after the date hereof in compliance with Section 6.10(b), the "Debt Commitment Letter") from the lenders party thereto (collectively, the "Committed Lenders") and the arrangers party thereto (collectively, the "Lead Arrangers"), pursuant to which the Committed Lenders have committed, subject to the terms and conditions set forth therein, to provide to CF Corp the Debt Financing in cash in the aggregate amount set forth in the Debt Commitment Letter. A true, correct and complete copy of the fee letter related to the Debt Commitment Letter has been provided to the Company, except that the existence and/or amount of fees, flex provisions, pricing terms, pricing caps and other commercially sensitive numbers specified therein have been redacted; provided, however, that in no event shall any terms relating to conditions precedent to the funding of the Debt Financing be redacted (such fee letter, the "Fee Letter").

(b) The Debt Commitment Letter is in full force and effect and is a legal, valid and binding obligation of CF Corp and, to the Knowledge of CF Corp, each other party thereto, enforceable in accordance with its terms. As of the date hereof, none of the commitments contained in the Debt Commitment Letter have been withdrawn, terminated, repudiated, rescinded, amended, supplemented or modified, in any respect, and no such withdrawal, termination, repudiation, rescission, amendment, supplement or modification is contemplated, except as permitted by Section 6.10 hereof.

(c) As of the date hereof, neither CF Corp nor, to the Knowledge of CF Corp, any other counterparty thereto, has committed any breach of any of its covenants or other obligations set forth in, or is in default under, the Debt Commitment Letter, and to the Knowledge of CF Corp, no event has occurred or circumstance exists that, with or without notice, lapse of time or both, would or would reasonably be likely to (i) constitute or result in a breach or default on the part of any Person under the Debt Commitment Letter, (ii) constitute or result in a failure to satisfy a condition precedent to or other contingency to be satisfied set forth in the Debt Commitment Letter, (iii) make any of the statements set forth in the Debt Commitment Letter inaccurate in any material respect or (iv) subject to the satisfaction (or waiver by CF Corp, Parent and Merger Sub) of the conditions set forth in Section 7.01 and Section 7.02, otherwise result in any portion of the Debt Financing not being available.

(d) As of the date hereof, none of CF Corp, Parent or Merger Sub has received any notice or other communication from any party to the Debt Commitment Letter with respect to (i) any actual or threatened breach or default on the part of CF Corp or any other party to the Debt Commitment Letter, (ii) any actual or threatened failure to satisfy any condition precedent to the availability of the Debt Financing pursuant to the terms of the Debt Commitment Letter or (iii) any intention of such party to terminate the Debt Commitment Letter or to not provide all or any portion of amount committed to be provided by such party pursuant to the terms of the Debt Financing. As of the date hereof, subject to the satisfaction (or waiver by CF Corp, Parent and Merger Sub) of the conditions set forth in Section 7.01 and Section 7.02, CF Corp, Parent and Merger Sub (both before and after giving effect to any "market flex" provisions contained in the Debt Commitment Letter): (A) have no reason to believe CF Corp, Parent, Merger Sub or any of their respective Affiliates will not be able to satisfy on a timely basis each term and condition to be satisfied by any of them relating to the closing or funding of the Debt Financing, (B) know of no fact, occurrence, circumstance or condition that would reasonably be likely to (1) cause the Debt Commitment Letter to terminate, to be withdrawn, modified, repudiated or rescinded or to be or become ineffective, (2) cause any of the terms or conditions to be satisfied by CF Corp, Parent, Merger Sub or any of their respective Affiliates relating to the closing or funding of any portion of the Debt Financing not to be met or complied with, or (3) otherwise cause the full amount (or any portion) of the funds contemplated to be available under the Debt Commitment Letter to not be available to CF Corp, Parent and Merger Sub on a timely basis (and in any event as of the Closing) and (C) know of no potential impediment to the funding of any of the payment obligations of CF Corp, Parent or Merger Sub under this Agreement. CF Corp, Parent and/or Merger Sub have fully paid any and all commitment fees or other fees or deposits required by the Debt Commitment Letter to be paid on or before the date hereof, and CF Corp, Parent or Merger Sub will pay when due all other commitment or other fees arising under the Debt Commitment Letter as and when they become payable.

(e) There are no, and there will not be any, conditions precedent or other contingencies related to the Debt Financing as contemplated by the Debt Commitment Letter other than as expressly set forth in the Debt Commitment Letter or the Fee Letter (the "Debt Disclosed Conditions"). Other than the Debt Disclosed Conditions, no Debt Financing Source nor any other Person has any right to impose, and none of the Equity Providers, CF Corp, Parent, Merger Sub, the Company or any Subsidiary obligor have any obligation to accept, any condition precedent to any funding of the Debt Financing nor any reduction to the aggregate amount available under the Debt Commitment Letter (nor any term or condition which would have the effect of reducing the aggregate amount available under the Debt Commitment Letter). Other than the Debt Commitment Letter and the Fee Letter, neither CF Corp nor any of its Affiliates has entered into any agreement, side letter or other contractual arrangement (in each case, whether oral or written), relating to the Debt Financing, other than (i) as set forth in the Debt Commitment Letters and the Fee Letter, (ii) customary administrative agent engagement letters or non-disclosure agreements which do not impact the conditionality of the Debt Financing or (iii) those that would not be reasonably expected to adversely affect the availability of any portion of the Debt Financing and which do not impact the conditionality of the Debt Financing. Other than as set forth in the Debt Commitment Letter or the Fee Letter, there are no conditions precedent relating to the funding of the full amount of the Debt Financing that would reasonably be likely to, (i) impair the validity of the Debt Commitment Letter, (ii) reduce the aggregate amount of the Debt Financing, (iii) prevent or delay the consummation of the transactions contemplated hereby, (iv) cause the Debt Commitment Letter to be ineffective, or (v) otherwise result in the Debt Financing not being available on a timely basis in order to consummate the transactions contemplated hereby.

(f) The aggregate proceeds from the Debt Financing constitute all of the financing required to (i) repay, redeem and/or refinance all outstanding amounts under the Company Existing Indenture and the Company Existing Credit Agreement (assuming all such amounts were required to be repaid or redeemed) and (ii) pay all fees, costs and expenses to be paid by CF Corp, Parent, Merger Sub or the Surviving Corporation relating to the Debt Financing (clauses (i) and (ii) are collectively referred to herein as the "Refinancing").

Section 5.14 Limited Guaranties. CF Corp has delivered to the Company true, correct and complete copies of the fully executed Limited Guaranties. Each of the Limited Guaranties is in full force and effect and is a legal, valid and binding obligation of the parties thereto, enforceable in accordance with their respective terms.

Section 5.15 Information Letter Agreements. CF Corp has delivered to the Company true, correct and complete copies of the fully executed Information Letter Agreements. The

Information Letter Agreements are in full force and effect and are legal, valid and binding obligations of the parties thereto, enforceable in accordance with their respective terms.

Section 5.16 Interim Operations.

(a) CF Bermuda Holdings Limited, a Bermuda exempted company ("Topco"), is a wholly owned direct subsidiary of CF Corp. Parent is a wholly owned direct subsidiary of Topco and Merger Sub is a wholly owned direct subsidiary of Parent. Topco, Parent and Merger Sub were formed solely for the purpose of engaging in the transactions contemplated by this Agreement, and have, and immediately prior to the Effective Time will have, engaged in no business or incurred any liabilities or obligations other than in connection with the transactions contemplated by this Agreement.

(b) CF Corp has not engaged in any business activity, other than (i) as described in the CF Corp Reports and (ii) in connection with the evaluation, negotiation and consummation of the transactions contemplated hereby.

Section 5.17 Ownership of Shares. Neither CF Corp nor any of its Subsidiaries, including Merger Sub, beneficially owns (within the meaning of Section 13 of the Exchange Act), or will prior to the Closing Date beneficially own, any shares of Company Common Stock, or is a party, or will prior to the Closing Date become a party, to any Contract (other than this Agreement) for the purpose of acquiring, holding, voting or disposing of any shares of Company Common Stock.

Section 5.18 Vote/Approval Required.

(a) No vote or consent of the holders of any class or series of capital stock of Parent is necessary to approve this Agreement or the Merger or the transactions contemplated hereby. The vote or consent of Parent as the sole stockholder of Merger Sub (which shall have occurred prior to the Effective Time) is the only vote or consent of the holders of any class or series of capital stock of Merger Sub necessary to approve the Agreement or the Merger or the transactions contemplated hereby.

(b) The CF Corp Required Vote is the only vote of the holders of any class of CF Corp's capital stock necessary to approve the transactions contemplated by this Agreement.

Section 5.19 Proxy or Information Statement. The CF Corp Proxy Statement will, when filed with the SEC and at the time it is mailed to the CF Corp Shareholders comply as to form in all material respects with the applicable requirements of the Exchange Act. None of the information provided by CF Corp to be included in the Company Proxy Statement, the CF Corp Proxy Statement or the Information Statement, as applicable, at the date it is first mailed to the CF Corp Shareholders or the Company Stockholders, and at the time of the CF Corp Shareholders Meeting or the Company Stockholders Meeting, as applicable, will contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If at any time prior to the Effective Time any event with respect to CF Corp shall occur which is required to be described in the Company Proxy Statement, the CF Corp Proxy Statement or the Information Statement, as applicable, such event shall be so described, and an amendment or supplement shall be filed with the SEC and, if required by Law, disseminated to the CF Corp Shareholders and Company Stockholders. Notwithstanding the foregoing, CF Corp makes no representation or warranty with respect to any information supplied by the Company that is contained in any of the foregoing documents.

Section 5.20 CF Corp Nasdaq Listing. The issued and outstanding CF Corp Class A Shares are registered pursuant to Section 12(b) of the Exchange Act and are listed for trading on Nasdaq. There is no Action or investigation pending or, to the Knowledge of CF Corp, threatened against CF Corp by Nasdaq or the SEC with respect to any intention by such entity to deregister the CF Corp Class A Shares or prohibit or terminate the listing of CF Corp Class A Shares on Nasdaq. CF Corp has taken no action designed to terminate the registration of CF Corp Class A Shares under the Exchange Act.

Section 5.21 Brokers. No broker, finder or investment banker (other than Lazard Frères & Co. LLC) is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement, the Merger or the other transactions contemplated by this Agreement based upon arrangements made by or on behalf of CF Corp, Parent or Merger Sub or any of their respective directors, officers or employees.

Section 5.22 No Other Representation or Warranty. Except for the representations and warranties expressly contained in this Article V, none of CF Corp, Parent or Merger Sub nor any other Person on behalf of CF Corp, Parent or Merger Sub makes any express or implied representation or warranty with respect to CF Corp, Parent or Merger Sub or their respective Subsidiaries or their respective businesses or with respect to any other information provided to the Company or its Representatives or Affiliates in connection with the transactions contemplated hereby. Except for the representations and warranties contained in Article IV, each of CF Corp, Parent and Merger Sub acknowledges that neither the Company nor any Person on behalf of the Company makes any other express or implied representation or warranty with respect to the Company or with respect to any other information provided or made available to CF Corp, Parent or Merger Sub in connection with the transactions contemplated by this Agreement.

## ARTICLE VI

## COVENANTS

Section 6.01 Conduct of Business by the Company Pending the Merger. During the period from the date of this Agreement until the Closing or earlier termination of this Agreement, except as otherwise expressly contemplated or permitted by this Agreement, as set forth in Section 6.01 of the Company Disclosure Letter, as required by applicable Law or Order, or with the prior written consent of CF Corp (which consent shall not be unreasonably withheld, delayed or conditioned), (x) the Company shall and shall cause each of its Subsidiaries to conduct their respective businesses and operations in the ordinary course of business in all material respects consistent with past practices, (y) subject to the limitations, restrictions and prohibitions set forth in clauses (a) through (w) of this Section 6.01, the Company shall use its reasonable best efforts to preserve intact its business organization and, its assets, keep available the services of its current officers, employees and consultants and preserve its goodwill and its relationships with customers, reinsurers, agents, service providers and others having business dealings with it, and (z) the Company shall not and shall cause each of its Subsidiaries not to:

(a) declare, set aside, make or pay any dividends or other distributions (whether in cash, stock or property) in respect of any of its or its Subsidiaries' capital stock, other than (i) any dividends or distributions by a Subsidiary of the Company to the Company or to any other Subsidiary of the Company or (ii) quarterly cash dividends paid by the Company on the Company Common Stock not in excess of $0.065 per share, per quarter, with record and payment dates generally consistent with the timing of record and payment dates in the most recent comparable prior year fiscal quarter prior to the date of this Agreement;

(b) adjust, split, combine, subdivide or reclassify any of its capital stock or that of its Subsidiaries or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock or that of its Subsidiaries;

(c) repurchase, redeem or otherwise acquire or offer to repurchase, redeem or otherwise acquire, directly or indirectly, any shares of its capital stock or any Company Stock Rights;

(d) issue, deliver, offer, grant or sell any shares of its capital stock, Company Stock Rights or Subsidiary Stock Rights, other than the issuance of shares of Company Common Stock upon the vesting or exercise of Company Stock Options, Company Performance RSUs or Company Restricted Stock Rights outstanding as of the date hereof in accordance with the terms thereof;

(e) amend the Company Certificate of Incorporation or Company By-laws or equivalent organizational documents of the Company's Subsidiaries;

(f) purchase an equity interest in, or a portion of the assets of, any Person or any division or business thereof or merge, combine, amalgamate or consolidate with any Person, in each case, other than (i) any such action solely between or among the Company and its wholly-owned Subsidiaries or solely between or among two or more wholly-owned Subsidiaries of the Company, (ii) in the ordinary course of business consistent with past practice with consideration not to exceed $2,000,000 individually or in the aggregate or (iii) investment portfolio transactions in the ordinary course of business and not in violation of the Investment Guidelines in effect as of the date hereof;

(g) sell, lease, license, allow to lapse, abandon, mortgage, encumber or otherwise dispose of, discontinue, abandon or fail to maintain any of its properties or assets (including capital stock of any Subsidiary of the Company) that are material, individually or in the aggregate, to the Company and its Subsidiaries, taken as a whole, other than the sale or other disposition or any lease or license of assets (other than the capital stock of any Subsidiary of the Company) (i) solely between or among the Company and its wholly-owned Subsidiaries or solely between or among two or more wholly-owned Subsidiaries of the Company or (ii) investment portfolio transactions in the ordinary course of business and not in violation of the Investment Guidelines as in effect as of the date of this Agreement;

(h) incur, create or assume any indebtedness for borrowed money, issue or sell any debt securities or warrants or other rights to acquire any debt securities of the Company or any of its Subsidiaries, guarantee any such indebtedness or any debt securities of another Person, or enter into any "keep well" or other agreement to maintain any financial statement condition of another Person (collectively, "Indebtedness"), other than (i) guarantees by the Company of permitted Indebtedness of its wholly-owned Subsidiaries or guarantees by the wholly-owned Subsidiaries of the Company of permitted Indebtedness of the Company, (ii) investment portfolio transactions in the ordinary course of business and not in violation of the Investment Guidelines as in effect as of the date of this Agreement or (iii) borrowings under the Company Existing Credit Agreement; provided that the Company shall consult with CF Corp before making any such borrowings under the Company Existing Credit Agreement in excess of $25,000,000;

(i) make any loans, advance or capital contributions to, or investments in, any Person, other than (i) the Company or any of its wholly-owned Subsidiaries, or (ii) investment portfolio transactions in the ordinary course of business and not in violation of the Investment Guidelines as in effect as of the date of this Agreement;

(j) settle, commence or discharge any material Action made or pending against the Company or any of its Subsidiaries, or any of their respective directors or officers in their capacities as such, other than the settlement of Actions that would not reasonably be expected to prohibit or materially restrict the Company and its Subsidiaries from operating their business in substantially the same manner as operated on the date of this Agreement or require the waiver or release of any material rights or claims;

(k) cancel any material Indebtedness or waive any material benefits, claims or rights in connection therewith, in each case, other than in the ordinary course of business consistent with past practice;

(l) make any material change (i) in any accounting methods, principles or practices (including such methods, principles or practices relating to the estimation of Reserves), (ii) to the Investment Guidelines of the Company Insurance Entities as in effect as of the date of this Agreement, or (iii) to any of the actuarial, underwriting, claims administration or reinsurance policies, practices or principles of any Company Insurance Entity, in each case, except as required by GAAP or SAP;

(m) conduct any material revaluation of any asset, including any material writing-off of accounts receivable or reinsurance recoverables, other than as required by GAAP or SAP;

(n) except as required by a Benefit Plan as of the date hereof, grant any increases in the compensation or benefits of any of its directors, officers or employees;

(o) except as required by a Benefit Plan as of the date hereof, (i) make any grant of, or increase in, any severance or enter into any agreements or understandings concerning any type of compensation (whether present, deferred, or contingent) that is based on or otherwise relates to any acquisition, merger, consolidation, sale, or other disposition of all or substantially all of the assets of the Company payable to any director, officer or employee, (ii) accelerate the time of payment or vesting of, or the lapsing of any restrictions with respect to, or fund or otherwise secure the payment of, any compensation or material benefits under any Benefit Plan, or (iii) establish, adopt, enter into, amend or terminate any material Benefit Plan (or any plan, program, agreement, or arrangement that would constitute a material Benefit Plan if in effect on the date hereof);

(p) make or change any material Tax election, settle or compromise any material Tax liability, change its method of accounting, file any material amended Tax Return, fail to file any material Tax Return when due, surrender any right to claim a material Tax refund, offset or other reduction in Tax liability or consent to join any affiliated, consolidated, combined or unitary group for Tax purposes;

(q) enter into or amend or modify in any material respect, terminate, cancel or extend any Material Contract or enter into any contract or agreement that if in effect as of the date hereof would be a Material Contract or Reinsurance Contract, other than in the ordinary course of business consistent with past practice;

(r) enter into or amend in any significant manner any contract, agreement or commitment with any former or present director or officer of the Company or any of its Subsidiaries or with any Affiliate of any of the foregoing Persons or any other Person covered under Item 404(a) of Regulation S-K under the Securities Act, other than as would not be adverse to the Company and its Subsidiaries;

(s) authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization with respect to the Company or any of its Subsidiaries;

(t) (i) enter into any new line of business or (ii) change in any material respect any material products or any material operating or enterprise risk management policies, in each case, except as required by Law or by policies imposed, or requests made, by a Governmental Authority;

(u) enter into any agreement or commitment with any insurance regulatory authority other than in the ordinary course of business consistent with past practice;

(v) enter into (i) any material funding obligations of any kind, or material obligation to make any additional advances or investments (including any obligation relating to any currency or interest rate swap, hedge or similar arrangement) in respect of, any of the Investment Assets or (ii) any material outstanding commitments, options, put agreements or other arrangements relating to the Investment Assets to which the Company or any of its Subsidiaries may be subject upon or after the Closing, in each case, other than as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect; or

(w) agree to take any of the actions described in this <u>Section 6.01</u>.

Section 6.02 Access to Information and Employees; Confidentiality.

(a) From the date hereof to the Effective Time, the Company shall, and shall cause the Representatives of the Company to, afford the Representatives of CF Corp, Parent and Merger Sub, upon not less than two (2) days' prior written notice, which shall be directed to the Company's General Counsel, reasonable access during normal business hours to the officers, agents, properties, offices and other facilities, books and records of the Company. Notwithstanding the foregoing, neither the Company nor any of its Subsidiaries shall be obligated to provide any such access or information to the extent that doing so (i) would be reasonably likely to cause a waiver of an attorney-client privilege or loss of attorney work product protection, (ii) would constitute a violation of any applicable Law, (iii) would violate any Contract to which the Company or any of its Subsidiaries is a party or bound or (iv) would interfere unreasonably with the business or operations of the Company or its Subsidiaries or would otherwise result in significant interference with the prompt and timely discharge by their respective employees of their normal duties.

(b) Except for disclosures expressly permitted by the terms of the Confidentiality Agreement, CF Corp, Parent and Merger Sub shall hold, and shall cause their respective Representatives to hold, all information received, directly or indirectly, from the Company or its Representatives in confidence in accordance with the Confidentiality Agreement. The Confidentiality Agreement shall survive any termination of this Agreement.

Section 6.03 Reasonable Best Efforts to Consummate Merger; Notification.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each of CF Corp, Parent, Merger Sub and the Company agrees to use, and shall cause their respective Subsidiaries to use, reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to fulfill all conditions applicable to such party pursuant to this Agreement and to consummate and make effective, in the most expeditious manner practicable, the Merger and the other transactions contemplated hereby, including (i) obtaining all necessary, proper or advisable actions or nonactions, consents, approvals, authorizations, waivers or qualifications from Governmental Authorities and making all necessary, proper or advisable registrations, filings and notices and taking all steps as may be necessary to obtain a consent, approval, authorization, waiver or exemption from any Governmental Authority (including under Insurance Laws and the HSR Act) and (ii) executing and delivering any additional agreements, documents or instruments necessary, proper or advisable to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement.

(b) Without limiting the foregoing, CF Corp, Parent and Merger Sub shall use, and shall cause their respective Subsidiaries to use, reasonable best efforts to take any and all actions necessary to avoid each and every impediment under any applicable Law that may be asserted by, or Order that may be entered by, any Governmental Authority with respect to this Agreement, the Merger or any other transaction contemplated hereby so as to enable the Closing to occur as promptly as practicable, including using reasonable best efforts to take all actions requested by any Governmental Authority, or otherwise necessary, proper or appropriate to (i) obtain all consents, approvals, authorizations or waivers of Governmental Authorities necessary, proper or advisable to consummate the transactions contemplated by this Agreement and secure the expiration or termination of any applicable waiting period under the HSR Act, (ii) resolve any objections that may be asserted by any Governmental Authority with respect to the Merger or any other transaction contemplated hereby and (iii) prevent the entry of, and have vacated, lifted, reversed or overturned, any Order that would prevent, prohibit, restrict or delay the consummation of the Merger or any other transaction contemplated hereby.

(c) CF Corp shall not, and shall cause its respective Subsidiaries not to, directly or indirectly (whether by merger, consolidation or otherwise), acquire, purchase, lease or license (or agree to acquire, purchase, lease or license) any business, corporation, partnership, association or other business organization or division or part thereof, or any securities or collection of assets, if doing so would reasonably be expected to: (i) impose any material delay in the obtaining of, or materially increase the risk of not obtaining, consents, approvals, authorizations or waivers of Governmental Authorities necessary, proper or advisable to consummate the transactions contemplated by this Agreement and secure the expiration or termination of any applicable waiting period under the HSR Act; (ii) materially increase the risk of any Governmental Authority entering an Order prohibiting the consummation of the transactions contemplated by this Agreement; (iii) materially increase the risk of not being able to remove any such Order on appeal or otherwise; or (iv) otherwise impair or delay the ability of CF Corp, Parent and Merger Sub to perform their material obligations under this Agreement.

(d) In furtherance and without limiting the foregoing, (i) CF Corp shall file, or cause to be filed, a "Form A" Acquisition of Control Statement with all required applicants, together with all exhibits, affidavits and certificates, with the Insurance Commissioner of the State of Iowa, as attached to Section 6.03(d)(i) of the CF Corp Disclosure Letter, within two (2) Business Days of the date hereof; provided, however, that CF Corp shall have ten (10) Business Days from the date hereof to submit to the Insurance Commissioner of the State of Iowa required business plan and projections, a modified coinsurance agreement, required biographical affidavits and required financial statements of natural persons, (ii) CF Corp shall file, or cause to be filed, a Section 1506 filing with all required applicants, together with all exhibits, affidavits and certificates, with the Superintendent of Financial Services of the State of New York, as attached to Section 6.03(d)(ii) of the CF Corp Disclosure Letter, within two (2) Business Days of the date hereof; provided, however, that CF Corp shall have ten (10) Business Days from the date hereof to submit to the Superintendent of Financial Services of the State of New York required business plans and projections, required biographical affidavits and required financial statements of natural persons, (iii) each of CF Corp and the Company shall file a notification and report form pursuant to the HSR Act with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice with respect to the Merger and the other transactions contemplated hereby and requesting early termination of the waiting period under the HSR Act, within ten (10) Business Days of the date hereof, (iv) CF Corp shall file, or cause to be filed, any pre-acquisition notifications on "Form E" or similar market share notifications to be filed in each jurisdiction where required by applicable Laws with all required applicants, within ten (10) Business Days of the date hereof, (v) CF Corp shall make a filing with the Vermont Department of Financial Regulation as may be required by Vermont Insurance Regulation C-81-2 Section 14, within ten (10) Business Days of the date hereof, and (vi) the parties shall take, make or refrain from any other actions or nonactions, consents, approvals, authorizations, waivers, qualifications, registrations, filings and notices of, with or to

Governmental Authorities necessary, proper or advisable to consummate the transactions contemplated by this Agreement, within ten (10) Business Days of the date hereof. All filing fees payable in connection with the foregoing shall be borne by CF Corp. CF Corp agrees promptly to provide, or cause to be provided, all agreements, documents, instruments, affidavits, statements or information that may be required or requested by any Governmental Authority (including under New York Insurance Regulation 52) relating to CF Corp (including any of its directors, officers, employees, partners, members or shareholders) and all Persons who are deemed or may be deemed to "control" CF Corp within the meaning of applicable Insurance Laws, or its or their structure, ownership, businesses, operations, regulatory and legal compliance, assets, liabilities, financing, financial condition or results of operations, or any of its or their directors, officers, employees, partners, members or shareholders.

(e) Upon the written request of CF Corp, the Company shall, and shall cause its Subsidiaries, to provide reasonable cooperation and assistance to CF Corp and its counsel, at CF Corp's sole cost and expense, in the preparation of, and, at the direction of CF Corp, the filing of any application, consent, approval, authorization, waiver or exemption set forth on Section 6.03(e) of the CF Corp Disclosure Letter in connection with actions proposed to be taken or agreements proposed to be entered into by the Company on or following the Closing Date (the "Accommodation Filings"). CF Corp agrees to any modifications to the transactions or matters contemplated by the Accommodation Filings that may be required or requested by any Governmental Authority. Except for the transactions and matters set forth in Section 6.03(e) of the CF Corp Disclosure Letter, CF Corp and its Affiliates shall not at any time prior to the Closing, in connection with the transactions contemplated by this Agreement, file any application with or request for non-disapproval by any Governmental Authority with respect to any inter-affiliate transaction between any Company Insurance Entity, on the one hand, and CF Corp or any of its Affiliates, on the other hand, that would require approval or non-disapproval under applicable Law. Each of CF Corp, Parent and Merger Sub acknowledges and agrees that the effectiveness of the Accommodation Filings is not a condition to the Closing, including to the extent the transactions or matters contemplated thereby are included in any of the consents, approvals, authorizations or filings set forth in Schedule 7.01(d).

(f) Each of the Company, CF Corp, Parent and Merger Sub agrees that it shall consult with one another with respect to the obtaining of all consents, approvals, authorizations, waivers or exemptions of Governmental Authorities necessary, proper or advisable to consummate the transactions contemplated by this Agreement and each of the Company, CF Corp, Parent and Merger Sub shall keep the others apprised on a prompt basis of the status of matters relating to such consents, approvals, authorizations, waivers or exemptions. CF Corp, Parent and the Company shall have the right to review in advance, subject to redaction of personally identifiable information, and, to the extent practicable, and subject to any restrictions under applicable Law each shall consult the other on, any filing made with, or written materials submitted to, any Governmental Authority or any Third Party in connection with the transactions contemplated by this Agreement and each party agrees to in good faith consider and reasonably accept comments of the other parties thereon. CF Corp and the Company shall promptly furnish to each other copies of all such filings and written materials after their filing or submission, in each case subject to applicable Laws and subject to redaction of personally identifiable information.

(g) CF Corp, Parent, Merger Sub and the Company shall promptly (and in no event later than twenty-four (24) hours after receipt) advise each other upon receiving any communication from any Governmental Authority whose consent, approval, authorization, waiver or exemption is required for consummation of the transactions contemplated by this Agreement, including promptly furnishing each other copies of any written or electronic communications, and shall promptly advise each other when any such communication causes such party to believe that there is a reasonable likelihood that any such consent, approval, authorization, waiver or exemption will not be obtained or that the receipt of any such consent, approval, authorization, waiver or exemption will be materially delayed or conditioned.

(h) None of CF Corp, Parent, Merger Sub and the Company shall, and shall cause their respective Affiliates not to, permit any of their respective directors, officers, employees, partners, members, shareholders or any other Representatives to participate in any live or telephonic meeting (other than non-substantive scheduling or administrative calls) with any Governmental Authority in respect of any filings, investigation or other inquiry relating to the transactions contemplated by this Agreement unless it consults with the other in advance and, to the extent permitted by applicable Law and by such Governmental Authority, gives the other party the opportunity to attend and participate in such meeting.

(i) Notwithstanding anything in this Agreement to the contrary, in no event shall the Company or its Affiliates be required to agree to take or enter into any action which would be required to be taken in the event that the Closing does not occur.

(j) CF Corp's or Parent's breach of any of its obligations in this Section 6.03 that results in a failure of the Closing to occur shall constitute an intentional and material breach of this Agreement.

Section 6.04 Stockholder Consent; Information Statement; Proxy Statement.

(a) Immediately after the execution of this Agreement, the Company shall, in accordance with the DGCL, take all actions necessary to seek and obtain the Company Required Vote by irrevocable written consent of FS Holdco II Ltd. in the form attached hereto as Exhibit C (the "Stockholder Written Consent"). As promptly as practicable after receipt of the Stockholder Written Consent, the Company shall deliver to CF Corp a copy (including by facsimile or other electronic image scan transmission) of the executed Stockholder Written Consent. If the Stockholder Written Consent is not executed and delivered to CF Corp within forty-eight (48) hours after the execution of this Agreement (the "Written Consent Delivery Period"), CF Corp shall have the right to terminate this Agreement as set forth in Section 8.01(c). In connection with the Stockholder Written Consent, the Company shall take all actions necessary to comply, and shall comply in all respects, with the DGCL, including Section 228 and Section 262 thereof, the Company Certificate of Incorporation and the Company By-laws, the Exchange Act, including Regulation 14C and Schedule 14C promulgated thereunder, and the rules and regulations of the New York Stock Exchange.

(b) In the event the Stockholder Written Consent is delivered to CF Corp, as promptly as practicable thereafter, the Company shall, in consultation with CF Corp, prepare, and the Company shall file with the SEC, an Information Statement (including therein a notice of appraisal rights in accordance with Section 262(d) of the DGCL). The Company shall notify CF Corp promptly of the receipt of any comments from the SEC or the staff of the SEC and of any request by the SEC or the staff of the SEC for amendments or supplements to the Information Statement or for additional information and shall consult with CF Corp regarding, and supply CF Corp with copies of, all correspondence between the Company or any of its Representatives, on the one hand, and the SEC or the staff of the SEC, on the other hand, with respect to the Information Statement. Prior to filing or mailing any proposed amendment of or supplement to the Information Statement, the Company shall provide CF Corp a reasonable opportunity to review and comment on such document. If any information relating to the Company or CF Corp, or any of their respective Affiliates, should be discovered by the Company or CF Corp which should be set forth in an amendment or supplement to the Information Statement, so that the Information Statement shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, the party which discovers such information shall promptly notify the other parties, the Company shall promptly file an appropriate amendment or supplement describing such information with the SEC and, to the extent required by Law, disseminate to the stockholders of the Company such amendment or supplement. The Company shall use reasonable best efforts to have the Information Statement cleared by the SEC as promptly as practicable and shall thereafter file with the SEC the Information Statement in definitive form as contemplated by Rule 14c-2 promulgated under the Exchange Act substantially in the form previously cleared or filed with the SEC, as the case may be, and thereafter the Company shall promptly mail to the Company Stockholders the Information Statement.

(c) As promptly as practicable after the date hereof, CF Corp shall, in consultation with the Company, prepare, and CF Corp shall file with the SEC, preliminary proxy materials which shall constitute the CF Corp Proxy Statement. CF Corp shall notify the Company promptly of the receipt of any comments from the SEC or the staff of the SEC and of any request by the SEC or the staff of the SEC for amendments or supplements to the CF Corp Proxy Statement or for additional information and shall consult with the Company regarding, and supply the Company with copies of, all correspondence between CF Corp or any of its Representatives, on the one hand, and the SEC or the staff of the SEC, on the other hand, with respect to the CF Corp Proxy Statement. Prior to filing or mailing any proposed amendment of or supplement to the CF Corp Proxy Statement, CF Corp shall provide the Company with a reasonable opportunity to review and comment on such document. If, at any time prior to the CF Corp Shareholders Meeting, any information relating to the Company or CF Corp, or any of their respective Affiliates, should be discovered by the Company or CF Corp which should be set forth in an amendment or supplement to the CF Corp Proxy Statement, so that the CF Corp Proxy Statement shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, the party which discovers such information shall promptly notify the other party, CF Corp shall promptly file an appropriate amendment or supplement describing such information with the SEC and, to the extent required by Law, disseminate to the CF Corp Shareholders such amendment or supplement. CF Corp shall use reasonable best efforts to have the CF Corp

Proxy Statement cleared by the SEC as promptly as practicable and thereafter CF Corp shall promptly mail to the CF Corp Shareholders the CF Corp Proxy Statement and all other proxy materials for the CF Corp Shareholders Meeting.

(d) In the event the Stockholder Written Consent is not delivered to CF Corp and CF Corp does not terminate this Agreement in accordance with Section 8.01(c), then as promptly as practicable after the expiration of the Written Consent Delivery Period, the Company shall prepare and file with the SEC preliminary proxy materials which shall constitute the Company Proxy Statement. The Company shall notify the CF Corp promptly of the receipt of any comments from the SEC or the staff of the SEC and of any request by the SEC or the staff of the SEC for amendments or supplements to the Company Proxy Statement or for additional information and shall consult with the CF Corp regarding, and supply the CF Corp with copies of, all correspondence between itself or any of its Representatives, on the one hand, and the SEC or the staff of the SEC, on the other hand, with respect to the Company Proxy Statement. Prior to filing or mailing any proposed amendment of or supplement to the Company Proxy Statement, the Company shall provide CF Corp with a reasonable opportunity to review and comment on such document. If, at any time prior to the Company Stockholders Meeting, any information relating to the Company or CF Corp, or any of their respective Affiliates, should be discovered by the Company or CF Corp which should be set forth in an amendment or supplement to the Company Proxy Statement, so that the Company Proxy Statement shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, the party which discovers such information shall promptly notify the other party, the Company shall promptly file an appropriate amendment or supplement describing such information promptly with the SEC and, to the extent required by Law, disseminate to the Company Stockholders such amendment or supplement. The Company shall use reasonable best efforts to have the Company Proxy Statement cleared by the SEC as promptly as practicable and thereafter the Company shall promptly mail to the Company Stockholders the Company Proxy Statement and all other proxy materials for the Company Stockholders Meeting.

(e) The Company and CF Corp shall make any necessary filings with respect to the Merger under the Exchange Act and shall provide reasonable cooperation to the other in connection therewith. In furtherance of the foregoing, the Company shall use commercially reasonable efforts to cooperate and provide to CF Corp information reasonably necessary in order to prepare the CF Corp Proxy Statement, including any amendment thereto. The Company shall use commercially reasonable efforts to provide CF Corp with reasonable access to the appropriate officers and employees of the Company and its Subsidiaries during normal business hours and upon reasonable advance notice to the Company in connection with the drafting of the CF Corp Proxy Statement and in responding in a timely manner to comments on the CF Corp Proxy Statement from the SEC. The Company shall use commercially reasonable efforts to assist CF Corp in obtaining any consents from the Company's accounting advisors on customary terms consistent with such advisor's past practice and shall use commercially reasonable efforts to make available the senior officers of the Company for a reasonable number of meetings, including management and other presentations and "road show" appearances, in each case on a reasonable and customary basis and upon reasonable advance notice to the Company.

Notwithstanding anything to the contrary contained herein, neither the Company nor any of its Subsidiaries shall be required to (i) take any action that would unreasonably interfere with the normal business and operations of the Company or any of its Subsidiaries, (ii) take any action that would cause any director, officer or employee of the Company or any of its Subsidiaries to incur any personal liability or (iii) provide access to or disclose information that the Company determines would jeopardize any attorney-client privilege of the Company or any of its Subsidiaries. CF Corp shall promptly reimburse the Company for any out-of-pocket costs and expenses incurred by the Company and its Subsidiaries in connection with any cooperation contemplated by this Section 6.04(e).

Section 6.05 Stockholders Meetings.

(a) Company Stockholders Meeting. In the event the Stockholder Written Consent is not delivered to CF Corp and CF Corp does not terminate this Agreement in accordance with Section 8.01(c), the Company, acting through the Company Board of Directors, shall take all actions in accordance with applicable Law, the Company Certificate of Incorporation, the Company By-laws and the rules of the New York Stock Exchange to duly call, give notice of, convene and promptly hold the Company Stockholders Meeting for the purpose of considering and voting upon the adoption of this Agreement. Subject to Section 6.06, to the extent permitted by applicable Law, (i) the Company Board of Directors shall recommend adoption of this Agreement and approval of the Merger by the Company Stockholders and include such recommendation in the Company Proxy Statement and (ii) neither the Company Board of Directors nor any committee thereof shall withdraw or modify, or publicly propose or resolve to withdraw or modify in a manner adverse to CF Corp, the recommendation of the Company Board of Directors that the Company Stockholders vote in favor of the adoption of this Agreement and approval of the Merger. Unless this Agreement has been duly terminated in accordance with the terms herein, the Company shall, subject to the right of the Company Board of Directors to modify its recommendation in a manner adverse to CF Corp under circumstances as specified in Section 6.06, take all lawful action to solicit from the Company Stockholders proxies in favor of the proposal to adopt this Agreement and approve the Merger and shall take all other action reasonably necessary or advisable to secure the vote or consent of the Company Stockholders that are required by the rules of the New York Stock Exchange and the DGCL. Notwithstanding anything to the contrary contained in this Agreement, the Company, after consultation with CF Corp, may adjourn or postpone the Company Stockholders Meeting to the extent necessary to ensure that any legally required supplement or amendment to the Company Proxy Statement is provided to the Company Stockholders or, if as of the time for which the Company Stockholders Meeting is originally scheduled (as set forth in the Company Proxy Statement), there are insufficient shares of Company Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Company Stockholders Meeting.

(b) CF Corp Shareholders Meeting. CF Corp, acting through its Board of Directors, shall take all actions in accordance with applicable Law, CF Corp's Amended and Restated Articles of Association and the rules of Nasdaq to duly call, give notice of, convene and promptly hold the CF Corp Shareholders meeting for the purpose of considering and voting upon (i) the adoption of this Agreement and (ii) all shareholder approvals required by the rules of Nasdaq with respect to the issuance of CF Corp Shares in connection with the transactions contemplated hereby (together, the "CF Corp Shareholder Proposals") and to provide the holders of CF Corp Class A Shares with the opportunity to redeem such CF Corp Class A Shares in accordance with CF Corp's Amended and Restated Articles of Association (the "CF Corp Shareholder Redemption"). To the extent permitted by applicable Law, (i) CF Corp's Board of Directors shall recommend adoption of this Agreement and approval of CF Corp Shareholder Proposals and include such recommendation in the CF Corp Proxy Statement, and (ii) neither CF Corp's Board of Directors nor any committee thereof shall withdraw or modify, or publicly propose or resolve to withdraw or modify in a manner adverse to the Company, the recommendation of CF Corp's Board of Directors that the CF Corp Shareholders vote in favor of the CF Corp Shareholder Proposals. Unless this Agreement has been duly terminated in accordance with the terms herein, CF Corp shall take all lawful action to solicit from the CF Corp Shareholders proxies in favor of the proposal to adopt this Agreement and approve the CF Corp Shareholder Proposals and shall take all other action reasonably necessary or advisable to secure the vote or consent of the CF Corp Shareholders that are required by the rules of Nasdaq and the Cayman Island Companies Law (2013 Revision). Notwithstanding anything to the contrary contained in this Agreement, CF Corp, after consultation the Company, may adjourn or postpone the CF Corp Shareholders Meeting to the extent necessary to ensure that any legally required supplement or amendment to the CF Corp Proxy Statement is provided to the CF Corp Shareholders or, if as of the time for which the CF Corp Shareholders Meeting is originally scheduled (as set forth in the CF Corp Proxy Statement), there are insufficient shares of CF Corp Shares represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the CF Corp Shareholders Meeting. CF Corp hereby acknowledges that, pursuant to the Voting Agreement, each of the shareholders of CF Corp party thereto has irrevocably granted to and appointed the Company and any designee of the Company as such shareholder's proxy to vote all of the CF Corp Shares held by such shareholder at the CF Corp Shareholders Meeting, solely on the matters and in the manner specified in the Voting Agreement. CF Corp further hereby acknowledges and agrees that during the term of the Voting Agreement, it shall recognize the grant of any such proxy and the exercise thereof by the Company or one of its designees in accordance with the terms thereof at the CF Corp Shareholders Meeting. CF Corp shall use its commercially reasonable efforts to cause CF Shareholders that hold CF Corp Shares as of the record date for the CF Corp Shareholders Meeting and are not a party to the Voting Agreement to deliver to the Company a duly authorized and executed joinder to the Voting Agreement.

Section 6.06 No Solicitation of Transactions.

(a) The Company agrees that (i) it and its directors and officers shall not, (ii) its Subsidiaries and its Subsidiaries' directors and officers shall not and (iii) it shall use reasonable best efforts to ensure that its and its Subsidiaries' other Representatives shall not, directly or indirectly, (A) solicit, initiate or knowingly encourage any inquiries regarding or the making of any proposal that constitutes or is reasonably likely to lead to a Takeover Proposal, (B) enter into, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any Person any confidential information with respect to, any Takeover Proposal, (C) enter into any agreement or agreement in principle requiring, directly or indirectly, the Company to abandon, terminate or fail to consummate the transactions contemplated hereby, or (D) publicly propose or agree to do any of the foregoing. The Company shall, and shall cause its Subsidiaries and direct its Representatives to, immediately cease and cause to be terminated all existing discussions and negotiations with any Person conducted prior to the date of this Agreement with respect to any

Takeover Proposal. Notwithstanding the foregoing or anything else in this Agreement to the contrary, at any time prior to obtaining the Company Required Vote, in response to a *bona fide* written Takeover Proposal received after the date hereof that did not result from a material breach of this Section 6.06, if the Company Board of Directors determines after consultation with its financial advisors and outside counsel, that such Takeover Proposal constitutes or could reasonably be expected to lead to a Superior Proposal, the Company may (and may authorize and permit its Subsidiaries and Representatives to), subject to compliance with Section 6.06(c), (1) furnish information with respect to the Company and its Subsidiaries to the Person making such Takeover Proposal (and its Representatives) pursuant to a confidentiality agreement containing provisions (including standstill provisions) not less restrictive with respect to the Person making such Takeover Proposal than those set forth in the Confidentiality Agreement are to CF Corp, provided that all such information has previously been provided to CF Corp or is provided to CF Corp prior to or substantially concurrently with the time it is provided to such Person, and (2) participate in discussions and negotiations with the Person making such Takeover Proposal (and its Representatives) regarding such Takeover Proposal, if and only to the extent that in connection with the foregoing clauses (1) and (2) the Company Board of Directors determines in good faith, after consultation with its financial advisors and outside counsel, that the failure to do so would be inconsistent with its fiduciary duties under Delaware Law.

(b) Neither the Company Board of Directors nor any committee thereof shall (i)(A) withdraw (or modify in a manner adverse to CF Corp), or publicly propose to withdraw or withhold (or modify in a manner adverse to CF Corp), the approval, recommendation or declaration of advisability by the Company Board of Directors or any such committee of this Agreement or the Merger or (B) recommend or endorse the approval or adoption of, or approve or adopt, or publicly propose to recommend, endorse, approve or adopt, any Takeover Proposal (any action described in this clause (i) being referred to as an "Adverse Recommendation Change"; it being understood that any "stop, look and listen" or similar communication of the type contemplated by Rule 14d-9(f) of the Exchange Act shall not be deemed to be an Adverse Recommendation Change) or (ii) approve or recommend, or publicly propose to approve or recommend, or cause or permit the Company or any of its Subsidiaries to execute or enter into, any Takeover Proposal Documentation. Notwithstanding the foregoing or anything else in this Agreement to the contrary, at any time prior to obtaining the Company Required Vote, the Company Board of Directors may, if, after consultation with its financial advisors and outside counsel, it determines that the failure to take such action would be inconsistent with its fiduciary duties under Delaware Law, (1) make an Adverse Recommendation Change or (2) cause or permit the Company to terminate this Agreement in order to enter into an agreement regarding a Superior Proposal if and only if (I) the Company has complied in all material respects with this Section 6.06 and shall have given CF Corp written notice at least four (4) Business Days prior to taking such action (a "Notice of Superior Proposal"), that the Company Board of Directors intends to take such action in response to a Superior Proposal and specifying the reasons therefor, including the most current version of any proposed agreement or, if there is no such proposed written agreement, a reasonably detailed summary of the material terms and conditions of any such Superior Proposal and the identity of the Person making such Superior Proposal and (II) during such four (4) Business Day period, if requested by CF Corp, the Company and its Representatives shall engage in good faith negotiations with CF Corp and its Representatives to amend this Agreement in such a manner that any Takeover Proposal which was determined to constitute a Superior Proposal no longer is a Superior Proposal taking into account any changes to the financial terms and other material terms of this Agreement proposed by CF Corp in writing to the Company following the Notice of Superior Proposal (it being understood and agreed that any amendment to the financial terms or other material terms of such Superior Proposal shall require a new Notice of Superior Proposal and the Company shall be required to comply again with this Section 6.06(b), except that reference to the four (4) Business Day period shall be deemed a reference to a new two (2) Business Day period).

(c) In addition to the obligations of the Company set forth in Section 6.06(a) and Section 6.06(b), the Company shall as promptly as practicable advise CF Corp of the receipt of any Takeover Proposal after the date of this Agreement, the material terms and conditions of any such Takeover Proposal and the identity of the Person making any such Takeover Proposal. The Company shall, subject to the fiduciary duties of the Company Board of Directors under applicable Law, keep CF Corp reasonably informed of any material developments with respect to any such Takeover Proposal (including any material changes thereto).

(d) Prior to obtaining the Company Required Vote, the Company Board of Directors may make an Adverse Recommendation Change in response to a Change in Circumstance, if and only if (i) the Company Board of Directors determines in good faith, after consultation with the Company's outside counsel, that the failure to do so would be inconsistent with its fiduciary duties under applicable Law, (ii) the Company shall have given CF Corp written notice at least four (4) Business Days prior to making any such Adverse Recommendation Change, (iii) during such four (4) Business Day period, if requested by CF Corp, the Company and its Representatives shall engage in good faith negotiations with CF Corp and its Representatives to amend this Agreement and (iv) after considering any proposed revisions to this Agreement made by CF Corp in writing during such four (4) Business Day period, if any, after consultation with its outside counsel, the Company Board of Directors shall have determined, in good faith, that the failure to make the Adverse Recommendation Change in response to such Change in Circumstance would be inconsistent with its fiduciary duties under applicable Law.

(e) Nothing contained in this Section 6.06 or elsewhere in this Agreement shall prohibit the Company from (i) taking and disclosing to its stockholders a position contemplated by Rule 14d-9 or Rule 14e-2(a) promulgated under the Exchange Act or (ii) making any disclosure to its stockholders if the Company Board of Directors determines (after consultation with its outside counsel) that failure to do so would be inconsistent with its obligations under applicable Law, it being understood, however, that this clause (ii) shall not be deemed to permit the Company Board of Directors to make an Adverse Recommendation Change or take any of the actions referred to in clause (ii) of Section 6.06(b) except, in each case, to the extent permitted by Section 6.06(b).

Section 6.07 Equity Financing.

(a) CF Corp and its Subsidiaries acknowledge that they shall be, subject to the satisfaction of the conditions set forth in Section 7.01 and Section 7.02, fully responsible for obtaining the Equity Financing and each shall take, or cause to be taken, all actions, and do, or cause to be done, all things, necessary, proper or advisable to obtain the Equity Financing, including taking all actions necessary to (i) maintain in effect the Equity Commitment Letters, (ii) satisfy on a timely basis all conditions in such Equity Commitment Letters that are within CF Corp's and its Subsidiaries' control, (iii) subject to satisfaction of the conditions in the Equity Commitment Letters, consummate the Equity Financing at the Closing and (iv) fully enforce its rights under the Equity Commitment Letters (including through litigation). Any breach of the Equity Commitment Letters by CF Corp shall be deemed a breach by CF Corp of this Section 6.07. Prior to the Closing, CF Corp shall not agree to, or permit, any amendment or modification of, or waiver under, the Equity Commitment Letters without the prior written consent of the Company.

(b) CF Corp shall give the Company prompt (and in any event within two (2) Business Days) notice (i) of any breach or default, or threatened breach or default, related to the Equity Financing of which CF Corp becomes aware, (ii) of the receipt or delivery of any notice or other communication, in each case from any Person with respect to any actual or potential breach of any provisions of the Equity Commitment Letters by CF Corp, or any default, termination or repudiation by any party to the Equity Commitment Letters and (iii) if at any time for any reason CF Corp believes that it will not be able to obtain all or any portion of the Equity Financing on the terms and conditions, in the manner or from the sources, contemplated by the Equity Commitment Letters. CF Corp shall promptly provide any information reasonably requested by the Company relating to any circumstance referred to in clause (i), (ii) or (iii) of the immediately preceding sentence.

(c) CF Corp and its Subsidiaries acknowledge and agree that the obtaining of the Equity Financing is not a condition to the Closing.

Section 6.08 Forward Purchase Agreements.

(a) CF Corp and its Subsidiaries acknowledge that they shall be, subject to the satisfaction of the conditions set forth in Section 7.01 and Section 7.02, fully responsible for obtaining the FP Financing and each shall take, or cause to be taken, all actions, and do, or cause to be done, all things, necessary, proper or advisable to obtain the FP Financing, including taking all actions necessary to (i) maintain in effect the Forward Purchase Agreements, (ii) satisfy on a timely basis all conditions in such Forward Purchase Agreements that are within CF Corp's and its Subsidiaries' control, (iii) subject to satisfaction of the conditions in the Forward Purchase Agreements, consummate the FP Financing at the Closing and (iv) fully enforce its rights under the Forward Purchase Agreements (including through litigation). Any breach of the Forward Purchase Agreements by CF Corp shall be deemed a breach by CF Corp of this Section 6.08. Prior to the Closing, CF Corp shall not agree to, or permit, any amendment or modification of, or waiver under, the Forward Purchase Agreements without the prior written consent of the Company.

(b) CF Corp shall give the Company prompt (and in any event within two (2) Business Days) notice (i) of any breach or default, or threatened breach or default, related to the FP Financing of which CF Corp, Parent or Merger Sub becomes aware, (ii) of the receipt or delivery of any notice or other communication, in each case from any Person with respect to any actual or potential breach of any provisions of the Forward Purchase Agreements by CF Corp, Parent or Merger Sub or any default, termination or repudiation by any party to the Forward

Purchase Agreements and (iii) if at any time for any reason CF Corp believes that it will not be able to obtain all or any portion of the FP Financing on the terms and conditions, in the manner or from the sources, contemplated by the Forward Purchase Agreements. CF Corp shall promptly provide any information reasonably requested by the Company relating to any circumstance referred to in clause (i), (ii) or (iii) of the immediately preceding sentence.

(c) CF Corp and its Subsidiaries acknowledge and agree that the obtaining of the FP Financing is not a condition to the Closing.

Section 6.09 Trust Account. Upon the satisfaction of the conditions set forth in Section 7.01 and Section 7.02 and provision of notice thereof to the Trustee (which notice CF Corp shall provide to the Trustee in accordance with the terms of the Trust Agreement), (a) in accordance with and pursuant to the Trust Agreement, at the Closing, CF Corp (i) shall cause the documents, opinions and notices required to be delivered to the Trustee pursuant to the Trust Agreement to be so delivered and (ii) shall use reasonable best efforts to cause the Trustee to (A) pay as and when due all amounts payable to shareholders of CF Corp holding CF Corp Shares sold in CF Corp's initial public offering who shall have previously validly elected to redeem their CF Corp Shares pursuant to CF Corp's Amended and Restated Articles of Association and (B) immediately thereafter, pay all remaining amounts then available in the Trust Account in accordance with this Agreement and the Trust Agreement and (b) thereafter, the Trust Account shall terminate, except as otherwise provided therein. Prior to the Closing, CF Corp shall not agree to, or permit, any amendment or modification of, or waiver under, the Trust Agreement without the prior written consent of the Company.

Section 6.10 Debt Financing.

(a) Subject to Section 6.10(b) and the remaining provisions of this Section 6.10(a), prior to the Closing, the Company shall, and shall cause its Subsidiaries to, and shall use its commercially reasonable efforts to cause any of their respective directors, officers, employees, managers, consultants, accountants or other agents or representatives to use their reasonable efforts to, at CF Corp's sole expense, reasonably cooperate with CF Corp as necessary in connection with the arrangement and obtaining of the Debt Financing or any high-yield bonds being issued in lieu of all or a portion of the Debt Financing, as may be reasonably requested by CF Corp, including: (i) (A) furnishing CF Corp, the Committed Lenders and the Lead Arrangers as promptly as practicable with (x) audited consolidated balance sheets of the Company and its Subsidiaries as of the end of the three most recently completed fiscal years ended at least 90 days prior to the Closing Date, statements of income, cash flow and members' equity of the Company and its Subsidiaries for the three most recently completed fiscal years ended at least 90 days prior to the Closing Date, together with all related notes and schedules thereto (the "Annual Financial Statements") and (y) unaudited consolidated balance sheets and related statements of comprehensive income (loss), cash flow and changes in shareholders' equity of the Company and its Subsidiaries prepared in accordance with GAAP for any subsequent interim period ended at least 45 (forty-five) days prior to the Closing Date and for the comparable period of the prior fiscal year, together with all related notes and schedules thereto (the "Interim Financial Statements"), in the case of each of clauses (x) and (y), prepared in accordance with GAAP and in compliance with Regulation S-X (other than Rules 3-03(e), 3-09, 3-10 and 3-16 of Regulation S-X and segment reporting and disclosure (including without limitation any required by

Regulation S-K Item 101(b) and FASB Accounting Standards Codification Topic 280)), (B) furnishing CF Corp, the Committed Lenders and the Lead Arrangers as promptly as practicable with financial statements and all other financial information about the Company and its Subsidiaries reasonably necessary to allow CF Corp to prepare pro forma financial statements (including for the most recent four fiscal quarter period ended at least 45 (forty-five) days prior to the Closing Date) prepared in accordance with GAAP, which need not be prepared in compliance with Regulation S-X or include adjustments for purchase accounting to the extent not customary in private placements pursuant to Rule 144A promulgated under the Securities Act, financial data, business and other information regarding the Company of the type that would be required by Regulation S-X (including Item 3-05 thereof, but excluding Rules 3-03(e), 3-09, 3-10 and 3-16 of Regulation S-X) and Regulation S-K (other than Item 402 of Regulation S-K), in each case to the extent the same is of the type and form customarily included in, and subject to other exceptions that are customary for, an offering memorandum for private placements of non-convertible high-yield bonds under Rule 144A promulgated under the Securities Act, or otherwise necessary to receive from the independent auditors of the Company (and any other auditor (other than any auditor of CF Corp or its Affiliates) to the extent financial statements audited or reviewed by such auditor are or would be included in such offering memorandum) customary "comfort" (including "negative assurance" comfort) with respect to the financial information of the Company (on customary terms and consistent with the accountants' customary practice) to be included in such offering memorandum and which, with respect to the Interim Financial Statements, shall have been reviewed by the independent auditors of the Company as provided in AU 722 and (C) using commercially reasonable efforts to cause to be furnished consents of auditors of the Company for use of their unqualified audit reports in any materials relating to the Debt Financing or any high-yield bonds being issued in lieu of all or a portion of the Debt Financing (the drafts of customary comfort letters referred to in clause (vii) below and all information specified in this clause (i), together with any replacements or restatements thereof, and supplements thereto (the "Required Information")); provided that such information shall not include, and CF Corp and/or Parent shall be solely responsible for, the preparation of pro forma financial information, including pro forma cost savings, synergies, capitalization or other pro forma adjustments desired to be incorporated into any pro forma financial information; provided, further, that the Company and its Affiliates shall not be required to provide any audited, unaudited or other financial statements except for the Annual Financial Statements and the Interim Financial Statements, (ii) the Company's and its Subsidiaries' management teams, with appropriate seniority and expertise, assisting in preparation for and participate in a reasonable number of, during normal business hours, at reasonable locations and upon reasonable advance notice, management and other meetings, lender presentations, due diligence sessions, drafting sessions, road shows and rating agency presentations in connection with the Debt Financing or any high-yield bonds being issued in lieu of all or a portion of the Debt Financing, (iii) assisting CF Corp, the Committed Lenders and the Lead Arrangers with the preparation of materials for customary offering documents, lender presentations, high-yield roadshow presentations or memoranda, private placement memoranda, syndication memoranda, bank information memoranda and similar documents and rating agency presentations required in connection with the Debt Financing or any high-yield bonds being issued in lieu of all or a portion of the Debt Financing (provided that the Company's obligation to provide information for such materials shall be limited to information about the Company and its Subsidiaries), including (w) business and financial projections with respect to the Company and its Subsidiaries reasonably requested by CF Corp, (x) records, data or other information with respect to the Company and its Subsidiaries necessary to support any statistical information or claims relating to the Company appearing in the aforementioned materials and (y) information to assist in the preparation of pro forma financial statements, subject to the limitation described above, (iv) permitting the Committed Lenders and the Lead Arrangers, to the extent practicable, to benefit from the existing lending relationships of the Company and its Subsidiaries, (v) providing customary authorization letters to the Committed Lenders and the Lead Arrangers authorizing the distribution of information to prospective lenders (including customary 10b-5 and material non-public information representations), (vi) at the request of CF Corp, disclosing, subject to customary confidentiality provisions, certain information (by posting such information on Debtdomain, IntraLinks, Syndtrak Online or similar electronic means) identified by CF Corp relating to the Company for purposes of permitting such information to be included in marketing materials or memoranda for the Debt Financing or any high yield bonds being issued in lieu of any portion of the Debt Financing to be provided to potential investors who do not wish to receive material non-public information with respect to the Company and its Subsidiaries or any of their respective securities, (vii) furnishing CF Corp, the Committed Lenders and the Lead Arrangers with drafts of customary comfort letters on customary terms and consistent with the accountants' customary practice that the independent auditors of the Company (and any other auditor (other than of CF Corp or any of its Affiliates) to the extent financial statements audited or reviewed by such auditor are or would be included in such offering memorandum) are prepared to deliver upon "pricing" of any high-yield bonds being issued in lieu of all or a portion of the Debt Financing, (viii) promptly, and in any event no later than three Business Days prior to the Closing, providing all documentation and information that any lender, provider or arranger of any Debt Financing or trustee for the high-yield bonds has reasonably requested at least ten (10) Business Days prior to the Closing Date in connection with such Debt Financing or high-yield bonds under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act, (ix) facilitating the execution and delivery at the Closing of definitive documents related to the Debt Financing, including any credit agreements, indentures, notes, guarantees, pledge and security documents, hedging arrangements, other definitive financing documents and other certificates or documents and back-up therefor and for legal opinions as may be reasonably requested by CF Corp, the Committed Lenders or the Lead Arrangers, including by requesting that the appropriate members of the governing bodies of the Company, each of its Subsidiaries and the appropriate officers of the Company and each of its Subsidiaries be available to CF Corp and its counsel to sign resolutions, certificates and Debt Documents (in each case to be held in escrow pending the Closing) in connection with the authorization of the Debt Financing or any high-yield bonds being issued in lieu of all or a portion of the Debt Financing and the Debt Documents and the execution and delivery of the Debt Documents in anticipation of the Closing (provided that all such authorization, execution and delivery shall be deemed to become effective only if and when the Closing occurs and shall be based on authorizations (including appointment of directors and authorized officers) provided by, and derived exclusively from the authority of, CF Corp as the controlling equityholder of the Surviving Corporation as constituted after giving effect to the Closing), (x) using commercially reasonable efforts to cooperate with CF Corp and CF Corp's efforts to obtain corporate and facilities ratings, (xi) (A) to the extent requested by Parent, CF Corp or Merger Sub after consultation with the Company or (B) in the event the Company Existing Credit Documents have not been modified to provide that consummation of the Merger and the other transactions contemplated by this Agreement will not constitute or result in a "change of control" or "default" thereunder prior to the fifth (5th) Business Day preceding the Effective Time, delivery of notices and certificates in respect of prepayment and commitment termination within the time periods required by the applicable Company Existing Credit Documents, and obtaining customary payoff letters to be delivered at Closing to allow for the payoff, discharge and termination in full (other than Continuing Obligations) on the Closing Date of all Indebtedness under the Company Existing Credit Documents, and (xii) furnishing to CF Corp's legal counsel a certificate of the chief financial officer of the Company with respect to the financial condition and business of the Company upon which CF Corp's legal counsel may rely in concluding that the Company is not an "investment company" as defined under the Investment Company Act of 1940, as amended; provided, in each case in clauses (i) through (xii) above, that (w) none of the Company or any of its Subsidiaries, nor any of their respective directors, officers, employees, managers, consultants, accountants or other agents or representatives, in their capacity as such, shall be required to incur any liability whatsoever in connection with, the Debt Financing (except that the Company and its Subsidiaries may incur such liabilities only to the extent such liabilities become effective after the Effective Time), (x) nothing in this Section 6.10 shall require cooperation to the extent that it would (A) cause any condition to Closing set forth in Article VII to not be satisfied or otherwise cause any breach of this Agreement, (B) require the Company or any of its Subsidiaries to take any action that would reasonably be expected to conflict with or violate the Company's or any of its Subsidiaries' organizational documents or any Law, or result in, or could reasonably be expected to result in, the contravention in any material respect of, or result in a violation or breach in any material respect of, or default under, any agreement to which it is a party, (C) unreasonably interfere with the ongoing operations of the Company and the Subsidiaries of the Company and (D) cause any representation and warranty to be breached in this Agreement, (y) except as contemplated in clause (ix) above, the governing bodies of the Company and its Subsidiaries shall not be required prior to the Effective Time to adopt resolutions approving the agreements, documents and instruments pursuant to which the Debt Financing or any high-yield bonds being issued in lieu of all or a portion of the Debt Financing is obtained (provided that the Company shall cooperate with CF Corp to appoint CF Corp's designees to the governing bodies of the Company, its Subsidiaries immediately upon the Closing for purposes of approving resolutions contemplated in clause (ix) above) and (z) none of the Company nor any of its Subsidiaries shall be required to execute any Debt Documents (except (1) the authorization letters set forth in clause (v) above and (2) the representation letters required by the Company's auditors in connection with the delivery of "comfort letters" set forth in clause (vii) above, (2) the prepayment, termination and redemption notices set forth in clause (xi), (3) any certificate of the chief financial officer of the Company reasonably requested by CF Corp's counsel and which may in good faith be delivered by such officer in connection with the delivery of any legal opinions such counsel may be required to deliver (including the certificate set forth in clause (xi) above) and (4) as otherwise set forth in clause (viii) above) prior to the Closing, including any credit or other agreements, pledge or security documents, or other certificates, legal opinions or documents in connection with the Debt Financing; provided, further, that, in each case of clauses (i) through (xii) above, none of the Company or any of its Subsidiaries shall be required to (A) enter into any binding agreement or commitment in connection with the Debt Financing (or any Alternative Financing) that is not conditioned on the occurrence of the Effective Time and does not terminate without liability to the Company or any of the Subsidiaries of the Company upon termination of this Agreement, (B) pay any commitment or other similar fee, (C) provide access to or disclose information that the Company determines would jeopardize any attorney-client privilege of the Company or any of its Subsidiaries, (D) prepare separate financial statements for any Subsidiary of the Company or change any fiscal period or provide financial or other information regarding the Company and its Subsidiaries (other than the financial statements described in clause (i) above) that is not in the possession of the Company or any of its Subsidiaries or (E) issue any offering or information document or provide any legal opinion or other opinion of counsel or any solvency certificate. The Company shall, upon the reasonable written request of CF Corp, use its commercially reasonable efforts to, and shall use its commercially reasonable efforts to cause its Subsidiaries to, supplement the Required Information on a reasonably current basis to the extent that any such Required Information, to the knowledge of the Company, when taken as a whole and in light of the circumstances under which such statements were made, contains any material misstatement of fact or omits to state any material fact necessary to make such information not materially misleading. The Company and its counsel shall be given reasonable opportunity to review and comment upon any private placement memoranda, bank information memoranda or similar documents, or any materials for rating agencies, that include information about the Company or any of its Subsidiaries prepared in connection with the Debt Financing or any high yield bonds being issued in lieu of any portion of the Debt Financing, and CF Corp and Parent shall include in such memoranda, documents and other materials, comments reasonably proposed by the Company.

(b) CF Corp, Parent and Merger Sub acknowledge and agree that the Company and its Affiliates and its and their respective Representatives shall not have any responsibility for, or incur any liability to any Person under, any financing that CF Corp, Parent and Merger Sub may raise in connection with the transactions contemplated by this Agreement or any cooperation provided pursuant to this Section 6.10. CF Corp, Parent and Merger Sub shall, on a joint and several basis, indemnify, defend and hold harmless the Company and its Affiliates, and their respective pre-Closing directors, officers, employees, managers, consultants, accountants or other agents or representatives, in their capacity as such (collectively, the "Indemnitees"), from and against any and all liabilities, losses, damages, claims, costs, expenses (including advancing attorneys' fees and expenses in advance of the final disposition of any claim, suit, proceeding or investigation), interest, awards, judgments and penalties suffered or incurred, directly or indirectly, by any of the Indemnitees in connection with the arrangement of the Debt Financing or any high yield bonds being issued in lieu of any portion of the Debt Financing (or any Alternative Financing), any refinancing of indebtedness contemplated by this Agreement, any Consent Solicitation, Debt Tender Offer, Change of Control Offer (as defined in the Company Existing Indenture) or Optional Redemption as described in clauses (d)(i) through (d)(iv) below and/or any information utilized in connection therewith or the Company's cooperation with respect thereto and any misuse of the logos, names or trademarks of the Company or its Subsidiaries, except to the extent that any of the foregoing arises from (x) the bad faith, gross negligence or willful misconduct of any Indemnitee, in each case as determined by a court of competent jurisdiction in a final and non-appealable decision or (y) any Required Information provided by any of the Indemnitees, taken as a whole, containing any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading and in respect of which the Company has not provided supplemental Required Information as promptly as practicable upon discovery of such misstatement or omission in accordance with the last sentence of Section 6.10(a). CF Corp shall promptly, upon reasonable request by the Company, reimburse the Company and its Subsidiaries for all reasonable and documented out-of-pocket costs and expenses incurred by the Company or its Subsidiaries and their respective officers, employees and other representatives in connection with the cooperation and assistance contemplated by this Section 6.10 (including, to the extent incurred at the request or consent of CF Corp, professional fees and expenses of accountants, legal counsel and other advisors). Subject to CF Corp's indemnification obligations under this Section 6.10(b), the Company hereby consents to the use of all of its and its Subsidiaries' corporate logos, names and trademarks in connection with the Debt Financing or any high-yield bonds being issued in lieu of any portion of the Debt Financing, provided that such logos, names and trademarks are used solely in a manner that is not intended to or reasonably likely to harm or disparage the Company or its Subsidiaries or the reputation or goodwill of the Company or any of its Subsidiaries or any of their respective products, services, offerings or intellectual property rights. CF Corp, Parent and Merger Sub expressly acknowledge and agree that the Indemnitees shall be third party beneficiaries of this Section 6.10(b) and the provisions of this Section 6.10(b) shall be enforceable by each Indemnitee and the heirs and representatives of such Persons and shall be binding on all successors and assigns of CF Corp, Parent, Merger Sub, the Company and the Surviving Corporation. This Section 6.10(b) shall survive the consummation of the Merger and the Effective Time and any termination of this Agreement, and is intended to benefit, and may be enforced by, the Indemnitees and their respective heirs, executors, estates, personal representatives, successors and assigns, and shall be binding on all successors and assigns of CF Corp and Parent.

(c) CF Corp, Parent and Merger Sub each hereby agrees to use, and agrees to cause their Affiliates to use, their respective commercially reasonable efforts to take, or cause to be taken, all actions and do, or cause to be done, as promptly as possible, all things reasonably necessary, proper or advisable to arrange and obtain the Debt Financing on the terms and conditions, taken as a whole (including flex provisions) not materially less favorable to CF Corp, Parent and Merger Sub than those described in the Debt Commitment Letter, including using its commercially reasonable efforts to (i) comply in all material respects with and maintain in effect the Debt Commitment Letter (subject to the penultimate sentence of this Section 6.10(c)), (ii) satisfy, or cause their Representatives to satisfy (or obtain a waiver of) on a timely basis all conditions applicable to CF Corp, Parent, Merger Sub or their Affiliates set forth in the Debt Commitment Letter (including by consummating the financing pursuant to the terms of the Equity Commitment Letter and by effecting the Equity Contribution (as defined in the Debt Commitment Letter) in no less than the amount set forth in paragraph (b)(1) or Exhibit A to the Debt Commitment Letter and by paying any commitment, engagement or placement or other fees that become due and payable under or with respect to the Debt Commitment Letter), (iii) negotiate and enter into the Debt Documents (and maintain in effect and comply in all material respects with the terms thereof) on terms and conditions no less favorable to CF Corp, Parent and Merger Sub than those contemplated by the Debt Commitment Letter (including any related "market flex" provisions), which agreements shall be in effect as promptly as practicable after the date hereof, but in no event later than the Closing; provided, however, that, without limiting the foregoing, in no event shall any of the Debt Documents, other than as set forth in the penultimate sentence of this paragraph, without the prior written consent of the Company: (A) reduce the aggregate amount of the Debt Financing provided for in the Debt Commitment Letter (including by changing the amount of fees or original issue discount contemplated by the

Debt Commitment Letter); (B) expand the conditions or other contingencies to the receipt or funding of the Debt Financing beyond those expressly set forth in the Debt Commitment Letter, amend or modify any of such conditions or other contingencies in a manner adverse to CF Corp, Parent, Merger Sub or their Affiliates (including by making any such conditions or other contingencies less likely to be satisfied) or impose any new or additional condition or other contingency to the receipt or funding of the Debt Financing; (C) contain terms (other than those terms expressly set forth in the Debt Commitment Letter) that would reasonably be expected to (1) prevent or delay the consummation of the transactions contemplated hereby or the date on which the Debt Financing would be obtained, or (2) make the funding of Debt Financing less likely to occur; (D) adversely impact in any material respect the ability of CF Corp, Parent, Merger Sub or their Affiliates to enforce its rights against the Debt Financing Sources; or (E) impose additional material obligations on the Company and its Subsidiaries and Affiliates, (iv) accept (and comply with) to the fullest extent all "market flex" provisions contemplated by the Debt Commitment Letter, (v) cause the Debt Financing Sources, the Equity Providers or any other Persons providing Debt Financing to fund its portion of the Debt Financing at the time the Closing is required to occur pursuant to the terms and conditions hereof and (vi) furnish the Company drafts of the Debt Documents (when available promptly following receipt thereof) and a reasonable time in advance of providing drafts to any third party, and the comments of the Company shall be considered in good faith and thereafter complete, correct and executed copies of the Debt Documents promptly upon their execution. CF Corp, Parent and Merger Sub shall give the Company prompt written notice (I) of any breach, default or threatened breach by any party to the Debt Commitment Letter of which CF Corp, Parent, Merger Sub or any of their Representatives or Affiliates becomes aware or any termination or threatened termination thereto, (II) if and when CF Corp, Parent or Merger Sub becomes aware that any portion of the Debt Financing may not be available to consummate the Refinancing, including the receipt of any written notice or other written communication from any Person with respect to any (A) actual or potential breach, default, termination or repudiation by any party to any Debt Commitment Letter or other Debt Document or (B) dispute or disagreement between or among any parties to any Debt Commitment Letter or other Debt Document (but excluding, for the avoidance of doubt, any ordinary course negotiations with respect to the terms of the Debt Financing or Debt Documents), (III) of any termination of the Debt Commitment Letter or (IV) if at any time for any reason CF Corp or Parent believes that it will not be able to obtain all or any portion of the Debt Financing on the terms and conditions, in the manner or from the sources, contemplated by any of the Debt Commitment Letters or Debt Documents or will be unable to obtain Alternative Financing. If any portion of the Debt Financing becomes or could reasonably be expected to become unavailable on the terms and conditions (including any related "market flex" terms) contemplated in the Debt Commitment Letter or from the sources contemplated in the Debt Commitment Letter (other than as a result of the Company's breach of any provision of this Agreement, or the Company's failure to satisfy the conditions set forth in Article VII) or the Debt Commitment Letter or the Debt Documents shall be withdrawn, repudiated, terminated or rescinded for any reason, CF Corp shall, as promptly as reasonably practicable following the occurrence of such event, without limiting the obligations of CF Corp set forth in the second succeeding sentence, use all commercially reasonable efforts to arrange or obtain alternative financing for any such portion from the same or alternative sources, which may include one or more of a senior secured debt financing, an offering and sale of notes, or any other financing or offer and sale of other debt securities, or any combination thereof (the "Alternative Financing") in an amount sufficient to consummate the Refinancing (or replace any unavailable portion of the Debt Financing) and to obtain a new financing commitment letter (including any associated engagement letter and related fee letter) with respect to such Alternative Financing (collectively, the "New Debt Commitment Letter"), copies of which shall be promptly provided to the Company but in any event no later than three Business Days prior to the execution thereof. Notwithstanding the foregoing, no New Debt Commitment Letter may expand the conditions precedent or contingencies to the funding of the Debt Financing on the Closing Date as set forth in the Debt Commitment Letters in effect on the date hereof or otherwise include terms (including any "flex" provisions) that would reasonably be expected to make the likelihood that such Debt Financing would be funded less likely. In the event CF Corp, Parent, Merger Sub or any of their respective Affiliates enters into any Alternative Financing, (A) any reference in this Agreement to the "Debt Commitment Letter" shall be deemed to include the New Debt Commitment Letter, (B) any reference in this Agreement to the "Debt Financing" shall be deemed to include such Alternative Financing and (C) all references to the Committed Lenders and the Lead Arrangers shall include the persons providing or arranging such Alternative Financing. CF Corp, Parent and Merger Sub shall (1) enforce their rights (and the rights of any of their Affiliates) under the Debt Commitment Letter and (2) other than as set forth in the third preceding sentence, not permit or agree to permit, without the prior written consent of the Company, any material amendment or modification to be made to, or any material waiver of any provision or remedy under, the Debt Commitment Letter (it being understood that the exercise of any "market flex" provisions contained in the Fee Letter shall be deemed not to be an amendment, modification or waiver), in any such case if such amendment, modification or waiver would reasonably be expected to (w) impose new or additional conditions, or otherwise modify or expand any of the conditions, to the receipt of the Debt Financing, (x) reduce the aggregate amount of the Debt Financing (including by changing the amount of fees to be paid or original issue discount) thereunder, (y) make it less likely that the Debt Financing would be funded (including by making the conditions to obtaining the Debt Financing less likely to occur) or otherwise prevent or delay or impair in any material respect the ability or likelihood of CF Corp, Parent or Merger Sub to timely consummate the Refinancing and (z) adversely impact the ability of CF Corp, Parent or Merger Sub to enforce its rights against the other parties to the Debt Commitment Letter; provided, that CF Corp may amend, supplement or modify the Debt Commitment Letter to add lead arrangers, bookrunners, syndication agents or similar entities (which additional lead arrangers, bookrunners, syndication agents or similar entities may also become Committed Lenders). Each of CF Corp, Parent and Merger Sub acknowledges and agrees that the obtaining of the Debt Financing, or any Alternative Financing, is not a condition to the consummation of the transactions to be consummated at the Closing and reaffirms its obligation to consummate the transactions contemplated by this Agreement irrespective and independently of the availability of the Debt Financing or any Alternative Financing, subject to fulfillment of the conditions set forth in Article VII.

(d) Between the date of this Agreement and the Effective Time, as soon as promptly as practicable after receipt of any written request by CF Corp to do so, in consultation with CF Corp and at CF Corp's sole expense, the Company shall use its commercially reasonable efforts to:

(i) (A) commence a consent solicitation to amend, eliminate or waive certain sections of the Company Existing Indenture as specified by CF Corp (a "Consent Solicitation"), with respect to all of the outstanding Company Existing Notes on such terms and conditions, including with respect to consent fees (which shall be paid by CF Corp), that are proposed by CF Corp; provided that CF Corp shall consult with the Company and afford the Company a reasonable opportunity to review the necessary consent solicitation statement, supplemental indenture and other related documents in connection with such Consent Solicitation (the "Consent Solicitation Documents"); (B) provide and use its commercially reasonable efforts to cause its respective Representatives to provide all cooperation reasonably requested by CF Corp in connection with the Consent Solicitation including appointing a solicitation agent reasonably selected by CF Corp; (C) waive any of the conditions to the Consent Solicitation as may be reasonably requested by CF Corp (other than the condition that any proposed amendments set forth therein shall not become operative unless and until the Closing has occurred), so long as such waivers would not cause the Consent Solicitation to violate applicable Law, and shall not, without the prior written consent of CF Corp, waive any condition to the Consent Solicitation or make any change, amendment or modification to the terms and conditions of any Consent Solicitation other than as directed by CF Corp or as required by applicable Law; and (D) promptly following the expiration of a Consent Solicitation, assuming the requisite consent from the holders of the Company Existing Notes (including from persons holding proxies from such holders) has been received, cause an appropriate supplemental indenture (the "Supplemental Indenture") to become effective providing for the amendments of the Company Existing Indenture contemplated in the Consent Solicitation Documents; provided, that notwithstanding the fact that a Supplemental Indenture may become effective earlier, the proposed amendments set forth therein shall not become operative unless and until the Effective Time has occurred. The form and substance of the Supplemental Indenture shall be reasonably satisfactory to CF Corp;

(ii) (A) commence an offer to purchase, as specified by CF Corp, with respect to all of the outstanding Company Existing Notes, on such terms and conditions, including pricing terms, that are proposed, from time to time, by CF Corp and reasonably acceptable to the Company ("Debt Tender Offer"), and CF Corp shall assist the Company in connection therewith; provided that the party primarily responsible for drafting the necessary offer to purchase, related letter of transmittal, supplemental indenture and other related documents in connection with such Debt Tender Offer (the "Debt Tender Offer Documents") shall afford such other party a reasonable opportunity to review the Debt Tender Offer Documents and the material terms and conditions of the Debt Tender Offer. The terms and conditions specified by CF Corp for the Debt Tender Offer shall be in compliance in all material respects with the Company Existing Indenture, the Company Existing Credit Documents or any applicable Law. The closing of a Debt Tender Offer, if any, shall be expressly conditioned on the occurrence of the Closing, and in accordance with the terms of the Debt Tender Offer, the Company shall accept for purchase and purchase the Company Existing Notes properly tendered and not properly withdrawn in the Debt Tender Offer (provided that such purchase price shall be paid by CF Corp; provided, further that the proposed amendments set forth in any Debt Tender Offer Document may not become effective unless and until the Closing has occurred); (B) provide and use its commercially reasonable efforts to cause its respective Representatives to provide all cooperation reasonably requested by CF Corp in connection with the Debt Tender Offer, including appointing a dealer manager reasonably selected by CF Corp. The Debt Tender Offer shall comply with the requirements of Rule 14e-1 promulgated under the Exchange Act ("Rule 14e-1"), the Trust Indenture Act of 1939, as amended (the "TIA"), if applicable, and any other applicable Law, it being understood that the Company shall not be required to take any action that, in the good faith judgment of the Company and after consultation with Company counsel, does not comply with Rule 14e-1, the TIA, if applicable, or other applicable Law; and (C) waive any of the conditions to a Debt Tender Offer as may be reasonably requested by CF Corp (other than the conditions that a Debt Tender Offer is conditioned on the Effective Time occurring), so long as such waivers would not cause a Debt Tender Offer to violate the Exchange Act, the TIA or other applicable Law, and shall not, without the prior written consent of CF Corp, waive any condition to a Debt Tender Offer or make any change, amendment or modification to the terms and conditions of a Debt Tender Offer (including any extension thereof) other than as directed by CF Corp or as required by applicable Law;

(iii) deliver a notice to each holder of the Company Existing Notes, in accordance with Section 3.9(b) of the Company Existing Indenture, with respect to a Change of Control Offer for the repurchase, on and subject to the occurrence of a Change of Control Payment Date (as defined in the Company Existing Indenture), to be mutually agreed by CF Corp and the Company, of all of the Company Existing Notes then outstanding and otherwise comply with the Company Existing Indenture with respect to such Change of Control Offer; and/or

(iv) effect (1) the redemption of the Company Existing Notes (the "Optional Redemption"), (2) the satisfaction and discharge of the Company Existing Indenture pursuant to Article VIII thereof and (3) the release of all obligations in respect of the Company Existing Notes subject to the payment of the Company Existing Notes Payoff Amount, including (A) delivery of an Officer's Certificate (as defined in the Company Existing Indenture) in respect of the notice of redemption pursuant to Section 5.3 of the Company Existing Indenture in accordance with the terms of the Company Existing Indenture, (B) delivery of a notice of redemption pursuant to Sections 5.5 and 5.2(b) of the Company Existing Indenture in accordance with the terms of the Company Existing Indenture, which may be conditioned upon the occurrence of the Effective Time, and (C) delivery to CF Corp of a schedule setting forth the Company Existing Notes Payoff Amount (it being understood that (x) any such redemption, satisfaction and discharge shall not occur prior to the Effective Time, (y) the Company's or CF Corp's counsel will provide customary legal opinions required in connection with such redemption, satisfaction and discharge and (z) the Company and its Subsidiaries shall have no funding obligations in connection with such redemption, satisfaction and discharge);

(v) provided, in each case in clauses (i) through (iv) above, that (x) none of the Company or any of its Subsidiaries, nor any of their respective directors, officers, employees, managers, consultants, accountants or other agents or representatives, in their capacity as such, shall be required to incur any liability whatsoever in connection with, the Consent Solicitation, Debt Tender Offer, Change of Control Offer or Optional Redemption (except that the Company and its Subsidiaries may incur such liabilities only to the extent such liabilities become effective after the Effective Time), (y) nothing in this Section 6.10(d) shall require cooperation to the extent that it would (A) cause any condition to Closing set forth in Article VII to not be satisfied or otherwise cause any breach of this Agreement, (B) require the Company or any of its Subsidiaries to take any action that would reasonably be expected to conflict with or violate the Company's or any of its Subsidiaries' organizational documents or any Law, or result in, or could reasonably be expected to result in, the contravention in any material respect of, or result in a violation or breach in any material respect of, or default under, any agreement, (C) unreasonably interfere with the ongoing operations of the Company and the Subsidiaries of the Company, (D) require the Company or any of its Subsidiaries to issue or purchase any securities during any "blackout periods" imposed by the Company or any of its Subsidiaries and (E) cause any representation and warranty to be breached, and (z) none of the Company or any of its Subsidiaries shall be required to (A) enter into any binding agreement or commitment in connection with the Consent Solicitation, Debt Tender Offer, Change of Control Offer or Optional Redemption that is not conditioned on the occurrence of the Effective Time and does not terminate without liability to the Company or any of the Subsidiaries of the Company upon termination of this Agreement, (B) pay any fee, (C) provide access to or disclose information that the Company determines would jeopardize any attorney-client privilege of the Company or any of its Subsidiaries, (D) prepare separate financial statements for any Subsidiary of the Company or change any fiscal period or provide financial or other information regarding the Company and its Subsidiaries that is not in the possession of the Company or any of its Subsidiaries or (E) issue any offering or information document or provide any legal opinion or other opinion of counsel or any solvency certificate (other than any offering or information document that would be customarily delivered in connection with the transactions referenced in clauses (i) and (ii) above).

Each of CF Corp, Parent and Merger Sub acknowledges and agrees that the consummation of any of the Consent Solicitation, Debt Tender Offer, Change of Control Offer or Optional Redemption is not a condition to the consummation of the transactions to be consummated at the Closing and reaffirms its obligation to consummate the transactions contemplated by this Agreement irrespective and independently of the consummation of the Consent Solicitation, Debt Tender Offer, Change of Control Offer or Optional Redemption, subject to fulfillment of the conditions set forth in Article VII.

Section 6.11 Public Announcements. The Company and CF Corp shall agree on a press release announcing the entering into of this Agreement and the transactions contemplated hereby. Thereafter, the Company and CF Corp shall consult with each other before issuing any press release or otherwise making any public statements (including scheduling of a press conference or conference call with investors or analysts) with respect to this Agreement or any of the transactions contemplated hereby and shall not issue any such press release or make any such public statement without the prior consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that a party may, without the prior consent of the other party, issue such press release or make such public statement (a) as may be required by Law or Order, the applicable rules of the New York Stock Exchange or any listing agreement with the New York Stock Exchange or (b) to enforce its rights and remedies under this Agreement or, in the case of the Company, the Equity Commitment Letters, the Limited Guaranties, the Information Letter Agreements or the Forward Purchase Agreements.

Section 6.12 Resignation of Directors. At the Closing, the Company shall deliver to CF Corp evidence reasonably satisfactory to CF Corp of the resignation or removal of all directors of the Company and its Subsidiaries specified by CF Corp in writing reasonably in advance of the Closing and in any event at least five (5) Business Days prior to Closing, in each case effective at the Effective Time.

Section 6.13 Employee Matters.

(a) For a period of no less than twelve (12) months following the Closing Date, CF Corp shall provide to each employee of the Company and its Subsidiaries who is an employee of the Company or a Subsidiary at the Closing Date (each such employee, a "Company Employee"), (i) base salary, annual incentive bonus opportunities and long-term incentive opportunities that are, in each case, no less than the base salary, target bonus opportunities and long-term incentive opportunities applicable to each such Company Employee immediately prior to the Closing Date and (ii) employee benefits that are no less favorable, in the aggregate, than those employee benefits provided to Company Employees immediately prior to the Closing Date.

(b) CF Corp shall provide each Company Employee who incurs a termination of employment during the twelve (12) month period following the Closing Date with severance payments and severance benefits that are no less favorable than the severance payments and severance benefits to which such employees would have been entitled with respect to such termination under the severance policies of the Company as in effect immediately prior to the Closing Date.

(c) From and after the Closing Date, CF Corp shall cause the Surviving Corporation and its Subsidiaries to honor all obligations under the Benefit Plans in accordance with their terms as in effect immediately prior to the Closing Date.

(d) CF Corp shall, or shall cause the Surviving Corporation or CF Corp's or the Surviving Corporation's Subsidiaries, as applicable, to give Company Employees full credit for Company Employees' service with the Company and its Subsidiaries for purposes of eligibility, vesting and determination of the level of benefits (including, for purposes of vacation and severance), but not for purposes of benefit accruals under a defined benefit pension plan, under any benefit plans made generally available to officers or employees or any class or level of officers or employees maintained by CF Corp, the Surviving Corporation or any of their respective Subsidiaries in which a Company Employee participates to the same extent recognized by the Company immediately prior to the Closing Date; provided, however, that such service shall not be recognized to the extent that such recognition would result in a duplication of benefits with respect to the same period of service.

(e) CF Corp shall, or shall cause the Surviving Corporation or CF Corp's or the Surviving Corporation's Subsidiaries, as applicable, to (i) waive any preexisting condition limitations otherwise applicable to Company Employees and their eligible dependents under any plan of CF Corp or any Subsidiary of CF Corp that provides health benefits in which Company Employees may be eligible to participate following the Closing Date, other than any limitations that were in effect with respect to such employees as of the Closing Date under the analogous Benefit Plan, (ii) honor any deductible, co-payment and out-of-pocket maximums incurred by the Company Employees and their eligible dependents under the health plans in which they participated immediately prior to the Closing Date during the portion of the calendar year prior to the Closing Date in satisfying any deductibles, co-payments or out-of-pocket maximums under health plans of CF Corp, the Surviving Corporation or any of their respective Subsidiaries in which they are eligible to participate after the Closing Date in the same plan year in which such deductibles, co-payments or out-of-pocket maximums were incurred and (iii) waive any waiting period limitation or evidence of insurability requirement that would otherwise be applicable to a Company Employee and his or her eligible dependents on or after the Closing Date, in each case to the extent such Company Employee or eligible dependent had satisfied any similar limitation or requirement under an analogous Benefit Plan prior to the Closing Date.

(f) Effective as of the Closing, CF Corp and its Affiliates (including the Surviving Corporation) shall be solely responsible for any and all obligations arising under the Consolidated Omnibus Budget Reconciliation Act of 1985 with respect to each individual who is an "M&A qualified beneficiary" (as defined in Treasury Regulation Section 54.4980B-9) in connection with the transactions contemplated by this Agreement.

(g) CF Corp shall cause the Surviving Corporation and its Subsidiaries, for a period commencing at the Closing Date and ending ninety (90) days thereafter, to not effectuate a "plant closing" or "mass layoff" as those terms are defined in the Worker Adjustment and Retraining Notification Act of 1988 (together with any similar state or local law, "WARN") affecting in whole or in part any site of employment, facility, operating unit or Company Employee, without complying with all provisions of WARN.

(h) This Section 6.13 shall be binding upon and shall inure solely to the benefit of each of the parties to this Agreement and nothing in this Section 6.13 or any other provision of this Agreement or any other related Contract, express or implied: (i) shall be construed to establish, amend, or modify any Benefit Plan or any other benefit plan, program, agreement or arrangement; (ii) except as expressly provided by Section 6.13(b), shall alter or limit the ability of the Company or any of its Subsidiaries, or CF Corp or any of its Subsidiaries to amend, modify or terminate any benefit plan, program, agreement or arrangement; or (iii) is intended to or shall confer upon any current or former employee of the Company or its Subsidiaries or any other person any right to employment or continued employment or service for any period of time by reason of this Agreement or any other related agreement, or any right to a particular term or condition of employment.

Section 6.14 Directors' and Officers' Indemnification and Insurance.

(a) From and after the Effective Time, the Surviving Corporation shall indemnify, defend and hold harmless all past and present directors and officers of the Company and its Subsidiaries (the "Indemnified Parties") for acts or omissions occurring at or prior to the Effective Time (including the declaration of the extraordinary dividend as contemplated by Section 6.20) to the fullest extent permitted by the DGCL or provided under the Company Certificate of Incorporation and the Company By-laws in effect on the date hereof. CF Corp shall guarantee such performance by the Surviving Corporation.

(b) From the Effective Time and for a period of six (6) years thereafter, CF Corp and the Surviving Corporation shall use reasonable best efforts to maintain in effect directors' and officers' liability insurance covering acts or omissions occurring at or prior to the Effective Time with respect to those persons who are currently covered by the Company's directors' and officers' liability insurance policy (a copy of which has been made available or delivered to CF Corp) with terms, conditions, retentions and levels of coverage at least as favorable as those of such current insurance coverage; provided, however, that in no event will CF Corp or the Surviving

Corporation be required to expend in any one year an amount in excess of 300% of the annual premiums currently paid by the Company for such insurance (the "Maximum Premium"), which Maximum Premium is set forth in Section 6.14(b) of the Company Disclosure Letter; and provided, further, that, if the annual premiums for such insurance coverage exceed the Maximum Premium, CF Corp and the Surviving Corporation will be obligated to obtain a policy with the greatest coverage available for a cost not exceeding such amount; and provided, further, however, that at the Company's option in lieu of the foregoing insurance coverage, the Company may purchase, prior to the Effective Time, six (6) year "tail" insurance coverage that provides coverage identical in all material respects to the coverage described above, provided that the Company does not pay more than the Maximum Premium.

(c) CF Corp and the Company agree that all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time (and rights for advancement of expenses) now existing in favor of the current or former directors or officers of the Company and its Subsidiaries as provided in their respective certificates of incorporation or by-laws (or comparable organizational documents) and any indemnification or other agreements of the Company and its Subsidiaries as in effect on the date of this Agreement shall be assumed by the Surviving Corporation in the Merger, without further action, at the Effective Time and shall survive the Merger and shall continue in full force and effect in accordance with their terms. Further, the certificate of incorporation and by-laws of the Surviving Corporation shall contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of former or present directors and officers than are presently set forth in the Company Certificate of Incorporation and Company By-laws, which provisions shall not be amended, repealed or otherwise modified for a period of six (6) years from the Effective Time in any manner that would adversely affect the rights thereunder of any such individuals, except as amendments may be required by the DGCL during such period.

(d) This Section 6.14 shall survive the consummation of the Merger, is intended to benefit, and shall be enforceable by each Indemnified Party and their respective successors, heirs and representatives, shall be binding on all successors and assigns of CF Corp and the Surviving Corporation and shall not be amended without the prior written consent of the applicable Indemnified Party (including his or her successors, heirs and representatives).

(e) In the event that the Surviving Corporation or its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or a majority of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors and assigns of the Surviving Corporation shall succeed to the obligations set forth in Section 6.13 and this Section 6.14. In addition, the Surviving Corporation shall not distribute, sell, transfer or otherwise dispose of any of its assets in a manner that would reasonably be expected to render the Surviving Corporation unable to satisfy its obligations under this Section 6.14.

(f) The rights of the Indemnified Parties under this Section 6.14 shall be in addition to, and not in substitute for, any rights such Indemnified Parties may have under the certificate of incorporation or by-laws of the Company or any of its Subsidiaries, or under any applicable Contracts or Laws, and CF Corp shall, and shall cause the Surviving Corporation to, honor and perform under all indemnification agreements entered into by the Company or any of its Subsidiaries.

Section 6.15 Section 16 Matters. Prior to the Effective Time, the Company shall use all reasonable efforts to approve in advance in accordance with the procedures set forth in Rule 16b-3 promulgated under the Exchange Act and the Skadden, Arps, Slate, Meagher & Flom LLP SEC No-Action Letter (January 12, 1999) any dispositions of Shares (including derivative securities with respect to Shares) resulting from the transactions contemplated by this Agreement by each director or officer of the Company who is subject to Section 16 of the Exchange Act (or who will become subject to Section 16 of the Exchange Act as a result of the transactions contemplated hereby) with respect to equity securities of the Company.

Section 6.16 No Control of the Other Party's Business. Nothing contained in this Agreement shall give CF Corp, directly or indirectly, the right to control or direct the Company's or its Subsidiaries' operations prior to the Effective Time, and nothing contained in this Agreement shall give the Company, directly or indirectly, the right to control or direct CF Corp's or its Subsidiaries' operations prior to the Effective Time. Prior to the Effective Time, each of the Company and CF Corp shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and its Subsidiaries' respective operations.

Section 6.17 Stockholder Litigation. The Company shall promptly advise CF Corp orally and in writing of any Action brought by any stockholder of the Company against the Company or its directors or officers relating to this Agreement or the transactions contemplated by this Agreement and shall keep CF Corp reasonably informed regarding any such litigation. The Company shall give CF Corp the opportunity to participate in, subject to a customary joint defense agreement, but not control the defense of any such litigation, shall give due consideration to CF Corp's advice with respect to such litigation and shall not settle any such litigation without the prior written consent of CF Corp, such consent not to be unreasonably withheld, delayed or conditioned. CF Corp shall promptly advise the Company orally and in writing of any Action brought by any stockholder of CF Corp against CF Corp or its directors or officers relating to this Agreement or the transactions contemplated by this Agreement and shall keep the Company reasonably informed regarding any such litigation.

Section 6.18 Tax Matters. Any and all existing Tax sharing agreements of the Company and its Subsidiaries (other than agreements solely between the Company and any of its Subsidiaries) shall be terminated as of the Closing Date. After the Closing Date, neither the Company nor its Subsidiaries shall have any further rights or liabilities thereunder and any amounts payable to the Company or any of its Subsidiaries for any period prior to the Closing Date shall be paid to the Company or any of its applicable Subsidiaries at or prior to the Closing. Notwithstanding the foregoing, from the date of this Agreement until the Closing, the Company shall not and shall not permit any of its Subsidiaries to make any payment pursuant to any Tax sharing agreement (other than agreements solely between the Company and any of its Subsidiaries), except pursuant to the terms of any Tax sharing agreement set forth in Section 6.18 of the Company Disclosure Letter.

Section 6.19 Bermuda Reinsurer. At least thirty (30) days prior to the Closing, CF Corp shall (a) organize a Bermuda exempted company as a direct or indirect wholly owned

Subsidiary of CF Corp and (b) cause such entity to obtain all necessary Permits, including to operate as a Bermuda Class B reinsurance company. On the Closing Date, CF Corp shall cause its Subsidiary to contribute capital to such entity such that its company action level risk-based capital, calculated as if it were an Iowa life insurance company, is not less than 400%. The covenants set forth in clauses (f), (g) and (h) of Section 6.03 shall apply to the obtaining of all such Permits *mutatis mutandis*.

Section 6.20 Extraordinary Dividend. Upon the written request of CF Corp, the Company shall take, or cause to be taken, all actions reasonably necessary for Fidelity & Guaranty Life Insurance Company to declare and pay to Fidelity & Guaranty Life Holdings that extraordinary dividend that is subject to an Accommodation Filing in the amount (if any) approved by the Insurance Commissioner of the State of Iowa, at Closing.

## ARTICLE VII

## CONDITIONS PRECEDENT

Section 7.01 Conditions to Each Party's Obligation to Effect the Merger. The obligations of the parties to effect the Merger on the Closing Date are subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) Company Stockholder Approval. The Company Required Vote shall have been obtained and if obtained by Stockholder Written Consent, the Information Statement shall have been cleared by the SEC and mailed to the Company Stockholders (in accordance with Regulation 14C of the Exchange Act) at least twenty (20) days prior to the Closing.

(b) CF Corp Shareholder Approval. The CF Corp Required Vote shall have been obtained.

(c) No Order. No Law or Order (whether temporary, preliminary or permanent) shall have been enacted, issued or enforced that is in effect and that prevents or prohibits consummation of the Merger.

(d) Governmental Consents. The consents, approvals, authorizations or filings set forth in Schedule 7.01(d) shall have been made or obtained and shall be in full force and effect. The applicable waiting periods, together with any extensions thereof, under the HSR Act shall have expired or been terminated.

Section 7.02 Additional Conditions to Obligations of CF Corp, Parent and Merger Sub. The obligations of CF Corp, Parent and Merger Sub to effect the Merger on the Closing Date are also subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company contained in Article IV shall be true and correct as of the date hereof and as of the Closing Date as if made on and as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except where the failure of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect; provided, however, that for purposes of determining the satisfaction of this condition, no effect shall be given to any exception or qualification in such representations and warranties relating to "material," "materiality" or "Company Material Adverse Effect" (other than with respect to Section 4.09(b)). CF Corp shall have received a certificate signed by an officer of the Company on its behalf to the foregoing effect.

(b) Agreements and Covenants. The Company shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Effective Time. CF Corp shall have received a certificate signed by an officer of the Company on its behalf to the foregoing effect.

Section 7.03 Additional Conditions to Obligation of the Company. The obligation of the Company to effect the Merger on the Closing Date is also subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of CF Corp, Parent and Merger Sub contained in Article V shall be true and correct as of the date hereof and as of the Closing Date as if made on and as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except where the failure of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably be likely to have a CF Corp Material Adverse Effect; provided, however, that for purposes of determining the satisfaction of this condition, no effect shall be given to any exception or qualification in such representations and warranties relating to "material," "materiality" or "CF Corp Material Adverse Effect" (other than with respect to Section 5.07(b)). The Company shall have received a certificate signed by an officer of CF Corp on its behalf to the foregoing effect.

(b) Agreements and Covenants. CF Corp, Parent and Merger Sub shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by them on or prior to the Effective Time. The Company shall have received a certificate signed by an officer of CF Corp on its behalf to the foregoing effect.

## ARTICLE VIII

## TERMINATION, AMENDMENT AND WAIVER

Section 8.01 Termination. This Agreement may be terminated and the Merger (and the other transactions contemplated hereby) may be abandoned at any time prior to the Effective Time (notwithstanding if the Company Required Vote or the CF Corp Required Vote has been obtained):

(a) by the mutual written consent of the Company and CF Corp, which consent shall have been approved by the action of their respective boards of directors;

(b) by CF Corp or the Company, if any Governmental Authority shall have issued an Order, or there exists any Law, in each case, permanently preventing or prohibiting the Merger, and such Order shall have become final and nonappealable or such Law is in effect; provided, however, that the party seeking to terminate this Agreement pursuant to this clause (b) shall have complied with its obligations under this Agreement to use reasonable best efforts to remove such Order;

(c) by CF Corp, if the Stockholder Written Consent representing the Company Required Vote has not been executed and delivered to CF Corp prior to the expiration of the Written Consent Delivery Period;

(d) by CF Corp or the Company, if at the Company Stockholders Meeting, the Company Required Vote shall not have been obtained;

(e) by CF Corp or the Company, if, at the CF Corp Shareholders Meeting, the CF Corp Required Vote shall not have been obtained.

(f) by the Company, in accordance with Section 6.06(b);

(g) by CF Corp, if (i) the Company Board of Directors shall have made an Adverse Recommendation Change, (ii) the Company Board of Directors shall have recommended to the Company Stockholders that they approve or accept a Superior Proposal or (iii) the Company shall have entered into, or publicly announced its intention to enter into, any Takeover Proposal Documentation with respect to a Superior Proposal;

(h) by CF Corp or the Company, if the Merger shall not have been consummated prior to January 24, 2018 (as such date may be extended pursuant to the proviso below or pursuant to Section 9.09, the "Outside Termination Date"); provided, that the right to terminate this Agreement under this Section 8.01(h) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or results in, the failure of the Merger to occur on or before such date; provided, further, that, if on a date that would have been the Outside Termination Date the conditions set forth in Section 7.01(d) are the only conditions in Article VII (other than those conditions that by their nature are to be satisfied at the Closing) that shall not have been satisfied or waived on or before such date, either the Company or CF Corp may unilaterally extend the Outside Termination Date by up to two (2) months, in which case the Outside Termination Date shall be deemed for all purposes to be such later date;

(i) by CF Corp, if (i) there has been a breach by the Company of any representation, warranty, covenant or agreement contained in this Agreement (other than a breach by the Company of the representation and warranty contained in Section 4.09(b)) that would, individually or in the aggregate, result in a failure of a condition set forth in Section 7.02(a) or Section 7.02(b) if continuing on the Closing Date, and (ii) such breach shall not have been cured (or is not capable of being cured) before the Outside Termination Date; provided, that CF Corp shall not have the right to terminate this Agreement pursuant to this Section 8.01(i) if CF Corp, Parent or Merger Sub is then in material breach of any of its representations, warranties, covenants or agreements contained in this Agreement;

(j) by the Company, if (i) there has been a breach by CF Corp, Parent or Merger Sub of any representation, warranty, covenant or agreement contained in this Agreement that would, individually or in the aggregate, result in a failure of a condition set forth in Section 7.03(a) or

Section 7.03(b) if continuing on the Closing Date and (ii) such breach shall not have been cured (or is not capable of being cured) before the Outside Termination Date; provided, that the Company shall not have the right to terminate this Agreement pursuant to this Section 8.01(j) if the Company is then in material breach of any of its representations, warranties, covenants or agreements contained in this Agreement; or

(k) by the Company, if (i) all of the conditions set forth in Section 7.01 and Section 7.02 have been satisfied or waived (other than those conditions that by their terms are to be satisfied at the Closing) and (ii) the Closing shall not have occurred on or prior to the second (2nd) Business Day after the satisfaction or waiver of said conditions set forth in Section 7.01 and Section 7.02 (other than by reason of the failure of the Company to fulfill any material obligation under this Agreement).

The party desiring to terminate this Agreement pursuant to this Section 8.01 (other than clause (a) hereof) shall give written notice of such termination to the other party in accordance with Section 9.02, specifying the provision or provisions hereof pursuant to which such termination is effected.

Section 8.02 Fees and Expenses.

(a) Expense Allocation. Except as otherwise specified in Section 6.03 and this Section 8.02, all costs and expenses (including fees and expenses payable to Representatives) incurred in connection with this Agreement, the Merger and the other transactions contemplated hereby shall be paid by the party incurring such cost or expense, whether or not the Merger is consummated.

(b) Company Termination Fee.

(i) If this Agreement is terminated by the Company pursuant to Section 8.01(f) or by CF Corp pursuant to Section 8.01(c) or Section 8.01(g), the Company shall concurrently with such termination, pay CF Corp, as liquidated damages and not as a penalty and as the sole and exclusive remedy of CF Corp, Parent and Merger Sub against the Company and its Subsidiaries and any of their respective Affiliates, stockholders or Representatives for any loss or damage suffered as a result of the failure of the Merger to be consummated, the Company Termination Fee by wire transfer of immediately available funds.

(ii) If this Agreement is terminated by either CF Corp or the Company pursuant to Section 8.01(d) or by CF Corp pursuant to Section 8.01(i) and (A) at any time after the date hereof and prior to the Company Stockholders Meeting or the breach giving rise to CF Corp's right to terminate under Section 8.01(i), respectively, a Takeover Proposal shall have been publicly announced or publicly made known to the Company Board of Directors or the stockholders of the Company or any Person shall have publicly announced an intention (whether or not conditional) to make a Takeover Proposal and such Takeover Proposal or such intent has not been publicly withdrawn or repudiated by such Person prior to the Company Stockholders Meeting or the breach, respectively, and (B) within twelve (12) months after such termination, the Company either consummates such Takeover Proposal or enters into a definitive agreement to consummate such Takeover Proposal and the Company thereafter consummates such Takeover Proposal (whether or not within such twelve (12) month period), then the Company shall upon the earliest of the consummation of such Takeover Proposal or the entry into such definitive agreement with respect thereto, pay CF Corp, as liquidated damages and not as a penalty and as the sole and exclusive remedy of CF Corp, Parent and Merger Sub against the Company and its Subsidiaries and any of their respective Affiliates, stockholders or Representatives for any loss or damage suffered as a result of the failure of the Merger to be consummated, the Company Termination Fee by wire transfer of immediately available funds; provided, that for the purposes of this Section 8.02(b)(ii), all references in the term Takeover Proposal to "15% or more" shall be deemed to be references to "more than 50%."

(c) The parties acknowledge that the agreements contained in this Section 8.02 are an integral part of the transactions contemplated hereby and that, without these agreements, the parties would not enter into this Agreement. Accordingly, if the Company fails promptly to pay any amount due pursuant to this Section 8.02, the Company shall also pay any costs and expenses (including reasonable legal fees and expenses) incurred by CF Corp in connection with an Action to enforce this Agreement that results in an Order for such amount against the Company. Any amount not paid when due pursuant to this Section 8.02 shall bear interest from the date such amount is due until the date paid at a rate equal to the prime rate as published in *The Wall Street Journal*, Eastern Edition in effect on the date of such payment. The parties agree and understand that in no event shall the Company be required to pay the Company Termination Fee on more than one occasion.

Section 8.03 Effect of Termination. In the event of termination of this Agreement by either the Company or CF Corp as provided in Section 8.01, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of CF Corp, Parent and Merger Sub or the Company, except that (a) the provisions of Section 6.02(b), Section 8.02, this Section 8.03 and Article IX shall survive termination and (b) nothing herein shall relieve any party from liability for any intentional and material breach of this Agreement (it being acknowledged and agreed by the parties hereto that the failure to close the Merger by any party that was otherwise obligated to do so under the terms of this Agreement shall be deemed to be an intentional and material breach of this Agreement) or for fraud; provided, that the provisions of Section 8.02(b) providing for the Company Termination Fee shall constitute an exclusive remedy with respect to the circumstances set forth therein.

Section 8.04 Amendment. This Agreement may be amended by the parties in writing by action of their respective Boards of Directors at any time before or after the Company Required Vote has been obtained and prior to the filing of the Certificate of Merger with the Delaware Secretary; provided, however, that, after the Company Required Vote shall have been obtained, no such amendment, modification or supplement shall change the amount or the form of the Merger Consideration to be delivered to the Company Stockholders or alter or change any other terms or conditions of this Agreement if such change would materially and adversely affect the Company or the Company Stockholders. This Agreement may not be amended, changed or supplemented or otherwise modified except by an instrument in writing signed on behalf of all of the parties.

Section 8.05 Extension; Waiver. At any time prior to the Effective Time, each of the Company, CF Corp, Parent and Merger Sub may (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties of the other party contained in this Agreement or in any document delivered pursuant to this Agreement, or (c) subject to the provisions of Section 8.04, waive compliance with any of the agreements or conditions of the other parties contained in this Agreement. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

Section 8.06 Non-Recourse. Notwithstanding anything to the contrary contained herein, (i) no Company Related Party shall have any rights or claims against any Debt Financing Source with respect to this Agreement or the Debt Financing, and no Debt Financing Source shall have any rights or claims against any Company Related Party with respect to this Agreement or the Debt Financing, whether at law or equity, in contract, in tort or otherwise; provided that, following consummation of the Merger, the foregoing will not limit the rights of the parties to the Debt Financing under the Debt Financing Commitment and (ii) no Debt Financing Source shall be subject to any special, consequential, punitive or indirect damages or damages of a tortious nature.

## ARTICLE IX

## GENERAL PROVISIONS

Section 9.01 Nonsurvival of Representations, Warranties, Covenants and Agreements. None of the representations, warranties, covenants and agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and agreements, shall survive the Effective Time, except for (a) those covenants or agreements contained herein that by their terms apply to or are to be performed in whole or in part after the Effective Time and (b) this Article IX.

Section 9.02 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing (and made orally if so required pursuant to any Section of this Agreement) and shall be deemed given (and duly received) if delivered personally, sent by overnight courier (providing proof of delivery and confirmation of receipt by email notice to the applicable contact person) to the parties or sent by facsimile (providing proof of transmission and confirmation of transmission by email notice to the applicable contact person) at the following addresses or facsimile numbers (or at such other address or facsimile number for a party as shall be specified by like notice):

if to CF Corp, to:

CF Corporation
1701 Village Center Circle
Las Vegas, Nevada 89134
Facsimile: 212-588-8713
Email: newton@cc.capital
Attention: Douglas Newton

with a copy to (which shall not constitute notice):

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Facsimile: 212-909-6836
Email: nfpotter@debevoise.com
Attention: Nicholas F. Potter, Esq.

Winston & Strawn LLP
200 Park Avenue
New York, New York 10166
Facsimile: 212-294-4700
Email: jrubinstein@winston.com
Attention: Joel L. Rubinstein, Esq.

if to Parent or Merger Sub, to:

c/o CF Corporation
1701 Village Center Circle
Las Vegas, Nevada 89134
Facsimile: 212-588-8713
Email: newton@cc.capital
Attention: Douglas Newton

with a copy to (which shall not constitute notice):

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Facsimile: 212-909-6836
Email: nfpotter@debevoise.com
Attention: Nicholas F. Potter, Esq.

Winston & Strawn LLP
200 Park Avenue
New York, New York 10166
Facsimile: 212-294-4700
Email: jrubinstein@winston.com
Attention: Joel L. Rubinstein, Esq.

if to the Company, to

Fidelity & Guaranty Life
601 Locust Street, 14th Floor
Des Moines, IA 50309-3738
Email: Eric.Marhoun@fglife.com
Attention: General Counsel & Secretary

with a copy to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Facsimile: 212-735-2000
Email: Todd.Freed@skadden.com
Attention: Todd E. Freed, Esq.

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
Facsimile: 202-393-5760
Email: Chris.Ulery@skadden.com
Attention: Christopher J. Ulery, Esq.

Section 9.03 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered (including by facsimile or other electronic transmission) to the other parties.

Section 9.04 Entire Agreement; No Third-Party Beneficiaries. This Agreement, the Confidentiality Agreement, the Equity Commitment Letters, the Limited Guaranties, the Information Letter Agreements and the Forward Purchase Agreements (a) constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the parties, or any of them, with respect to the subject matter of this Agreement and (b) are not intended to and do not confer upon any Person other than the parties hereto any rights or remedies hereunder, other than (i) the Persons intended to benefit from the provisions of Section 6.14, each of whom shall have the right to enforce such provisions directly, (ii) the right of the Company on behalf of its security holders to pursue damages in the event of CF Corp's, Parent's or Merger Sub's breach of this Agreement (a claim with respect to which shall be enforceable only by the Company, in its sole and absolute discretion, on behalf of the Company

Stockholders), (iii) the right of the Company Stockholders to receive the Merger Consideration and the holders of Company Stock Rights, Fidelity & Guaranty Life Holdings stock options, Fidelity & Guaranty Life Holdings restricted stock units and Fidelity & Guaranty Life Holdings dividend equivalents to receive the payments to which they have the right to receive pursuant to Section 2.07 after the Closing (a claim with respect to which may not be made unless and until the Effective Time shall have occurred) and (iv) the Debt Financing Sources shall be express third party beneficiaries under Sections 8.03, 8.06, 9.01, 9.04, 9.06, 9.07 and 9.08, and each of such Sections shall expressly inure to the benefit of the Debt Financing Sources and the Debt Financing Sources shall be entitled to rely and enforce the rights expressly provided to them in the provisions of such Sections. The representations, warranties, covenants and agreements in this Agreement are the product of negotiations among the parties and are for the sole benefit of the parties and may, in certain instances, be qualified, limited or changed by confidential disclosure letters. Any inaccuracies in such representations or warranties or failure to perform or breach of such covenants or agreements are subject to waiver by the parties in accordance with Section 8.05 without notice or liability to any other Person. In some instances, the representations, warranties, covenants and agreements in this Agreement may represent an allocation among the parties of risk associated with particular matters regardless of the knowledge of any of the parties. Consequently, Persons other than the parties may not rely upon the representations, warranties, covenants and agreements in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

Section 9.05 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned or delegated, in whole or in part, by operation of Law or otherwise by any of the parties without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 9.06 Governing Law. This Agreement, and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arise out of or relating to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) shall be governed by and construed in accordance with the Laws of the State of Delaware, without respect to its applicable principles of conflicts of laws that might require the application of the laws of another jurisdiction; provided that any action, cause of action, claim, cross-claim or third-party claim of any kind or description, whether at law or in equity, whether in contract or in tort or otherwise, against any Debt Financing Source with respect to this Agreement, the Debt Financing or the Debt Commitment Letter, or any dispute arising out of the Debt Financing or the performance thereof shall be governed by, and construed in accordance with, the Laws of the State of New York without giving effect to any choice or conflict of law provision or rule whether of the State of New York or any other jurisdiction that would cause the application of Law of any jurisdiction other than the State of New York.

Section 9.07 Consent to Jurisdiction. Each of the parties hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction and venue of the Delaware Court of Chancery (or, only if the Delaware Court of Chancery does not have jurisdiction over a particular matter, the Superior Court of the State of Delaware (and the Complex Commercial Litigation Division thereof if such division has jurisdiction over the particular matter), or if the Superior Court of the State of Delaware does not have jurisdiction, any federal court of the United States of America sitting in the State of Delaware) ("Delaware Courts"), and any appellate court from any decision thereof, in any Action arising out of or relating to this Agreement, including the negotiation, execution or performance of this Agreement and agrees that all claims in respect of any such Action shall be heard and determined in the Delaware Courts, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any Action arising out of or relating to this Agreement or the negotiation, execution or performance of this Agreement in the Delaware Courts, including any objection based on its place of incorporation or domicile, (c) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such Action in any such court and (d) agrees that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Each of the parties consents and agrees that service of process, summons, notice or document for any action permitted hereunder may be delivered by registered mail addressed to it at the applicable address set forth in Section 9.02 or in any other manner permitted by applicable Law; provided that, notwithstanding the foregoing, each of the parties hereto hereby (i) agrees that it will not bring or support any Action, cross-claim or third-party claim of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against the Debt Financing Sources with respect to this Agreement or the Debt Financing, including but not limited to any dispute arising out of or with respect to the Debt Financing Commitment or any other letter or agreement with respect to the Debt Financing or the performance thereof, in any forum other than exclusively in any State or Federal court sitting in the Borough of Manhattan in the City of New York, (ii) submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in City of New York, Borough of Manhattan, and any appellate court from any thereof, as to any action or proceeding with respect to the Debt Commitment Letter or the Fee Letter and agrees that all claims in respect of any such action or proceeding shall be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding with respect to the Debt Commitment Letter or the Fee Letter in any court in which such venue may be laid in accordance with clause (ii) of this proviso, (iv) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and (v) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Service of any process, summons, notice or document by registered mail or overnight courier addressed to any of the parties hereto at the addresses set forth above shall be effective service of process against such party for any suit, action or proceeding brought in any such court.

Section 9.08 Waiver of Jury Trial. EACH OF THE PARTIES ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY BE BASED UPON, ARISE OUT OF OR RELATED TO THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY FOR ANY DISPUTE BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH, TERMINATION OR VALIDITY

HEREOF OR ANY TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES CERTIFIES AND ACKNOWLEDGES THAT (A) NEITHER THE OTHER PARTIES NOR THEIR RESPECTIVE REPRESENTATIVES, AGENTS OR ATTORNEYS HAVE REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH OF THE PARTIES UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH OF THE PARTIES MAKES THIS WAIVER VOLUNTARILY AND (D) EACH OF THE PARTIES HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS OF THIS SECTION 9.08. ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 9.09 Specific Performance. The parties hereto agree that irreparable damage would occur and that the parties hereto would not have any adequate remedy at law in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached and that money damages or other legal remedies would not be an adequate remedy for any such failure to perform or breach. It is accordingly agreed that, without posting a bond or other undertaking, the parties hereto shall be entitled to injunctive or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the Delaware Courts, this being in addition to any other remedy to which they are entitled at law or in equity. In the event that any such action is brought in equity to enforce the provisions of this Agreement, no party hereto will allege, and each party hereto hereby waives the defense or counterclaim, that there is an adequate remedy at law. The parties hereto further agree that (a) by seeking any remedy provided for in this Section 9.09, a party hereto shall not in any respect waive its right to seek any other form of relief that may be available to such party hereto under this Agreement and (b) nothing contained in this Section 9.09 shall require any party hereto to institute any action for (or limit such party's right to institute any action for) specific performance under this Section 9.09 before exercising any other right under this Agreement. If, prior to the Outside Termination Date, any party hereto brings any Action in accordance with this Agreement to enforce specifically the performance of the terms and provisions hereof against any other party, the Outside Termination Date shall be automatically extended (i) for the period during which such Action is pending, plus ten (10) Business Days or (ii) by such other time period established by the court presiding over such action on good cause shown, as the case may be.

Section 9.10 Exclusions from Representations and Warranties. Except as expressly set forth in Section 4.11(b), notwithstanding anything to the contrary in this Agreement or any other agreement, document or instrument delivered or to be delivered in connection herewith, each of CF Corp, Parent and Merger Sub acknowledges and agrees that the Company and its Subsidiaries make no representations or warranties with respect to, and nothing contained in this Agreement or in any other agreement, document or instrument to be delivered in connection herewith is intended or shall be construed to be a representation or warranty, express or implied, of the Company or any of its Subsidiaries, for any purposes of this Agreement or any other agreement, document or instrument to be delivered in connection herewith or therewith, in respect of (a) the adequacy or sufficiency of reserves, (b) the effect of the adequacy or sufficiency of reserves on any line item, asset, liability or equity amount on any financial or other document, (c) whether or not reserves were determined in accordance with any actuarial, statutory, regulatory or other standard or (d) the collectability of any amounts under any Reinsurance Contract. Furthermore, each of CF Corp, Parent and Merger Sub acknowledges, understands and agrees that no fact, condition, development or issue relating to the adequacy or sufficiency of reserves may be used, directly or indirectly, to demonstrate or support the breach or violation of any representation, warranty, covenant or agreement of or by the Company or its Subsidiaries contained in this Agreement or any other agreement, document or instrument delivered or to be delivered in connection herewith.

Section 9.11 Severability. If any term, provision, covenant or restriction of this Agreement is held by the Delaware Courts or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 9.12 Trust Account Waiver. The Company acknowledges that CF Corp is a blank check company with the powers and privileges to effect a Business Combination (as defined in CF Corp's Amended and Restated Articles of Association). The Company further acknowledges that, as described in the prospectus dated May 19, 2016 (the "Prospectus") available at www.sec.gov, substantially all of CF Corp's assets consist of the cash proceeds of CF Corp's initial public offering and private placements of its securities and substantially all of those proceeds have been deposited in the Trust Account for the benefit of CF Corp, certain of its public shareholders and the underwriters of CF Corp's initial public offering. The Company acknowledges that it has been advised by CF Corp that, except with respect to interest earned on the funds held in the Trust Account that may be released to CF Corp to pay its income taxes, the Trust Agreement provides that cash in the Trust Account may be disbursed only (i) if CF Corp completes the transactions which constitute a Business Combination, then to those Persons and in such amounts as described in the Prospectus; and (ii) if CF Corp fails to complete a Business Combination within the allotted time period and liquidates, subject to the terms of the Trust Agreement, to CF Corp in limited amounts to permit CF Corp to pay the costs and expenses of its liquidation and dissolution, and then to CF Corp's public shareholders. For and in consideration of CF Corp entering into this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Company hereby irrevocably waives any right, title, interest or claim of any kind they have or may have in the future in or to any monies in the Trust Account and agree not to seek recourse against the Trust Account or any funds distributed therefrom as a result of, or arising out of, this Agreement and any negotiations, contracts or agreements with CF Corp; provided that (x) nothing herein shall serve to limit or prohibit the Company's right to pursue a claim against CF Corp for legal relief against monies or other assets held outside the Trust Account, for specific performance or other equitable relief in connection with the consummation of the transactions (including a claim for CF Corp to specifically perform its obligations under this Agreement and cause the disbursement of the balance of the cash remaining in the Trust Account to the Company Stockholders in accordance with the terms of this Agreement and the Trust Agreement) so long as such claim would not affect CF Corp's ability to fulfill its obligation to effectuate the CF Corp Shareholder Redemption, or for fraud to the extent such a claim for fraud cannot be waived under applicable Law, and (y) nothing herein shall serve to limit or prohibit any claims that the Company may have in the future against CF Corp's assets or funds that are not held in the Trust Account (including any funds that have been released from the Trust Account upon completion of a Business Combination (except such amounts that are payable to shareholders of CF Corp holding CF Corp Shares sold in CF Corp's initial public offering who shall have previously elected to redeem their CF Corp Shares pursuant to CF Corp's Amended and Restated Articles of Association) and any assets that have been purchased or acquired with any such funds).

Section 9.13 CF Corp Undertaking. CF Corp hereby fully, irrevocably and unconditionally guarantees the full, complete and timely performance of all agreements, covenants and obligations of its Subsidiaries, when performance of the same shall be required in accordance with the terms of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

**CF CORPORATION**

By: ______________________________
Name: Chinh Chu
Title: Co-Executive Chairman

**FGL US HOLDINGS INC.**

By: ______________________________
Name:
Title:

**FGL MERGER SUB INC.**

By: ______________________________
Name:
Title:

**FIDELITY & GUARANTY LIFE**

By: ______________________________
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

**CF CORPORATION**

By: ______________________________
Name:
Title:

**FGL US HOLDINGS INC.**

By: ______________________________
Name: MENES O. CHEE
Title: President and Secretary

**FGL MERGER SUB INC.**

By: ______________________________
Name: MENES O-CHEE
Title: President and Secretary

**FIDELITY & GUARANTY LIFE**

By: ______________________________
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

**CF CORPORATION**

By: ______________________________
Name:
Title:

**FGL US HOLDINGS INC.**

By: ______________________________
Name:
Title:

**FGL MERGER SUB INC.**

By: ______________________________
Name:
Title:

**FIDELITY & GUARANTY LIFE**

By: ______________________________
Name: Christopher J. Littlefield
Title: President and Chief Executive Officer

# EXHIBIT A

# SURVIVING CORPORATION CERTIFICATE OF INCORPORATION

Exhibit A

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

OF

FIDELITY & GUARANTY LIFE

FIRST: The name of the corporation is Fidelity & Guaranty Life (hereinafter called the "Corporation").

SECOND: The Corporation's registered office in the State of Delaware is at Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business of the Corporation and its purpose is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 5,000 shares of Common Stock, par value $.01 per share.

FIFTH: The name and mailing address of the incorporator is as follows:

Joshua P. Rosenstock
c/o Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022

SIXTH: The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation and for the purpose of creating, defining, limiting and regulating the powers of the Corporation and its directors and stockholders:

(a) The number of directors of the Corporation shall be fixed and may be altered from time to time in the manner provided in the Bylaws, and vacancies in the Board of Directors and newly created directorships resulting from any increase in the authorized number of directors may be filled, and directors may be removed, as provided in the Bylaws.

(b) The election of directors may be conducted in any manner approved by the stockholders at the time when the election is held and need not be by written ballot.

(c) All corporate powers and authority of the Corporation (except as at the time otherwise provided by law, by this Certificate of Incorporation or by the Bylaws) shall be vested in and exercised by the Board of Directors.

(d) The Board of Directors shall have the power without the assent or vote of the stockholders to adopt, amend, alter or repeal the Bylaws of the Corporation, except to the extent that the Bylaws or this Certificate of Incorporation otherwise provide.

(e) No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of his or her fiduciary duty as a director, *provided* that nothing contained in this Article shall 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 the law, (*iii*) under Section 174 of the General Corporation Law of the State of Delaware or (*iv*) for any transaction from which the director derived an improper personal benefit.

<u>SEVENTH</u>: The Corporation expressly elects not to be governed by Section 203 of the DGCL.

<u>EIGHTH</u>:

(a) In recognition and anticipation of the facts that (i) directors, managers, officers, members, partners, managing members, employees and/or agents of one or more members of the Investor Group (each of the foregoing, an "<u>Investor Group Related Person</u>") may serve as directors and/or officers of the Corporation (which, for purposes of this Article Eighth, shall, unless the context otherwise requires, include any subsidiaries of the Corporation) and (ii) the Investor Group engages, and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this Article Eighth are set forth to regulate and define the conduct of certain affairs of the Corporation as they may involve the investors and the Investor Related Persons, and the powers, rights, duties and liabilities of the Corporation and its officers, directors and stockholders in connection therewith.

(b) To the fullest extent permitted by law, the Investor Group and the Investor Group Related Persons shall have no duty, except and to the extent expressly assumed by contract, to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as the Corporation. To the fullest extent permitted by law, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any potential transaction or matter which may be a corporate opportunity for both the Investor Group or the Investor Group Related Persons, on the one hand, and the Corporation, on the other. Except to the extent expressly assumed by contract, to the fullest extent permitted by law, the Investor Group and the Investor Group Related Persons shall have no duty to communicate or offer any such corporate opportunity to the Corporation and shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director and/or officer of the Corporation solely by reason of the fact that such party pursues or acquires such corporate opportunity for itself, himself or herself, directs such corporate opportunity to another person, or does not communicate information regarding such corporate opportunity to the Corporation.

(c) Except as provided elsewhere in this Article Eighth, the Corporation hereby renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any potential transaction or matter which may be a corporate opportunity for both the Corporation and the Investor Group, about which a director and/or officer of the Corporation who is also an Investor Group Related Person acquires knowledge.

(d) To the extent a court might hold that the conduct of any activity related to a corporate opportunity that is renounced in this Article Eighth to be a breach of duty to the Corporation or its stockholders, the Corporation hereby waives, to the fullest extent permitted by law, any and all claims and causes of action that the Corporation may have for such activities. To the fullest extent permitted by law, the provisions of this Article Eight apply equally to activities conducted in the future and that have been conducted in the past.

(e) As used in this Article Eighth, the following definitions shall apply:

"Affiliates" shall have the meaning set forth in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended.

"Investor Group" shall mean CFS Holdings (Cayman), LP, CF Corporation, CF Capital Growth, LLC, GSO Capital Partners LP and Fidelity National Financial, Inc. and their respective Affiliates, and the respective successors and assigns of the foregoing.

NINTH: The Corporation reserves the right to amend or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights herein conferred upon stockholders or directors are granted subject to this reservation.

[*remainder of page intentionally left blank*]

IN WITNESS WHEREOF, I, the undersigned, being the incorporator hereinabove named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make and file this Certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this ___ day of [●], 2017.

_________________________________

Joshua P. Rosenstock

# EXHIBIT B

## SURVIVING CORPORATION BY-LAWS

Exhibit B

# FIDELITY & GUARANTY LIFE

# THIRD AMENDED AND RESTATED BYLAWS

As Adopted on [●], 2017

FIDELITY & GUARANTY LIFE

BYLAWS

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FIDELITY & GUARANTY LIFE

THIRD AMENDED AND RESTATED BYLAWS

As adopted on [●], 2017

# ARTICLE I

## MEETINGS OF STOCKHOLDERS

Section 1.01. Annual Meetings. An annual meeting of the stockholders of the corporation for the election of directors and for the transaction of such other business as properly may come before such meeting shall be held each year either within or without the State of Delaware on such date and at such place and time as are designated by resolution of the corporation's board of directors (the "Board"), unless the stockholders have acted by written consent to elect directors as permitted by the General Corporation Law of the State of Delaware, as amended from time to time (the "DGCL").

Section 1.02. Special Meetings. A special meeting of the stockholders for any purpose may be called at any time by the President (or, in the event of his or her absence or disability, by any Vice President) or by the Secretary pursuant to a resolution of the Board, to be held either within or without the State of Delaware on such date and at such time and place as are designated by such officer or in such resolution.

Section 1.03. Participation in Meetings by Remote Communication. The Board, acting in its sole discretion, may establish guidelines and procedures in accordance with applicable provisions of the DGCL and any other applicable law for the participation by stockholders and proxyholders in a meeting of stockholders by means of remote communications, and may determine that any meeting of stockholders will not be held at any place but will be held solely by means of remote communication. Stockholders and proxyholders complying with such procedures and guidelines and otherwise entitled to vote at a meeting of stockholders shall be deemed present in person and entitled to vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication.

Section 1.04. Notice of Meetings; Waiver of Notice.

(a) The Secretary or any Assistant Secretary shall cause notice of each meeting of stockholders to be given in writing in a manner permitted by the DGCL not less than 10 days nor more than 60 days prior to the meeting to each stockholder of record entitled to vote at such meeting, subject to such exclusions as are then permitted by the DGCL. The notice shall specify (*i*) the place, if any, date and time of such meeting, (*ii*) the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, (*iii*) in the case of a special meeting, the purpose or purposes for which such meeting is called, and (*iv*) such other information as may be required by law or as may be deemed appropriate by the President, the Vice President calling the meeting, or the Board. If the stockholder list referred to in Section 1.06 of these bylaws is made accessible on an electronic network, the notice of meeting must indicate how the stockholder list can be accessed. If the meeting of stockholders is to be held solely by means of electronic communications, the notice of meeting must provide the information required to access such stockholder list during the meeting.

(b) A written waiver of notice of meeting signed by a stockholder or a waiver by electronic transmission by a stockholder, whether given before or after the meeting time stated in such notice, is deemed equivalent to notice. Attendance of a stockholder at a meeting is a waiver of notice of such meeting, except when the stockholder attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business at the meeting on the ground that the meeting is not lawfully called or convened.

Section 1.05. Proxies.

(a) Each stockholder entitled to vote at a meeting of stockholders or to express consent to or dissent from corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy.

(b) A stockholder may authorize a valid proxy by executing a written instrument signed by such stockholder, or by causing his or her signature to be affixed to such writing by any reasonable means, including but not limited to by facsimile signature, or by transmitting or authorizing an electronic transmission (as defined in Section 8.08 of these bylaws) setting forth an authorization to act as proxy to the person designated as the holder of the proxy, a proxy solicitation firm or a like authorized agent. Proxies by electronic transmission must either set forth, or be submitted with, information from which it can be determined that the electronic transmission was authorized by the stockholder. Any copy, facsimile telecommunication or other reliable reproduction of a writing or transmission created pursuant to this section may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used if such copy, facsimile telecommunication or other reproduction is a complete reproduction of the entire original writing or transmission.

(c) No proxy may be voted or acted upon after the expiration of three years from the date of such proxy, unless such proxy provides for a longer period. Every proxy is revocable at the pleasure of the stockholder executing it unless the proxy states that it is irrevocable and applicable law makes it irrevocable. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with the Secretary.

Section 1.06. Voting Lists. The officer of the corporation who has charge of the stock ledger of the corporation shall prepare, at least 10 days before every meeting of the stockholders (and before any adjournment thereof for which a new record date has been set), 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. This list shall be open to the examination of any stockholder prior to and during the meeting for any purpose germane to the meeting as required by the DGCL or other applicable law. The stock ledger shall be the only evidence as to who are the stockholders entitled by this section to examine the list required by this section or to vote in person or by proxy at any meeting of stockholders.

Section 1.07. Quorum. Except as otherwise required by law or by the certificate of incorporation, the presence in person or by proxy of the holders of record of a majority of the shares entitled to vote at a meeting of stockholders shall constitute a quorum for the transaction of business at such meeting.

Section 1.08. Voting. Every holder of record of shares entitled to vote at a meeting of stockholders is entitled to one vote for each share outstanding in his or her name on the books of the corporation (*x*) at the close of business on the record date for such meeting, or (*y*) if no record date has been fixed, at the close of business on the day next preceding the day on which notice of the meeting is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. All matters at any meeting at which a quorum is present, including the election of directors, shall be decided by the affirmative vote of a majority of the shares of stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter in question, unless otherwise expressly provided by express provision of law or the certificate of incorporation. The stockholders do not have the right to cumulate their votes for the election of directors.

Section 1.09. Adjournment. Any meeting of stockholders may be adjourned from time to time, by the chairperson of the meeting or by the vote of a majority of the shares of stock present in person or represented by proxy at the meeting, to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the place, if any, and date and time thereof (and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting) are announced at the meeting at which the adjournment is taken unless the adjournment is for more than 30 days or a new record date is fixed for the adjourned meeting after the adjournment, in which case notice of the adjourned meeting in accordance with Section 1.04 of these bylaws shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

Section 1.10. Organization; Procedure. The President shall preside over each meeting of stockholders. If the President is absent or disabled, the presiding officer shall be selected by the Board or, failing action by the Board, by a majority of the stockholders present in person or represented by proxy. The Secretary, or in the event of his or her absence or disability, an appointee of the presiding officer, shall act as secretary of the meeting. The Board may make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to any such rules and regulations, the presiding officer of any meeting shall have the right and authority to prescribe rules, regulations and procedures for such meeting and to take all such actions as in the judgment of the presiding officer are appropriate for the proper conduct of such meeting.

Section 1.11. Consent of Stockholders in Lieu of Meeting.

(a) Unless otherwise provided in the certificate of incorporation, any action required or permitted to be taken at an annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote of stockholders, if a consent or consents in writing, setting forth the action so taken, are (*i*) signed by the holders of outstanding 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 entitled to vote thereon were present and voted (but not less than the minimum number of votes otherwise prescribed by law) and (*ii*) delivered to the corporation by delivery to its registered office in this State, to its principal place of business or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded within 60 days of the earliest dated consent so delivered to the corporation.

(b) If a stockholder consent is to be given without a meeting of stockholders, and the Board has not fixed a record date for the purpose of determining the stockholders entitled to participate in such consent, then: (*i*) if the DGCL does not require action by the Board prior to the proposed stockholder action, the record date shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation at any of the locations referred to in Section 1.11(a)(ii); and (*ii*) if the DGCL requires action by the Board prior to the proposed stockholder action, the record date shall be at the close of business on the day on which the Board adopts the resolution taking such prior action. Every written consent to action without a meeting shall bear the date of signature of each stockholder who signs the consent, and shall be valid if timely delivered to the corporation at any of the locations referred to in Section 1.11(a)(ii).

(c) The Secretary shall give prompt notice of the taking of an action without a meeting by less than unanimous written consent to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take the action were delivered to the corporation in accordance with the DGCL.

## ARTICLE II

## BOARD OF DIRECTORS

Section 2.01. General Powers. Except as may otherwise be provided by law or by the certificate of incorporation, the affairs and business of the corporation shall be managed by or under the direction of the Board. The directors shall act only as a Board, and the individual directors shall have no power as such.

Section 2.02. Number and Term of Office. The Board shall consist of two directors, each of whom shall be a natural person, which number may be increased or decreased from time to time by the resolution of the Board. Each director (whenever elected) shall hold office until his or her successor has been duly elected and qualified, or until his or her earlier death, resignation or removal.

Section 2.03. Election of Directors. Except as otherwise provided in Sections 2.13 and 2.14 of these bylaws, the directors shall be elected at each annual meeting of the stockholders.

Section 2.04. Regular Meetings. Regular meetings of the Board shall be held on such dates, and at such times and places as are determined from time to time by resolution of the Board.

Section 2.05. Special Meetings. Special meetings of the Board shall be held whenever called by the President or, in the event of his or her absence or disability, by any Vice President, or by a majority of the directors then in office, at such place, date and time as may be specified in the respective notices or waivers of notice of such meetings. Any business may be conducted at a special meeting.

Section 2.06. Notice of Meetings; Waiver of Notice.

(a) Notices of special meetings shall be given to each director, and notice of each resolution or other action affecting the date, time or place of one or more regular meetings shall be given to each director not present at the meeting adopting such resolution or other action, subject to Section 2.09 of these bylaws. Notices shall be given personally, or by telephone confirmed by facsimile or email dispatched promptly thereafter, or by facsimile or email confirmed by a writing delivered by a recognized overnight courier service, directed to each director at the address from time to time designated by such director to the Secretary. Each such notice and confirmation must be given (received in the case of personal service or delivery of written confirmation) at least 24 hours prior to the time of a special meeting, and at least five days prior to the initial regular meeting affected by such resolution or other action, as the case may be.

(b) A written waiver of notice of meeting signed by a director or a waiver by electronic transmission by a director, whether given before or after the meeting time stated in such notice, is deemed equivalent to notice. Attendance of a director at a meeting is a waiver of notice of such meeting, except when the director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business at the meeting on the ground that the meeting is not lawfully called or convened.

Section 2.07. Quorum; Voting. At all meetings of the Board, the presence of a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. Except as otherwise required by law, the certificate of incorporation or these bylaws, the vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board.

Section 2.08. Action by Telephonic Communications. Members of the Board may participate in a meeting of the Board by means of 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 provision shall constitute presence in person at such meeting.

Section 2.09. Adjournment. A majority of the directors present may adjourn any meeting of the Board to another date, time or place, whether or not a quorum is present. No notice need be given of any adjourned meeting unless (*a*) the date, time and place of the adjourned meeting are not announced at the time of adjournment, in which case notice conforming to the requirements of Section 2.06 of these bylaws applicable to special meetings shall be given to each director, or (*b*) the meeting is adjourned for more than 24 hours, in which case the notice referred to in clause (a) shall be given to those directors not present at the announcement of the date, time and place of the adjourned meeting.

Section 2.10. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing or by electronic transmission, and such writing or writings or electronic transmissions are filed with the minutes of proceedings of the Board. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 2.11. Regulations. To the extent consistent with applicable law, the certificate of incorporation and these bylaws, the Board may adopt such rules and regulations for the conduct of meetings of the Board and for the management of the affairs and business of the corporation as the Board may deem appropriate. The Board may elect from among its members a chairperson and one or more vice-chairpersons to preside over meetings and to perform such other duties as may be designated by the Board.

Section 2.12. Resignations of Directors. Any director may resign at any time by submitting an electronic transmission or by delivering a written notice of resignation, signed by such director, to the President or the Secretary. Such resignation shall take effect upon delivery unless the resignation specifies a later effective date or an effective date determined upon the happening of a specified event.

Section 2.13. Removal of Directors. Any director may be removed at any time, either for or without cause, upon the affirmative vote of the holders of a majority of the outstanding shares of stock of the corporation entitled to vote generally for the election of directors, acting at a stockholder meeting or by written consent in accordance with the DGCL and these bylaws.

Section 2.14. Vacancies and Newly Created Directorships. Any such vacancies or newly created directorships may be filled by a majority of directors then in office, though less than a quorum, or by a sole remaining director. A director chosen to fill a vacancy or a newly created directorship shall hold office until his or her successor has been elected and qualified or until his or her earlier death, resignation or removal.

Section 2.15. Compensation. The directors shall be entitled to compensation for their services to the extent approved by the stockholders at any regular or special meeting of the stockholders. The Board may by resolution determine the expenses in the performance of such services for which a director is entitled to reimbursement.

Section 2.16. Reliance on Accounts and Reports, etc. A director, as such or as a member of any committee designated by the Board, shall in the performance of his or her duties be fully protected in relying in good faith upon the records of the corporation and upon information, opinions, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees designated by the Board, or by any other person as to the matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation.

## ARTICLE III

## COMMITTEES

Section 3.01. Designation of Committees. The Board may designate one or more committees. Each committee shall consist of such number of directors as from time to time may be fixed by the Board, and shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the corporation to the extent delegated to such committee by the Board but no committee shall have any power or authority as to (*a*) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, (*b*) adopting, amending or repealing any of these bylaws or (*c*) as may otherwise be excluded by law or by the certificate of incorporation, and no committee may delegate any of its power or authority to a subcommittee unless so authorized by the Board.

Section 3.02. Members and Alternate Members. The members of each committee and any alternate members shall be selected by the Board. The Board may provide that the members and alternate members serve at the pleasure of the Board. An alternate member may replace any absent or disqualified member at any meeting of the committee. An alternate member shall be given all notices of committee meetings, may attend any meeting of the committee, but may count towards a quorum and vote only if a member for whom such person is an alternate is absent or disqualified. Each member (and each alternate member) of any committee shall hold office only until the time he or she shall cease for any reason to be a director, or until his or her earlier death, resignation or removal.

Section 3.03. Committee Procedures. A quorum for each committee shall be a majority of its members, unless the committee has only one or two members, in which case a quorum shall be one member, or unless a greater quorum is established by the

Board. The vote of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee. Each committee shall keep regular minutes of its meetings and report to the Board when required. The Board may adopt other rules and regulations for the government of any committee not inconsistent with the provisions of these bylaws, and each committee may adopt its own rules and regulations of government, to the extent not inconsistent with these bylaws or rules and regulations adopted by the Board.

Section 3.04. Meetings and Actions of Committees. Meetings and actions of each committee shall be governed by, and held and taken in accordance with, the provisions of the following sections of these bylaws, with such bylaws being deemed to refer to the committee and its members in lieu of the Board and its members:

(a) Section 2.04 (to the extent relating to place and time of regular meetings);

(b) Section 2.05 (relating to special meetings);

(c) Section 2.06 (relating to notice and waiver of notice);

(d) Sections 2.08 and 2.10 (relating to telephonic communication and action without a meeting); and

(e) Section 2.09 (relating to adjournment and notice of adjournment).

Special meetings of committees may also be called by resolution of the Board.

Section 3.05. Resignations and Removals. Any member (and any alternate member) of any committee may resign from such position at any time by delivering a written notice of resignation, signed by such member, to the President or the Secretary. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any member (and any alternate member) of any committee may be removed from such position by the Board at any time, either for or without cause.

Section 3.06. Vacancies. If a vacancy occurs in any committee for any reason, the remaining members (and any alternate members) may continue to act if a quorum is present. A committee vacancy may be filled only by the Board.

## ARTICLE IV

## OFFICERS

Section 4.01. Officers. The Board shall elect a President and a Secretary as officers of the corporation. The Board may also elect a Treasurer, one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers, and such other officers and agents as the Board may determine. In addition, the Board from time to time may delegate to any officer the power to appoint subordinate officers or agents and to prescribe their respective rights, terms of office, authorities and duties. Any action by an appointing officer may be superseded by action by the Board. Any number of offices may be held by the same person, except that one person may not hold both the office of President and the office of Secretary. No officer need be a director of the corporation.

Section 4.02. Election. The officers of the corporation elected by the Board shall serve at the pleasure of the Board. Officers and agents appointed pursuant to delegated authority as provided in Section 4.01 (or, in the case of agents, as provided in Section 4.06) shall hold their offices for such terms as may be determined from time to time by the appointing officer. Each officer shall hold office until his or her successor has been elected or appointed and qualified, or until his or her earlier death, resignation or removal.

Section 4.03. Compensation. The salaries and other compensation of all officers and agents of the corporation shall be fixed by the Board or in the manner established by the Board.

Section 4.04. Removal and Resignation; Vacancies. Any officer may be removed for or without cause at any time by the Board. Any officer granted the power to appoint subordinate officers and agents as provided in Section 4.01 may remove any subordinate officer or agent appointed by such officer, for or without cause. Any officer or agent may resign at any time by delivering notice of resignation, either in writing signed by such officer or by electronic transmission, to the Board or the President. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise, may be filled by the Board or by the officer, if any, who appointed the person formerly holding such office.

Section 4.05. Authority and Duties of Officers. An officer of the corporation shall have such authority and shall exercise such powers and perform such duties (*a*) as may be required by law, (*b*) to the extent not inconsistent with law, as are specified in these bylaws, (*c*) to the extent not inconsistent with law or these bylaws, as may be specified by resolution of the Board, and (*d*) to the extent not inconsistent with any of the foregoing, as may be specified by the appointing officer with respect to a subordinate officer appointed pursuant to delegated authority under Section 4.01.

Section 4.06. President. The President shall preside at all meetings of the stockholders and directors at which he or she is present, shall be the chief executive officer and the chief operating officer of the corporation, shall have general control and supervision of the policies and operations of the corporation and shall see that all orders and resolutions of the Board are carried into effect. He or she shall manage and administer the corporation’s business and affairs and shall also perform all duties and exercise all powers usually pertaining to the office of a chief executive officer and a chief operating officer of a corporation. He or she shall have the authority to sign, in the name and on behalf of the corporation, checks, orders, contracts, leases, notes, drafts and all other documents and instruments in connection with the business of the corporation. He or she shall have the authority to cause the employment or appointment of such employees or agents of the corporation as the conduct of the business of the corporation may require, to fix their compensation, and to remove or suspend any employee or any agent employed or appointed by any officer or to suspend any agent appointed by the Board. The President shall have the duties and powers of the Treasurer if no Treasurer is elected and shall have such other duties and powers as the Board may from time to time prescribe.

Section 4.07. Vice Presidents. If one or more Vice-Presidents have been elected, each Vice President shall perform such duties and exercise such powers as may be assigned to him or her from time to time by the Board or the President. In the event of absence or disability of the President, the duties of the President shall be performed, and his or her powers may be exercised, by such Vice President as shall be designated by the Board or, failing such designation, by the Vice President in order of seniority of election to that office.

Section 4.08. Secretary. Unless otherwise determined by the Board, the Secretary shall have the following powers and duties:

(a) The Secretary shall keep or cause to be kept a record of all the proceedings of the meetings of the stockholders, the Board and any committees thereof in books provided for that purpose.

(b) The Secretary shall cause all notices to be duly given in accordance with the provisions of these bylaws and as required by law.

(c) Whenever any committee shall be appointed pursuant to a resolution of the Board, the Secretary shall furnish a copy of such resolution to the members of such committee.

(d) The Secretary shall be the custodian of the records and of the seal of the corporation and cause such seal (or a facsimile thereof) to be affixed to all certificates representing shares of the corporation prior to the issuance thereof and to all documents and instruments that the Board or any officer of the corporation has determined should be executed under seal, may sign (together with any other authorized officer) any such document or instrument, and when the seal is so affixed he or she may attest the same.

(e) The Secretary shall properly maintain and file all books, reports, statements, certificates and all other documents and records required by law, the certificate of incorporation or these bylaws.

(f) The Secretary shall have charge of the stock books and ledgers of the corporation and shall cause the stock and transfer books to be kept in such manner as to show at any time the number of shares of stock of the corporation of each class issued and outstanding, the names (alphabetically arranged) and the addresses of the holders of record of such shares, the number of shares held by each holder and the date as of which each such holder became a holder of record.

(g) The Secretary shall sign (unless the Treasurer, an Assistant Treasurer or an Assistant Secretary shall have signed) certificates representing shares of the corporation the issuance of which shall have been authorized by the Board.

(h) The Secretary shall perform, in general, all duties incident to the office of secretary and such other duties as may be specified in these bylaws or as may be assigned to the Secretary from time to time by the Board or the President.

Section 4.09. Treasurer. Unless otherwise determined by the Board, the Treasurer, if there be one, shall be the chief financial officer of the corporation and shall have the following powers and duties:

(a) The Treasurer shall have charge and supervision over and be responsible for the moneys, securities, receipts and disbursements of the corporation, and shall keep or cause to be kept full and accurate records thereof.

(b) The Treasurer shall cause the moneys and other valuable effects of the corporation to be deposited in the name and to the credit of the corporation in such banks or trust companies or with such bankers or other depositaries as shall be determined by the Board or the President, or by such other officers of the corporation as may be authorized by the Board or the President to make such determinations.

(c) The Treasurer shall cause the moneys of the corporation to be disbursed by checks or drafts (signed by such officer or officers or such agent or agents of the corporation, and in such manner, as the Board or the President may determine from time to time) upon the authorized depositaries of the corporation and cause to be taken and preserved proper vouchers for all moneys disbursed.

(d) The Treasurer shall render to the Board or the President, whenever requested, a statement of the financial condition of the corporation and of the transactions of the corporation, and render a full financial report at the annual meeting of the stockholders, if called upon to do so.

(e) The Treasurer shall be empowered from time to time to require from all officers or agents of the corporation reports or statements giving such information as he or she may desire with respect to any and all financial transactions of the corporation.

(f) The Treasurer may sign (unless an Assistant Treasurer or the Secretary or an Assistant Secretary shall have signed) certificates representing shares of stock of the corporation the issuance of which shall have been authorized by the Board.

(g) The Treasurer shall perform, in general, all duties incident to the office of treasurer and such other duties as may be specified in these bylaws or as may be assigned to the Treasurer from time to time by the Board or the President.

## ARTICLE V

## CAPITAL STOCK

Section 5.01. Certificates of Stock. The shares of the corporation shall be represented by certificates. Every holder of stock in the corporation shall be entitled to have a certificate signed by the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, representing the number of shares registered in the name of such holder. Such certificate shall be in such form as the Board may determine, to the extent consistent with applicable law, the certificate of incorporation and these bylaws.

Section 5.02. Facsimile Signatures. Any or all signatures on the certificates referred to in Section 5.01 of these bylaws may be in facsimile form. If any officer who has signed, or whose facsimile signature has been placed upon, a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he or she were such officer at the date of issue.

Section 5.03. Lost, Stolen or Destroyed Certificates. A new certificate may be issued in place of any certificate theretofore issued by the corporation alleged to have been lost, stolen or destroyed only upon delivery to the corporation of an affidavit of the owner or owners (or their legal representatives) of such certificate, setting forth such allegation, and a bond or other undertaking as may be satisfactory to a financial officer of the corporation designated by the Board to indemnify the corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

Section 5.04. Transfer of Stock.

(a) Transfer of shares shall be made on the books of the corporation upon surrender to the corporation of a certificate for shares, duly endorsed or accompanied by appropriate evidence of succession, assignment or authority to transfer, and otherwise in compliance with applicable law. Subject to applicable law, the provisions of the certificate of incorporation and these bylaws, the Board may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, transfer and registration of shares of the corporation.

(b) The corporation may enter into agreements with shareholders to restrict the transfer of stock of the corporation in any manner not prohibited by the DGCL.

Section 5.05. Registered Stockholders. Prior to due surrender of a certificate for registration of transfer, the corporation may treat the registered owner as the person exclusively entitled to receive dividends and other distributions, to vote, to receive notice and otherwise to exercise all the rights and powers of the owner of the shares represented by such certificate, and the corporation shall not be bound to recognize any equitable or legal claim to or interest in such shares on the part of any other person, whether or not the corporation shall have notice of such claim or interests. If a transfer of shares is made for collateral security, and not absolutely, this fact shall be so expressed in the entry of the transfer if, when the certificates are presented to the corporation for transfer, both the transferor and transferee request the corporation to do so.

## ARTICLE VI

## INDEMNIFICATION

Section 6.01. Indemnification.

(a) In General. The corporation shall indemnify, to the full extent permitted by the DGCL and other applicable law, 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 (each, a "proceeding") by reason of the fact that (*x*) such person is or was serving as a director or officer of the corporation, or (*y*) such person, while serving as a director or officer of the corporation, is or was serving or has agreed to serve at the request of the corporation as a director, officer, employee, manager or agent of another corporation, partnership, joint venture, trust or other enterprise or (*z*) such person is or was serving at the request of the corporation as a director, officer or manager of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted by such person in such capacity, and who satisfies the applicable standard of conduct set forth in the DGCL or other applicable law:

(i) in a proceeding other than a proceeding by or in the right of the corporation, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person or on such person's behalf in connection with such proceeding and any appeal therefrom, or

(ii) in a proceeding by or in the right of the corporation to procure a judgment in its favor, against expenses (including attorneys' fees) actually and reasonably incurred by such person or on such person's behalf in connection with the defense or settlement of such proceeding and any appeal therefrom.

(b) Indemnification in Respect of Successful Defense. To the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any proceeding referred to in Section 6.01(a) or in defense of any claim, issue or matter therein, such person shall be indemnified by the corporation against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(c) Indemnification in Respect of Proceedings Instituted by Indemnitee. Section 6.01(a) does not require the corporation to indemnify a present or former director or officer of the corporation in respect of a proceeding (or part thereof) instituted by such person on his or her own behalf, unless such proceeding (or part thereof) has been authorized by the Board or the indemnification requested is pursuant to the last sentence of Section 6.03 of these bylaws.

Section 6.02. Advance of Expenses. The corporation shall advance all expenses (including reasonable attorneys' fees) incurred by a present or former director or officer in defending any proceeding prior to the final disposition of such proceeding upon written request of such person and delivery of an undertaking by such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation. The corporation may authorize any counsel for the corporation to represent (subject to applicable conflict of interest considerations) such present or former director or officer in any proceeding, whether or not the corporation is a party to such proceeding.

Section 6.03. Procedure for Indemnification. Any indemnification under Section 6.01 of these bylaws or any advance of expenses under Section 6.02 of these bylaws shall be made only against a written request therefor (together with supporting documentation) submitted by or on behalf of the person seeking indemnification or advance. Indemnification may be sought by a person under Section 6.01 of these bylaws in respect of a proceeding only to the extent that both the liabilities for which indemnification is sought and all portions of the proceeding relevant to the determination of whether the person has satisfied any appropriate standard of conduct have become final. A person seeking indemnification or advance of expenses may seek to enforce such person's rights to indemnification or advance of expenses (as the case may be) in the Delaware Court of Chancery to the extent all or any portion of a requested indemnification has not been granted within 90 days of, or to the extent all or any portion of a requested advance of expenses has not been granted within 20 days of, the submission of such request. All expenses (including reasonable attorneys' fees) incurred by such person in connection with successfully establishing such person's right to indemnification or advancement of expenses under this Article, in whole or in part, shall also be indemnified by the corporation.

Section 6.04. Burden of Proof.

(a) In any proceeding brought to enforce the right of a person to receive indemnification to which such person is entitled under Section 6.01 of these bylaws, the corporation has the burden of demonstrating that the standard of conduct applicable under the DGCL or other applicable law was not met. A prior determination by the corporation (including its Board or any committee thereof, its independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct does not itself constitute evidence that the claimant has not met the applicable standard of conduct.

(b) In any proceeding brought to enforce a claim for advances to which a person is entitled under Section 6.02 of these bylaws, the person seeking an advance need only show that he or she has satisfied the requirements expressly set forth in Section 6.02 of these bylaws.

Section 6.05. Contract Right; Non-Exclusivity; Survival.

(a) The rights to indemnification and advancement of expenses provided by this Article VI shall be deemed to be separate contract rights between the corporation and each director and officer who serves in any such capacity at any time while these provisions as well as the relevant provisions of the DGCL are in effect, and no repeal or modification of any of these provisions or any relevant provisions of the DGCL shall adversely affect any right or obligation of such director or officer existing at the time of such repeal or modification with respect to any state of facts then or previously existing or any proceeding previously or thereafter brought or threatened based in whole or in part upon any such state of facts. Such "contract rights" may not be modified retroactively as to any present or former director or officer without the consent of such director or officer.

(b) The rights to indemnification and advancement of expenses provided by this Article VI shall not be deemed exclusive of any other indemnification or advancement of expenses to which a present or former director or officer of the corporation seeking indemnification or advancement of expenses may be entitled by any agreement, vote of stockholders or disinterested directors, or otherwise.

(c) The rights to indemnification and advancement of expenses provided by this Article VI to any present or former director or officer of the corporation shall inure to the benefit of the heirs, executors and administrators of such person.

Section 6.06. Insurance. The corporation may purchase and maintain insurance on behalf of any person who is or was or has agreed to become a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person or on such person's behalf in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article.

Section 6.07. Employees and Agents. The Board, or any officer authorized by the Board generally or in the specific case to make indemnification decisions, may cause the corporation to indemnify any present or former employee or agent of the corporation in such manner and for such liabilities as the Board may determine, up to the fullest extent permitted by the DGCL and other applicable law.

Section 6.08. Interpretation; Severability. Terms defined in Sections 145(h) or (i) of the DGCL have the meanings set forth in such sections when used in this Article VI. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director or officer of the corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the corporation, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

## ARTICLE VII

## OFFICES

Section 7.01. Registered Office. The registered office of the corporation in the State of Delaware shall be located at the location provided in the corporation's certificate of incorporation.

Section 7.02. Other Offices. The corporation may maintain offices or places of business at such other locations within or without the State of Delaware as the Board may from time to time determine or as the business of the corporation may require.

## ARTICLE VIII

## GENERAL PROVISIONS

Section 8.01. Dividends.

(a) Subject to any applicable provisions of law and the certificate of incorporation, dividends upon the shares of the corporation may be declared by the Board at any regular or special meeting of the Board and any such dividend may be paid in cash, property, or shares of the corporation's stock.

(b) A member of the Board, or a member of any committee designated by the Board shall be fully protected in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of its officers or employees, or committees of the Board, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation, as to the value and amount of the assets, liabilities and/or net profits of the corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid.

Section 8.02. Reserves. There may be set apart out of any funds of the corporation available for dividends such sum or sums as the Board from time to time may determine proper as a reserve or reserves for meeting contingencies, equalizing dividends, repairing or maintaining any property of the corporation or for such other purpose or purposes as the Board may determine conducive to the interest of the corporation, and the Board may similarly modify or abolish any such reserve.

Section 8.03. Execution of Instruments. Except as otherwise required by law or the certificate of incorporation, the Board or any officer of the corporation authorized by the Board may authorize any other officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the corporation. Any such authorization must be in writing or by electronic transmission and may be general or limited to specific contracts or instruments.

Section 8.04. Voting as Stockholder. Unless otherwise determined by resolution of the Board, the President or any Vice President shall have full power and authority on behalf of the corporation to attend any meeting of stockholders of any corporation in which the corporation may hold stock, and to act, vote (or execute proxies to vote) and exercise in person or by proxy all other rights, powers and privileges incident to the ownership of such stock at any such meeting, or through action without a meeting. The Board may by resolution from time to time confer such power and authority (in general or confined to specific instances) upon any other person or persons.

Section 8.05. Fiscal Year. The fiscal year of the corporation shall commence on the first day of January of each year (except for the corporation's first fiscal year which shall commence on the date of incorporation) and shall terminate in each case on December 31.

Section 8.06. Seal. The seal of the corporation shall be circular in form and shall contain the name of the corporation, the year of its incorporation and the words "Corporate Seal" and "Delaware". The form of such seal shall be subject to alteration by the Board. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or reproduced, or may be used in any other lawful manner.

Section 8.07. Books and Records; Inspection. Except to the extent otherwise required by law, the books and records of the corporation shall be kept at such place or places within or without the State of Delaware as may be determined from time to time by the Board.

Section 8.08. Electronic Transmission. "Electronic transmission", as used in these bylaws, means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

## ARTICLE IX

## AMENDMENT OF BYLAWS

Section 9.01. Amendment. These bylaws may be amended, altered or repealed at any regular or special meeting of the stockholders if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting.

ARTICLE X

CONSTRUCTION

Section 10.01. Construction. In the event of any conflict between the provisions of these bylaws as in effect from time to time and the provisions of the certificate of incorporation of the corporation as in effect from time to time, the provisions of such certificate of incorporation shall be controlling.

## SCHEDULE 7.01(D)

## GOVERNMENTAL CONSENT

1. Form A filing with and approval from the Iowa Insurance Division for the acquisition of control of Fidelity & Guaranty Life Insurance Company, as may be required by Iowa Insurance Code Section 521A.3 and related regulations.

2. Section 1506 filing with and approval from the New York Department of Financial Services for the acquisition of control of Fidelity & Guaranty Life Insurance Company of New York, as may be required by New York Insurance Law Section 1506 and related regulations.

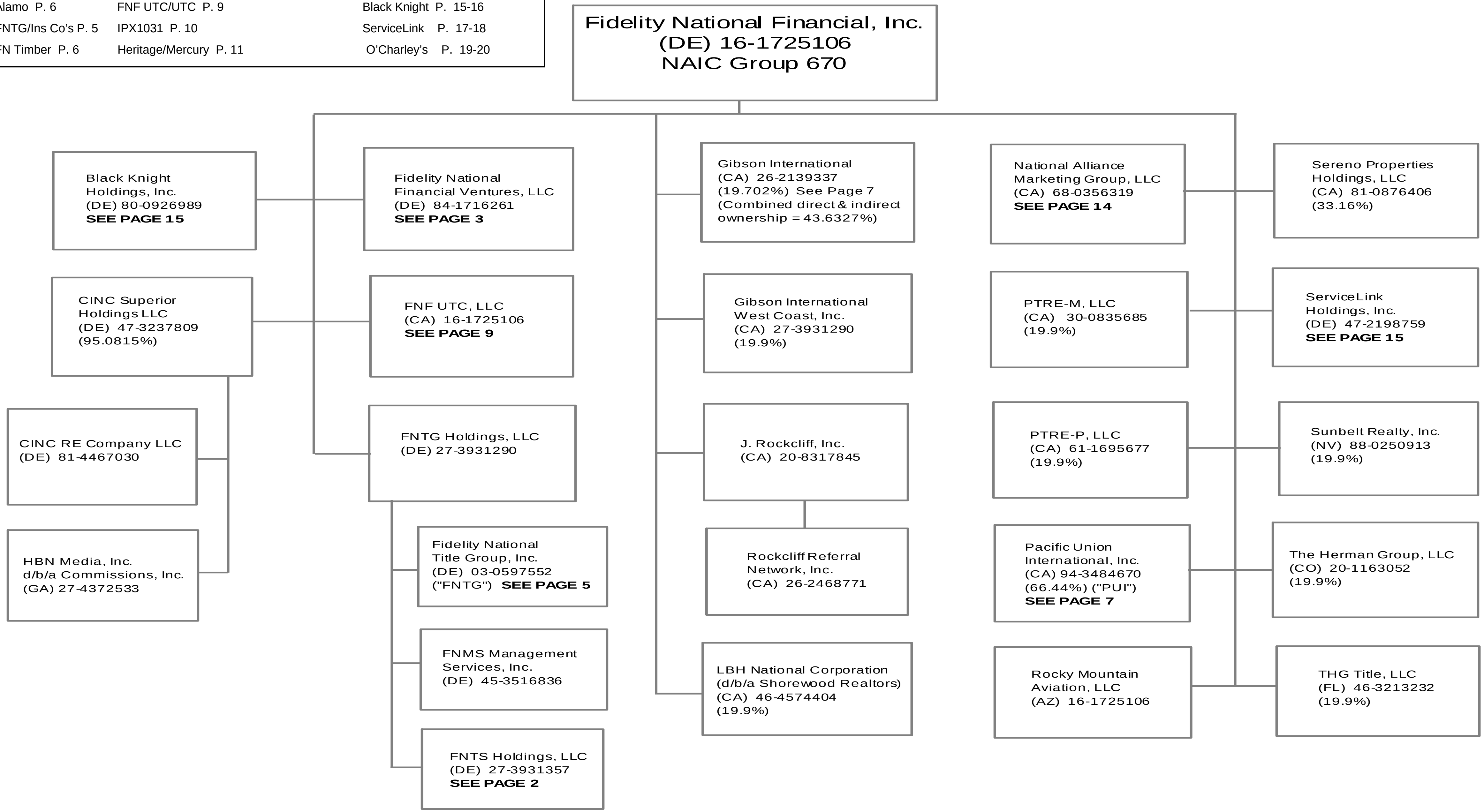
3. Filing with and approval from the Vermont Department of Financial Regulation for the acquisition of control of Raven Reinsurance Company, as may be required by Vermont Insurance Regulation C-81-2 Section 14.

EXHIBIT 7

Effective 03/31/2017
Revised 04/21/2017

# FIDELITY NATIONAL FINANCIAL, INC.






Unless otherwise noted, all ownership is 100%.

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# FNTS Holdings, LLC
(DE) 27-3931357
See Page 1, Continued on Page 4

- Achieve Title Agency, LLC (MI) 47-1630757 (51%)
- Alamo Title Holding Company (TX) 74-2683435 **SEE PAGE 6**
- Castle Escrow Holdings, LLC (CA) 27-3931357
- Commerce Velocity (India) Private Limited (India)
- Fidelity National Agency Solutions, LLC (IA) 32-0454035
- Fidelity National Agency Solutions of Arkansas, LLC (AR) 27-0636972
- Fidelity National Title Agency of Nevada, Inc. (NV) 88-0279669
- Fidelity National Title Company of Flathead Valley, LLC (MT) 26-2792487
- Fidelity National Services, Inc. (DE) 64-0965851
- Fidelity National Title Company of Oregon (OR) 93-0637793
  - TriCounty Title Plant (OR) 93-1097346 (9.09%)
- Fidelity National Title Company of Washington, Inc. (WA) 91-1093125
- First Title, LLC (TN) 45-3267255 SEE PAGE 14
- FNF Escrow Holdings, LLC (CA) 27-3931357
  - Escrow Experts Inc. (CA) 46-2200906 (51%)
  - Secured Escrow, Inc. (CA) 46-4372498 (30%)
  - Vicente Escrow Company (CA) 95-1769702 (61%)
- FNF Escrow Holdings II, LLC (CA) 11-3683667
  - All Seasons Escrow (CA) 04-3684947 (51%)
  - Mission Trails Escrow, Inc. (CA) 20-0123853
  - Preferred Choice Escrow (CA) 27-1300050 (53.05%)
  - Shalimar Escrow, Inc. (CA) 32-0469387 (51%)
  - Solaris Escrow, Inc. (CA) 27-3412659 (51%)
  - Versal Escrow Services, Inc. (CA) 46-4489581
- FNF International Holdings, Inc. (DE) 59-3810212
  - FNF International, Mauritius (Mauritius)
    - FNF India Private Limited (India) (99.9%) (0.01% owned by FNF International Holdings, Inc.)
- FNF Security Acquisition, Inc. (DE) 26-3148610 **SEE PAGE 11**
- FNTG National Record Centers, Inc. (DE) 06-1675168
- NextAce Corporation (CA) 20-0133612
- Northern Nevada Title Company (NV) 88-0161449
- Solaris Management Services, LLC (CA) 32-0405374 (51%)
- SoftPro, LLC (DE) 26-3287693
- Vicente Management Company, LLC (CA) 90-1027588 (61%)
- Rocky Mountain Support Services, Inc. (AZ) 86-0450201
  - EC Purchasing.com, Inc. (DE) 33-0883244
  - Fidelity Asset Management, Inc. (CA) 33-0398759
  - Fidelity National Title Agency, Inc. (AZ) 86-0300821
  - Fidelity Residential Solutions, Inc. (KS) 48-1042556
    - Fidelity Inspection & Consulting Services, Inc. (PA) 23-2796005
    - FRA Real Estate Assistance, Inc. (TX) 14-1967313
  - Island Title Company (WA) 91-1506338
  - Manchester Development Corporation (CA) 94-2975403

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**Fidelity National Financial Ventures, LLC**
**(DE) 84-1716261**
SEE PAGE 1

- Ceridian Holding LLC (DE) 46-2996772 (33.46%)
- Ceridian Holding II LLC (DE) 81-1715376 (31.58%)
- Colt Holding Company, LLC (DE) 47-3490094 (22.279%)
- Digital Insurance Holdings, Inc. (DE) 45-2525765 (95.8%)
  - Digital Insurance, Inc. (DE) 58-2522668
    - Compass Consulting Group, Inc. (FL) 59-3301472
    - Goco.io, Inc. (DE) 47-3201823 (19.9%)
    - C. T. Hellmuth & Associates, Inc. (MD) 52-1345246
    - Prospective Risk Management Corporation (FL) 20-4770398
    - CTIE Ventures Inc (FL) 82-0816313
- Fidelity Newport Holdings, LLC (DE) 26-4483868 (55%) **SEE PAGE 19**
- Triple Tree Holdings, LLC (DE) 27-0336433 (24.79%)
- FNFV Holdings, LLC (DE) 47-1111613
  - Fidelity National Environmental Solutions, LLC (DE) 27-0540539 (39.0021%)
  - Fidelity National Timber Resources, LLC (DE) 68-0600121 (SEE PAGE 6)
- Verge Investments, LLC (DE) 37-1788819 (48.3%)
- WineDirect, Inc. (DE) 20-3100579 (26.12%)

Unless otherwise noted, all ownership is 100%.

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**FNTS Holdings, LLC**
**(DE) 27-3931357**
**See Page 1**
**Continued on Page 7**

- Alexander Title Agency, Incorporated (VA) 54-0565503
- American Title Company (TX) 74-2295751
- Amerititle Downtown, LLC (OH) 81-1387753
- Baton Rouge Title Company, Inc. (LA) 72-0957279
- Berrien County Title Agency LLC (MI) 61-1738922 (50.1%)
- Central Ohio Elite Title, LLC (OH) 45-2910590 (54.67%)
- Chelsea Title Company (FL) 59-2872587
- Chicago Title Company of Oregon (OR) 01-0903694
- Chicago Title Company of Washington (WA) 91-0759475
- Chicago Title Costa Rica S.A. (Costa Rica)
- Chicago Title of Colorado, Inc. (CO) 36-3569236
  - S-K-L-D Title Services, Inc. (CO) 84-1240038 (0.84%)
- Chicago Title of Ohio, Inc. (DE) 61-1535626
- Chicago Title Oklahoma Co. (OK) 73-0172170
- Commonwealth Title Company (WA) 16-1672095
- Dane County Title Company, LLC (WI) 27-3035441
- Equitable National Title Group, LLC (FL) 27-0594684 (19.9%)
- Executive Title Agency Corp. (OH) 34-1314903
  - Ohio Great Northern Title Agency, LLC (OH) 46-4825054 (51%)
  - Act Title Agency LLC (OH) 81-4895076
- Fidelity National Title of Florida, Inc. (FL) 59-3137263
- FNF Canada Company (Canada)
  - Outsourcing Architects Canada Inc. (Ontario)
- FNF Intellectual Property Holdings, Inc. (DE) 01-0560707
- FNF Title International Holding Company (DE) 65-1303694
- Integrity Title Agency of Ohio & MIchigan, Ltd. (OH) 51-0492454 (50.1%)
- Monaco Title Agency, LLC (MI) 30-0893190 (51%)
- New Market Title Solon, LLC (OH) 90-0987460 (50.1%)
- Novare Settlement Holdings, LLC (DE) 45-3135599 (70%)
  - Novare National Settlement Service, LLC (DE) 45-2852580
    - Novare National Settlement Service of Maryland, LLC (MD) 37-196081
- River Valley Abstract & Title, Inc. (WI) 32-0148453
- Rockford Title Agency, LLC (MI) 37-1758123 (50.1%)
- S.D.C. Title Agency, LLC (OH) 34-1956408 (50.1%)
- Star One Title Agency, LLC (DE) 27-1318510 (51%)
- STS Agency LLC (OH) 30-0727712 (50.1%)
- Success Title Agency, LLC (MI) 36-4780630 (50.1%)
- Superior Data Services, Inc. (NY) 94-3398090
- The Maryland Title Guarantee Company (MD) 52-0405180
- The Title Guarantee Company (MD) 52-0910029
- Ticor Title Company of Oregon (OR) 93-0567838
- Ticor Title of Washington, Inc. (WA) 91-0184935
- Tri-City Title Agency LLC (OH) 80-0935765 (51%)
- Village Resort, LLC (CA) 20-4531740
- Welles Bowen Title Agency, LLC (OH) 61-1451045 (50.1%)
- West Coast Title Agency, LLC (MI) 38-3933092 (50.1%)
- Woodland Title Agency, LLC (OH) 81-1879947 (51%)

Unless otherwise noted, all ownership is 100%.

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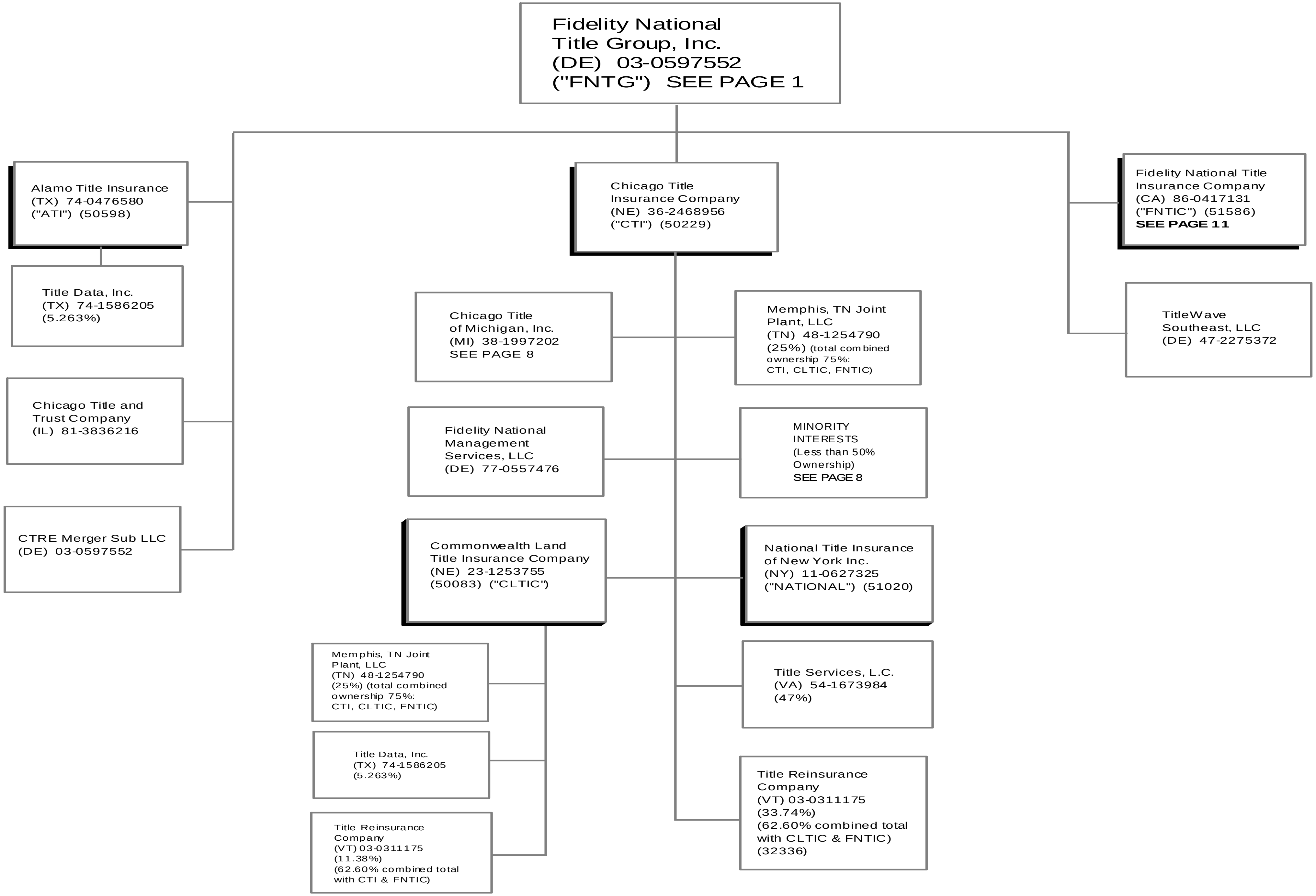


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- **Alamo Title Holding Company** (TX) 74-2683435 See Page 2
  - Alamo Title Company (TX) 74-1659903
    - Title Data, Inc. (TX) 74-1586205 (5.263%)
  - Chicago Title of Texas, LLC (TX) 27-3335167
    - Amarillo Data, Inc. (TX) 75-2437463 (33.3%)
    - Title Data, Inc. (TX) 74-1586205 (5.263%)

- **Fidelity National Timber Resources, LLC (DE) 68-0600121** **See Page 3**
  - Discovery Coeur d'Alene Investors, LLC (DE) 20-1908571 (10%)
    - Gozzer Ranch Golf & Lake Club, Inc. (ID) 20-3087338
  - FNF NV Brasada, LLC (OR) 81-1178815 (86.67%)
    - Brasada Club, LLC (DE) 81-1178815
  - Rock Creek Ridge at Sun Up Bay, LLC (ID) 46-1451026 (50%)
  - Rock Creek Idaho Holdings, LLC (ID) 27-3931860
    - Rock Creek Golf Club Idaho, LLC (ID) 27-3931860
    - Rock Creek Idaho Development, LLC (ID) 37-1761790

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- **Pacific Union International, Inc. (CA) 94-3484670 (66.44%) ("PUI")** See Page 1
  - Gibson International (CA) 26-2139337 (36%) See Page 1 (Combined direct & indirect ownership = 43.6327%)
  - Pacific Union International JV Insurance LLC (CA) 45-4721176
    - International ProInsurance Solutions, LLC (49.9%) (CA)
  - Pacific Union International Referral, Inc. (CA) 27-0611609
  - Pacific Union International JV Property Management LLC (CA) 45-4715921
  - Pacific Union Real Estate, Inc. (NV) 47-4445974
  - PUI Investments, LLC (CA) 47-1564818
  - The Mark Company, Inc. (CA) 47-5217538 (52%)
    - The Mark Company Nevada, Inc. (NV) 30-0886692

- **FNTS Holdings, LLC (DE) 27-3931357** See Page 1 Continued on Page 12
  - Chicago Title Agency Holding, LLC (DE) 27-1987439
    - Chicago Title Company, LLC (DE) 27-3035441
      - RBA Title Services, LLC (WI) 43-2039612 (51%)
    - Chicago Title Company, LLC (MT) 27-3206772
    - Chicago Title Insurance Services, LLC (NY) 27-1987439
  - Commonwealth Lawyers Title Agency Holding, LLC (DE) 27-1987632
    - Commonwealth Land Title Company, LLC (DE) 27-3082789
    - Commonwealth Land Title Insurance Services, LLC (NY) 27-1987632
    - Lawyers Title of Oregon, LLC (OR) 27-2776318
  - Fidelity National Title Agency Holding, LLC (DE) 27-1987670
    - Fidelity National Title Company, LLC (DE) 27-1896877
    - Fidelity National Title Insurance Services, LLC (NY) 27-1987670

Unless otherwise noted, all ownership is 100%

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**Chicago Title of Michigan, Inc.**
(MI) 38-1997202
See Page 5

- Coastline Title Agency, LLC (MI) 20-3221070 (43.8%)
- Southwest Michigan Title Agency, LLC (MI) 38-3621570 (50%)
- Greenridge Title Agency, LLC (MI) 38-3551188 (50%)
- Stetler Title Agency, LLC (MI) 61-1422038 (50%)
- Woodland Title Agency, LLC (MI) 38-3607209 (30%)

**MINORITY INTERESTS**
of Chicago Title Insurance Company
(ownership less than 50%)
See Page 5

- Blue RidgeTitle/ CTIC, LLC (VA) 43-2052006 (20%)
- Land Title Company of Kitsap County (WA) 91-0825837 (47.97%)
- Burnet Title of Indiana, LLC (IN) 94-3345583 (25%)
- Recodat Co. (OH) 31-0847529 (25%)
- Chicago Land Agency Services, Inc. (IL) 36-4186010 (49.9%)
- Region Title, LLC (IN) 51-0504679 (35%)
- Imaged Library Co., L.L.C. (WA) 91-1766349 (26.31% total combined: CTI 8.77%; FNTC-WA 8.77% Ticor Title Co. 7.02%; Ticor Title of Washington 1.75%)
- S-K-L-D Title Services, Inc. (CO) 84-1240038 (13.95%)
- TriCounty Title Plant (OR) 93-1097346 (18.18%)

**United Lender Services Corp.**
(PA) 20-4070174
See Page 13

- United Lender Escrow Company of California (CA) 32-0449217
- United Lender Services Corp. (AL) 26-1969992
- United Lender Services Holdings, LLC (PA) 30-0820457
- United Lender Services Corp of Texas (TX) 45-5326361
- United Lender Title Company of California (CA) 90-0976550

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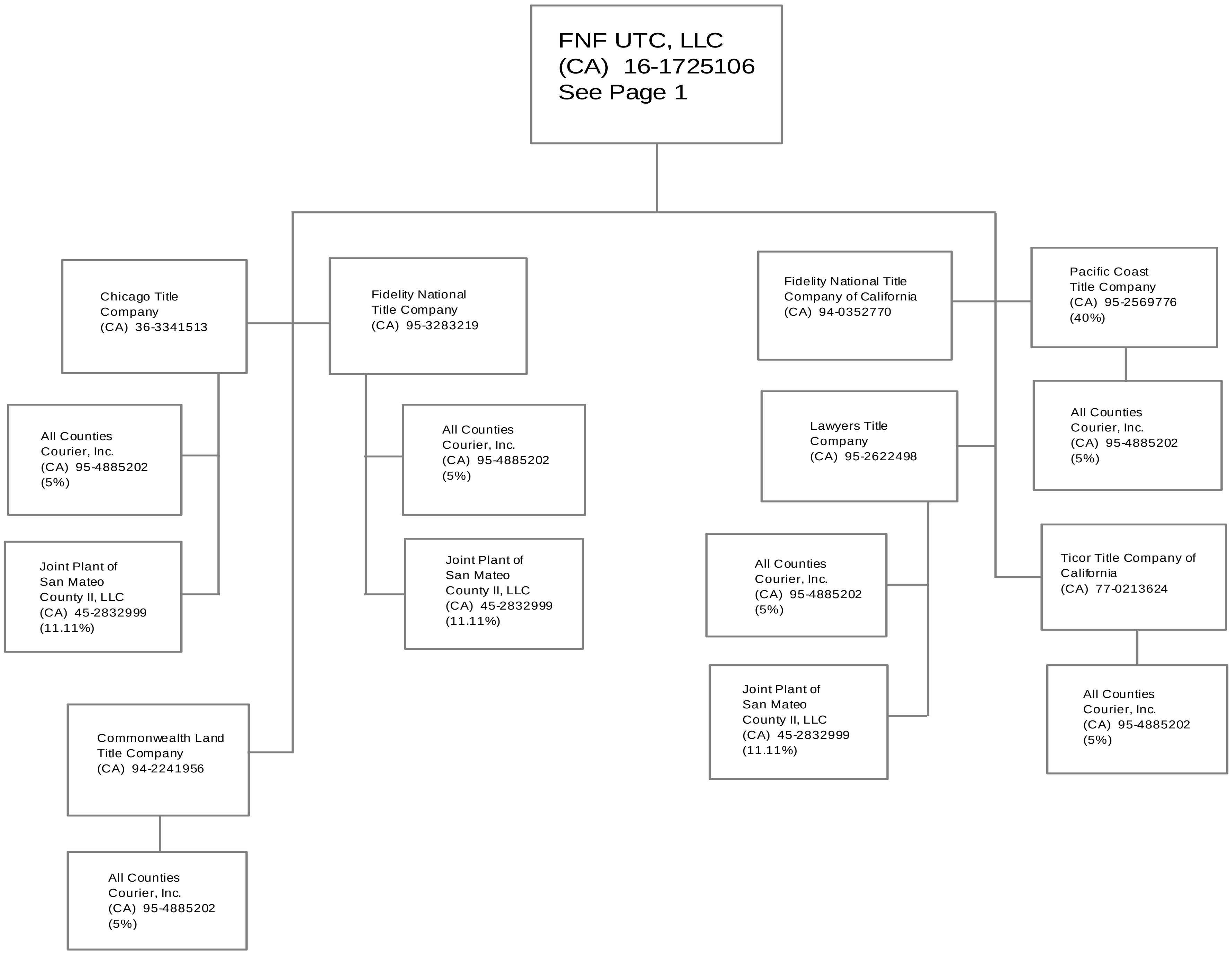


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- **Investment Property Exchange Services, Inc.** (CA) 33-0320249 See Page 12
  - **IPX1031 LLC** (DE) 33-0320249
    - AESOP Exchange Corporation (DE) 20-1371771
    - ASC Exchange Co. (IL) 47-1388528
    - CCAP Exchange Services, LLC (DE) 47-5383771
    - CCAP Services, LLC (IL) 47-5196151
    - Chase Equipment Exchange, LLC (DE) 26-4069173
    - Chase Vehicle Exchange, Inc. (DE) 01-0626014
    - Crete/Hunt Exchange LLC (IL) 47-2746123
    - Donlen Exchange Services Inc. (MA) 90-0926118
    - Enterprise Fleet Management Exchange, Inc. (DE) 27-2227894
    - Hayrick Holdings Inc. (DE) 82-0610334
    - Hertz Car Exchange, Inc. (DE) 20-3179311
    - Hogan Truck Leasing Exchange, LLC (MO) 27-4389111
    - Miller Leasing Exchange, LLC (DE) 33-0320249
    - National Residential Nominee Services Inc. (DE) 77-0584282
      - Indiana Residential Nominee Services, LLC (IN) 75-3064873
      - Maine Residential Nominee Services, LLC (ME) 75-3064874
      - Massachusetts Residential Nominee Services, LLC (MA) 33-1007581
      - National Residential Nominee Services Canada, Inc. (Ontario)
      - Vermont Residential Nominee Services, LLC (VT) 73-1644259
    - National Safe Harbor Exchanges (CA) 77-0558360
    - Nissan-Infiniti Services Co. (IL) 47-1261209
    - PPCenter, Inc. (DE)
    - QI Exchange LLC (DE)
    - Strategic Property Investments, Inc. (DE) 94-3382994
    - TQI Exchange, LLC (DE)
    - United Rentals Exchange, LLC (DE) 26-3706889
    - USBEF Exchange Co. (IL) 47-1396831
    - Vexco, LLC (DE) 33-0320249

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- **FNF Security Acquisition, Inc.** (DE) 26-3148610 **See Page 2**
  - American Heritage Title Agency, Inc. (CO) 84-0737685
  - Fidelity National Title Company (CO) 84-0387800
  - Ticor Title of Colorado, Inc. (CO) 84-0988636
  - United Title Company, Inc. (CO) 20-3853676
    - Mercury Settlement Services of Utah, Inc. (UT) 20-4268092
  - USA Digital Solutions, Inc. (AZ) 86-0452311
    - Information Advantage, Inc. (CO) 84-1125749 (49%)

- **Fidelity National Title Insurance Company (CA) 86-0417131 (51586) ("FNTIC")** **See Page 5**
  - Fidelity Affiliates, LLC (FL) 57-1155860
    - Fortuna Service Company, LLC (CA) 51-0432710
  - Georgetown Data, Inc. (TX) 75-1964170 (16.67%)
  - Land Canada Limited (Canada) (51%)
  - Nipomo Acquisition, LLC (CA) 86-0417131
  - Memphis, TN Joint Plant, LLC (TN) 48-1254790 (25%) (total combined ownership 75%: CTI, CLTIC, FNTIC)
  - Seasons Title Agency, LLC (MI) 20-4239510 (35%)
  - Title Data, Inc. (TX) 74-1586206 (5.263%)
  - Title Reinsurance Company (VT) 03-0311175 (17.48%) (62.60% combined total with CTI & CLTIC)
  - Title Closing Services, LLC (DE) 30-0027961 (17.5%)
  - Title Plant of Santa Fe LLC (NM) 20-2170939 (31%)

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**FNTS Holdings, LLC**
**(DE) 27-3931357**
**See Page 1**
**Continued on Page 13**

- Bancserv, LLC (CA) 27-3931357
- Beacon Title Agency LLC (MI) 35-2583706
- Calder Title Agency, LLC (MI) 90-0950956 (49.9%)
- Chicago Title Agency, Inc. (AZ) 86-0584905
- Chicago Title of Nevada, Inc. (NV) 88-0192423
- Chicago Title Land Trust Company (IL) 36-4228499
- Chicago Title Timeshare Company (DE) 81-4455080
- Chicago Title Timeshare Land Trust, Inc. (FL) 36-4744078
- Commercial Settlements, Inc. (DC) 52-1152888
- Commonwealth Title of Dallas, Inc. (TX) 75-1368427
- Commonwealth Title of Houston, Inc. (TX) 74-1557228
  - Title Data, Inc. (TX) 74-1586205 (5.263%)
- FIP Title Agency, LLC (OH) 86-1112286 (50.1%)
- FNF West Texas Abstract & Title Company, LLC (TX) 36-4797438
  - WT Tax Service, LLC (TX) 83-0368755
- Investment Property Exchange Services, Inc. (CA) 33-0320249 SEE PAGE 10
- Lawyers Title of Arizona, Inc. (AZ) 86-0075205
- Lawyers Title of Nevada, Inc. (NV) 94-3016419
- L C Investment Corporation (IN) 35-6013832
  - Indiana Land Trust Company (IN) 35-6013846
- Longworth- Insured Title Agency, L.L.C. (OH) 31-1629376 (51%)
- McNamara, LLC (NV) 36-0906930
  - CT/Nevada Holding Company (NV) 88-0209282
  - Fidelity Global Solutions Costa Rica, S.A. 3-101-254354
- New York Land Services, Inc. (NY) 20-0856666
- Security Title Agency, Inc. (AZ) 86-0942121
- StarTex Title Agency, LLC (TX) 81-0984924
- Ticor Asset Management, LLC (CA) 45-3005038
- Ticor Title Company (WA) 91-1653615
- Ticor Title of Nevada, Inc. (NV) 46-0466504
- United Financial Management Company (NV) 88-0325906
- United Title of Nevada, Inc. (NV) 41-2154791
- VIP Title Agency II, LLC (OH) 27-2923934 (51%)
- White Sands Title Agency, LLC (MI) 30-0888189 (51%)

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# FNTS Holdings, LLC
(DE) 27-3931357
See Page 1

- American Title Group, Inc. (TX) 75-2338929
  - Austin Title Company (TX) 75-2345570
  - FNF Lawyers Title of DFW, Inc. (TX) 75-2178734
- Fidelity National Title Group of Puerto Rico, Inc. (PR) 66-0595804
  - Cancellation Services, Inc. (PR) 66-0637470
- Fidelity National Title & Escrow of Hawaii, Inc. (HI) 94-3259456
- BHC&M, Ltd. (VA) 63-1141249
- Fidelity National Title of New Mexico, Inc. (NM) 33-1028352
- Cleveland County Abstract & Title Company, LLC (OK) 81-2932104
- Fidelity National Title Agency, Inc. (TX) 75-2366832
  - Title Data, Inc. (TX) 74-1586205 (10.526%)
- FNF Charter Title Company (TX) 76-0406846
  - Charter Title/ Sugarland, Ltd. (TX) 76-0315683 (80%)
  - Harbour Title Company (TX) (50%)
  - Title Data, Inc. (TX) 74-1586205 (5.263%)
- FNF Lawyers Title of Amarillo, Inc. (TX) 33-1028349
  - Amarillo Data, Inc. (TX) 75-2437463 (33.3%)
- Grand Oaks Title Agency, LLC (MI) 20-4239763 (51%)
- Huntington Title Services, LLC (OH) 38-3975390 (51%)
- Landcastle Acquisition Corp. (DE) 30-0839224
  - LandCastle Title, LLC (GA) 20-0264168
  - LandCastle Michigan LLC (MI) 81-4284310
- LandCastle Title Group, LLC (FL) 81-1712559
  - Performance Title & Escrow, LLC (FL) 32-0445288 (50.01%)
  - Progressive Title Solutions, LLC (FL) 30-0837105 (50.01%)
- Land Title Agency, Inc. (NJ) 22-2778012
- Lawyers Title Realty Services, Inc. (VA) 54-1318243
- Liberty Title & Escrow Company, LLC (PA) 57-1178073
  - Liberty Title & Escrow of Arkansas, LLC (AR) 81-2980163
  - Liberty Title & Escrow of Maryland, LLC (MD) 81-3075694
  - Liberty Title & Escrow of Utah, LLC (UT) 81-3169894
- Michigan Shoreline Title Agency, LLC (MI) 47-2858259 (44.1%)
- TriCounty Title Plant (OR) 93-1097346 (9.09%)
- Security Title Guaranty Co. (CO) 01-0903690
- Transnation Title & Escrow, Inc. (DE) 82-0492853
- United Lender Services Corp. (PA) 20-4070174 **SEE PAGE 8**
- Western Title & Escrow Company (OR) 93-0950978

Unless otherwise noted, all ownership is 100%.

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- First Title, LLC (TN) 45-3267255 SEE PAGE 2
  - First National Financial Title Services of Alabama, Inc. (AL) 94-3408001
  - First National Financial Title Services, LLC (MS) 45-3267255
  - First Title Corporation of Alabama, Inc. (AL) 94-3408000

- National Alliance Marketing Group, LLC (CA) 68-0356319 SEE PAGE 1
  - Fidelity National Disclosure Source, LLC (DE) 68-0356319
  - Fidelity National Home Warranty Company (CA) 68-0021143
    - BPG Holdings, LLC (GA) 27-0507853
      - Buyers Protection Group, LLC (GA) 26-4439861
      - BPG Inspection, LLC (GA) 30-0785220
  - PC Agent Group, Inc. (DE) 26-2901483
    - AIS Alamo Insurance Services, Inc. (CA) 47-0878054
    - Fidelity Ticor Insurance Services, Inc. (CA) 16-1619655
    - Chicago Lawyers Insurance Services, Inc. (CA) 68-0261106
    - Security Insurance Services, LLC (DE) 27-0435713
    - Commonwealth Fidelity Insurance Services, LLC (DE) 27-0435661

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- **Black Knight Holdings, Inc.**
  **(DE) 80-0926989**
  **SEE PAGE 1**
  - Black Knight Financial Services, Inc.
    (DE) 36-4798491
    (54.122%)
    - Black Knight Financial Services, LLC
      (DE) 46-3906947
      (44.893%)
      - BKFS I Management, Inc.
        (DE) 80-0964687
      - BKFS I Services, LLC
        (DE) 30-0803239
      - Black Knight InfoServ,LLC
        (DE) 26-1547801
        **SEE Page 16**
  - Black Knight Financial Services, LLC
    (DE) 46-3906947
    (54.122%)
  - New BKH Corp.
    (DE) 81-5248625
    - Black Knight Holdco Corp.
      (DE) 81-5265638
      - BKFS Merger Sub, Inc.
        (DE)
      - New BKH Merger Sub, Inc.
        (DE)

- **ServiceLink Holdings, Inc.**
  **(DE) 47-2198759**
  **SEE PAGE 1**
  - ServiceLink Holdings, LLC
    (DE) 46-3926360
    (79.08%)
    - ServiceLink Services Management, Inc.
      (DE) 80-0964695
    - ServiceLink Services, LLC
      (DE) 80-0964284
    - ServiceLink Loss Mitigation Services, LLC
      (DE) 46-3926360
      - DOCX, LLC
        (GA) 31-1379586
    - ServiceLink NLS, LLC
      (DE) 80-0625945
      **SEE Pages 17 & 18**

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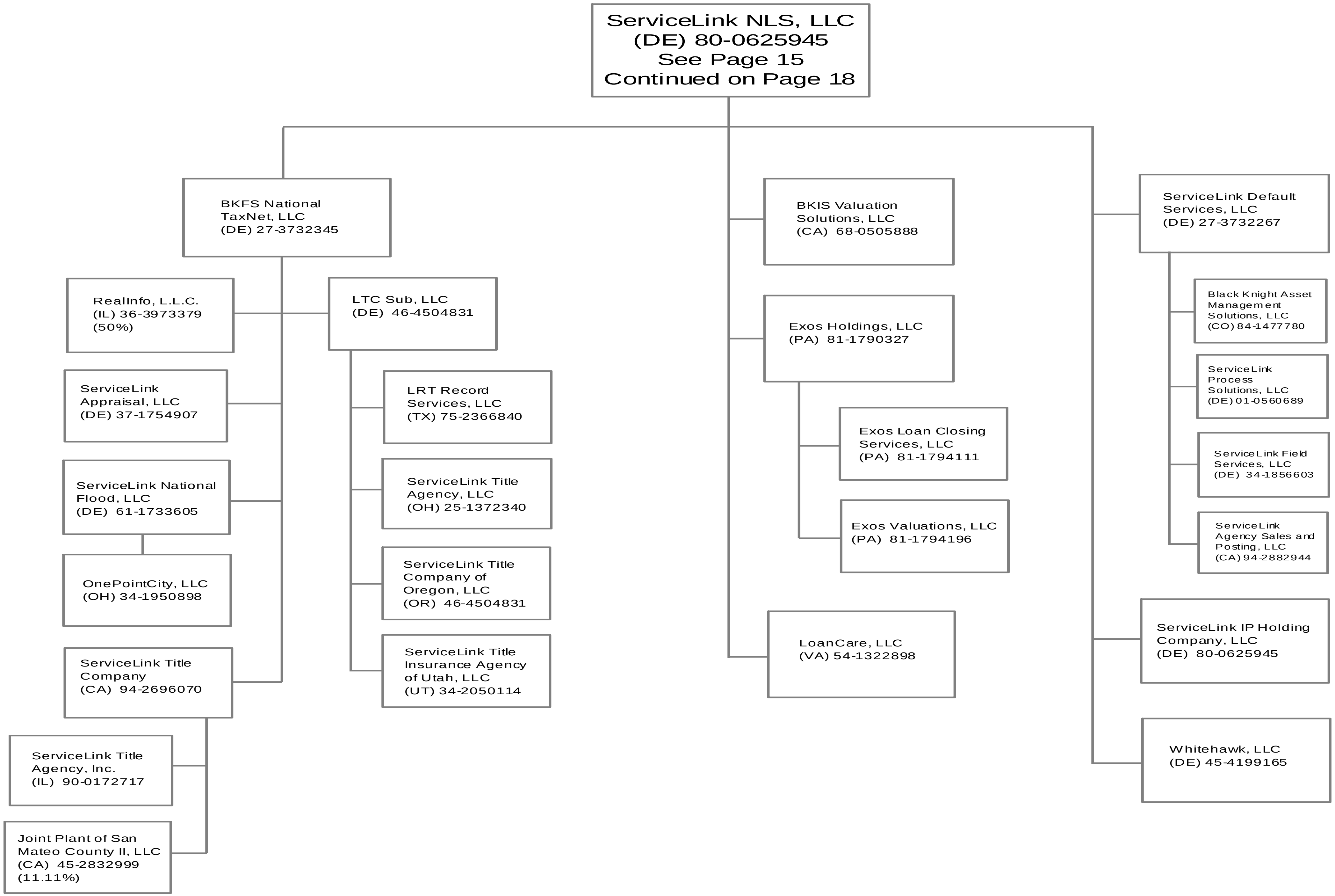
- Black Knight InfoServ, LLC (DE) 26-1547801 See Page 15
  - Black Knight Financial Technology Solutions, LLC (DE) 27-3732132
    - Black Knight Data & Analytics, LLC (DE) 27-3732223
      - Black Knight Real Estate Data Solutions, LLC (CA) 95-4237556
        - Property Insight, LLC (CA) 80-0019661
      - Black Knight Real Estate Group, LLC (DE) 68-0626237
      - Espiel, LLC (DE) 13-3737393
      - McDash Analytics, LLC (CO) 37-1751192
    - Black Knight IP Holding Company, LLC (DE) 38-3929293
    - Black Knight Technology Solutions, LLC (DE) 51-0658830
      - Black Knight India Solutions Private Limited (India) AACCL2956K (1%)
      - eLynx Holdings, LLC (DE) 20-1991521
        - eLynx Ltd. (OH) 31-1651333
        - SwiftView, LLC (OR) 93-0890143
      - Black Knight Management Services, LLC (DE) 26-1550692
      - Black Knight Origination Technologies, LLC (DE) 45-5439025
        - Black Knight India Solutions Private Limited (India) AACCL2956K (99%)
      - RealEC Technologies, LLC (DE) 33-0912302
      - I-Net Reinsurance Limited (Turks & Caicos) 98-0199800
    - Black Knight National TaxNet, LLC (DE) 30-0825499
    - Motivity Solutions, LLC (CO) 20-5375168
  - Black Knight Lending Solutions, Inc. (DE) 46-4387371
  - Fidelity National Commerce Velocity, LLC (DE) 27-3475430

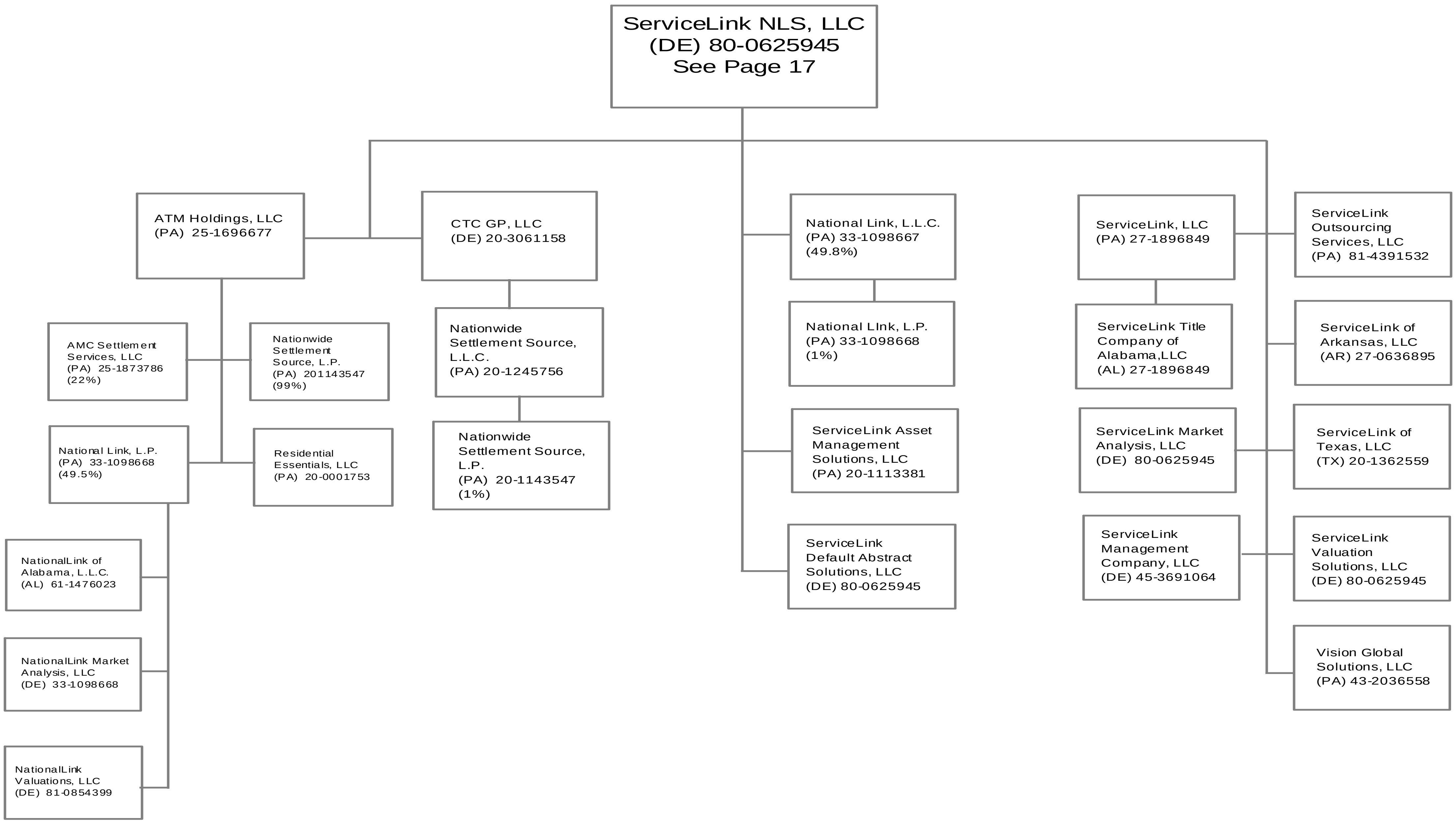
Unless otherwise noted, all ownership is 100%.

Effective 03/31/2017
Revised 04/21/2017



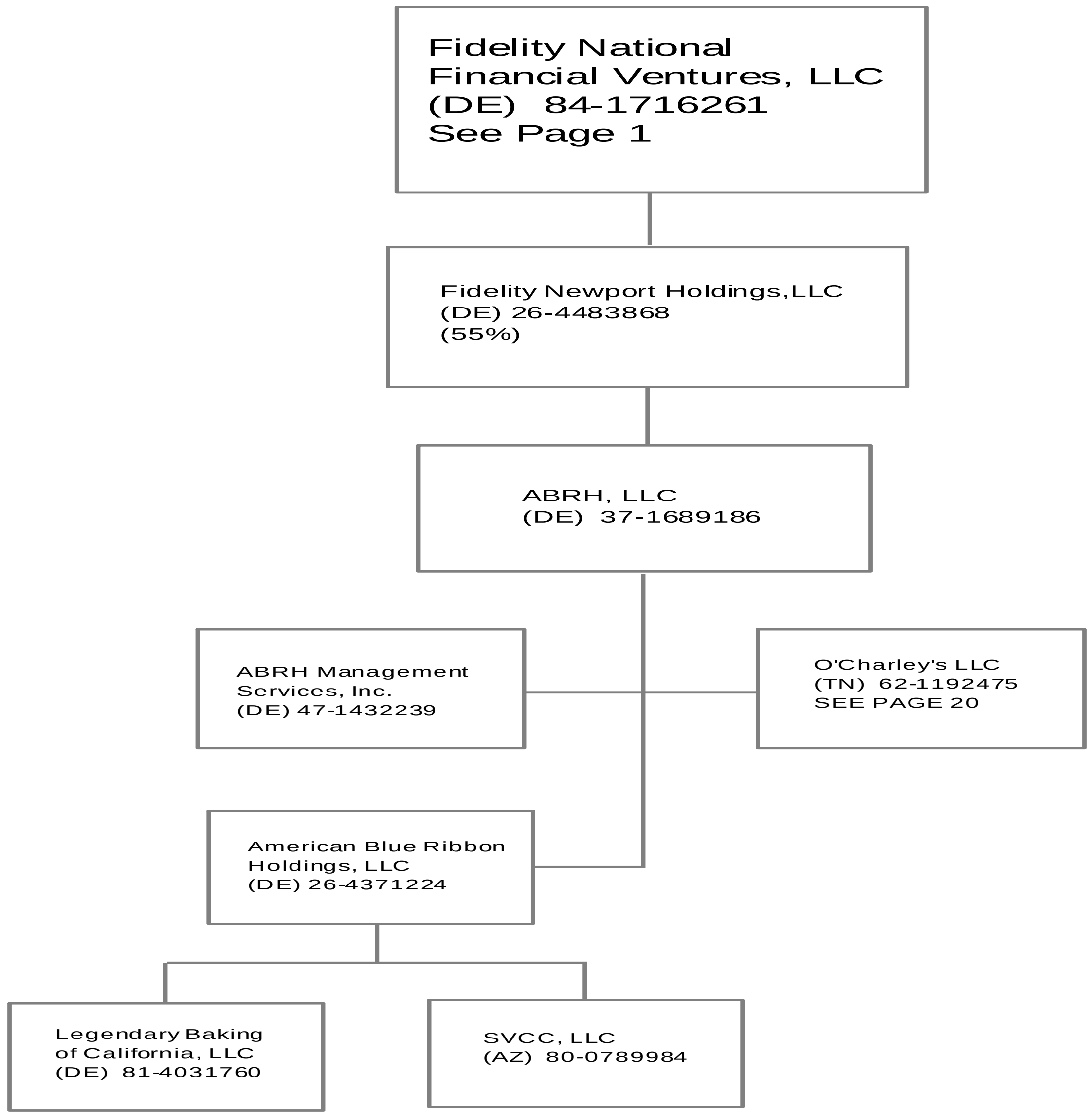

Unless otherwise noted, all ownership is 100%.

Effective 03/31/2017
Revised 04/21/2017



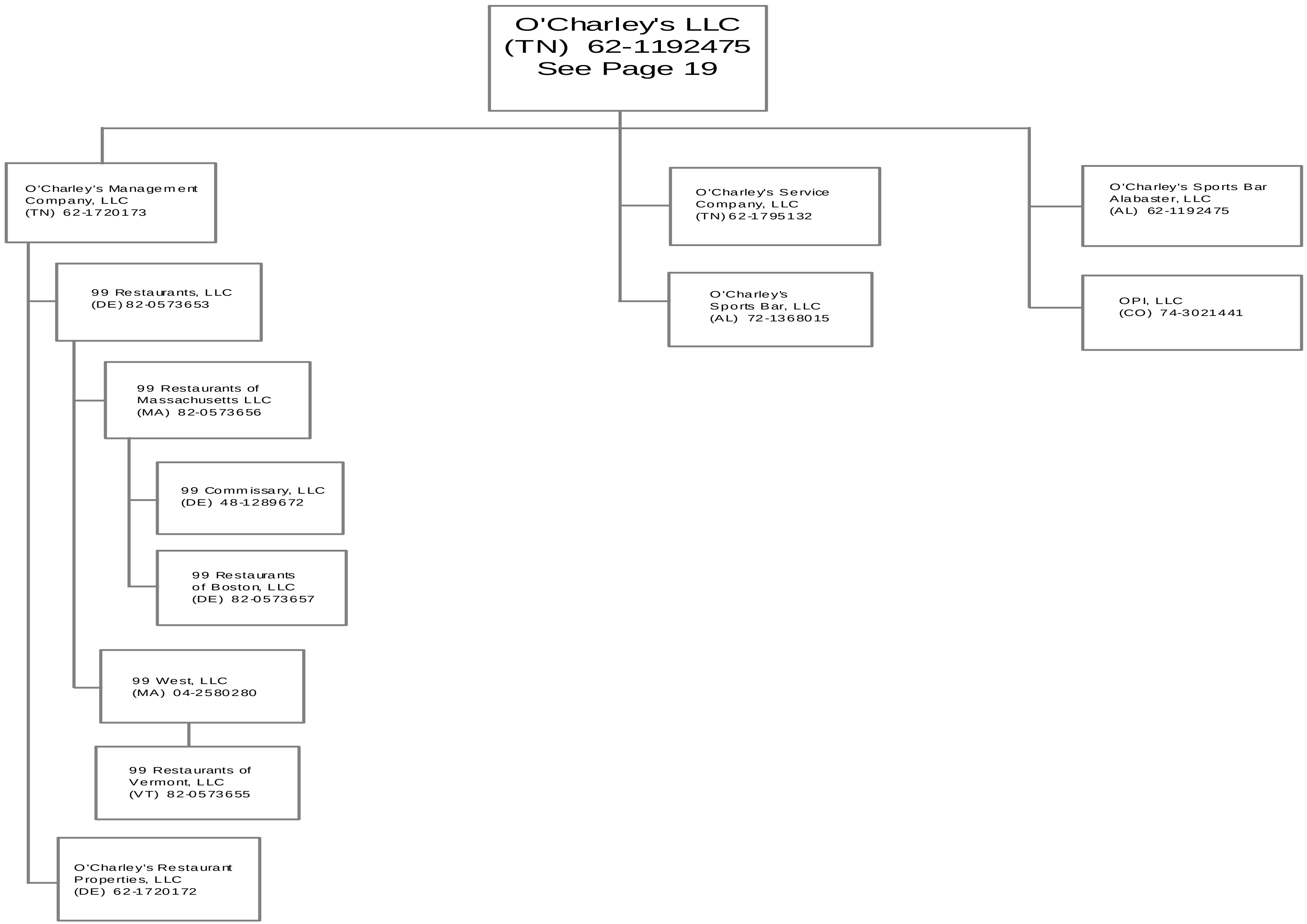

Unless otherwise noted, all ownership is 100%.

Effective 03/31/2017
Revised 04/21/2017




Unless otherwise noted, all ownership is 100%.

Effective 03/31/2017
Revised 04/21/2017




Unless otherwise noted, all ownership is 100%.

**Directors, Officers and Owners of 10 Percent or More of Voting Securities of the Applicants**

1. **FGL Merger Sub Inc.**

| **Name** | **Position Held** | **Business Address** |
|---|---|---|
| Menes Chee | Director, President and Secretary | 345 Park Avenue<br>New York, NY 10154 |

2. **FGL US Holdings Inc.**

| **Name** | **Position Held** | **Business Address** |
|---|---|---|
| Menes Chee | Director, President and Secretary | 345 Park Avenue<br>New York, NY 10154 |

3. **CF Bermuda Holdings Limited**

| **Name** | **Position Held** | **Business Address** |
|---|---|---|
| Menes Chee | Director | 345 Park Avenue<br>New York, NY 10154 |
| Compass Administration Services Ltd. | Secretary | Crawford House<br>50 Cedar Avenue<br>Hamilton HM 11<br>Bermuda |

4. **CF Corporation (Current)**

| Name | Position Held | Business Address |
|---|---|---|
| Chinh E. Chu | Co-Executive Chairman | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| William P. Foley, II | Co-Executive Chairman | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| Keith W. Abell | Director | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| Richard N. Massey | Director | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| James A. Quella | Director | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| Douglas B. Newton | Chief Financial Officer | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| David Ducommun | Secretary | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |

5. **CF Corporation (Anticipated Post-Closing)[1]**

| Name | Position Held | Business Address |
|---|---|---|
| Chinh E. Chu | Co-Executive Chairman | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |

1 Note: The anticipated post-closing directors of CF Corporation are also anticipated to be the post-closing directors of Fidelity & Guaranty Life Insurance Company.

| | | |
|---|---|---|
| William P. Foley, II | Co-Executive Chairman | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| Christopher J. Littlefield | President, Chief Executive Officer and Director | 601 Locust Street<br>Des Moines, Iowa 50309 |
| Dennis R. Vigneau | Chief Financial Officer | 601 Locust Street<br>Des Moines, Iowa 50309 |
| Eric L. Marhoun | General Counsel and Secretary | 601 Locust Street<br>Des Moines, Iowa 50309 |
| James A. Quella | Director | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| Keith W. Abell | Director | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| Richard N. Massey | Director | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| Timothy M. Walsh | Director | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| Patrick S. Baird | Director | 1701 Village Center Circle<br>Las Vegas, Nevada 89134 |
| Menes O. Chee | Director | 345 Park Avenue<br>New York, NY 10154 |

**6. Fidelity National Financial, Inc.**

| Name | Position Held | Business Address |
|---|---|---|
| William P. Foley, II | Chairman of the Board | 601 Riverside Avenue<br>Jacksonville, FL 32204 |

| | | |
|---|---|---|
| Douglas K. Ammerman | Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Willie D. Davis | Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Thomas M. Hagerty | Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Janet E. Kerr | Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Daniel D. (Ron) Lane | Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Richard N. Massey | Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Heather H. Murren | Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Raymond R. Quirk | Chief Executive Officer and Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| John D. Rood | Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Peter O. Shea, Jr. | Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Cary H. Thompson | Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Frank P. Willey | Director | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Michael J. Nolan | President | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Roger S. Jewkes | Chief Operating Officer | 601 Riverside Avenue<br>Jacksonville, FL 32204 |
| Brent B. Bickett | Executive Vice President, Corporate Strategy | 601 Riverside Avenue<br>Jacksonville, FL 32204 |

| | | |
|---|---|---|
| Anthony J. Park | Executive Vice President, Chief Financial Officer | 601 Riverside Avenue Jacksonville, FL 32204 |
| Peter T. Sadowski | Executive Vice President, Chief Legal Officer | 601 Riverside Avenue Jacksonville, FL 32204 |
| Michael L. Gravelle | Executive Vice President, General Counsel and Corporate Secretary | 601 Riverside Avenue Jacksonville, FL 32204 |

**7. CFS Holdings (Cayman), L.P.**

| **Name** | **Position Held** | **Business Address** |
|---|---|---|
| CFS Holdings (Cayman) Manager L.L.C.[2] | General Partner | 345 Park Avenue New York, NY 10154 |

**8. CFS Holdings II (Cayman), L.P.**

| **Name** | **Position Held** | **Business Address** |
|---|---|---|
| CFS Holdings (Cayman) Manager L.L.C.[2] | General Partner | 345 Park Avenue New York, NY 10154 |

**9. Blackstone Tactical Opportunities LR Associates-B (Cayman) Ltd.**

| **Name** | **Position Held** | **Business Address** |
|---|---|---|
| Qasim Abbas | Shareholder | 40 Berkeley Square London, W1J5AL United Kingdom |

2 Note: Menes Chee is the sole Manager of CFS Holdings (Cayman) Manager L.L.C.

| | | |
|---|---|---|
| Malcolm Jackson | Shareholder | Marina Bay Financial Centre<br>Tower 2<br>Suite 13-01/02<br>10 Marina Boulevard<br>Singapore 018983 |
| Kishore Moorjani | Shareholder | Marina Bay Financial Centre<br>Tower 2<br>Suite 13-01/02<br>10 Marina Boulevard<br>Singapore 018983 |
| Andrea Valeri | Shareholder | 40 Berkeley Square<br>London, W1J5AL<br>United Kingdom |

EXHIBIT 14-A

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

# FORM 10-K

**(Mark One)**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2016**
**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

**Commission File Number 001-37779**

# CF Corporation
**(Exact name of Registrant as specified in its Charter)**

| | |
|---|---|
| **Cayman Islands**<br>(State or other jurisdiction of incorporation or organization) | **98-1354810**<br>(I.R.S. Employer Identification No.) |
| **1701 Village Center Circle**<br>**Las Vegas, Nevada**<br>(Address of principal executive offices) | **89134**<br>(Zip Code) |

**Registrant's telephone number, including area code: (702) 323-7331**
**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class | Name of each exchange on which registered |
|---|---|
| Units, each consisting of one Class A ordinary share, $0.0001 par value, and one-half of one warrant to purchase one Class A ordinary share | NASDAQ Stock Market LLC |
| Class A ordinary shares, par value $0.0001 per share | NASDAQ Stock Market LLC |
| Warrants to purchase Class A ordinary shares | NASDAQ Stock Market LLC |

**Securities registered pursuant to Section 12(g) of the Act:**
**None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

| | |
|---|---|
| Large accelerated filer ☐ | Accelerated filer ☐ |
| Non-accelerated filer ☒<br>(Do not check if a small reporting company) | Small reporting company ☐ |

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☒ NO ☐

The aggregate market value of the common stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter, computed by reference to the closing price reported on the NASDAQ Capital Market as of June 30, 2016, was $662,400,000.

At March 17, 2017, there were 69,000,000 Class A ordinary shares, $0.0001 par value, and 15,000,000 Class B ordinary shares, $0.0001 par value, issued and outstanding.

Documents Incorporated by Reference: None.

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The statements contained in this report that are not purely historical are forward-looking statements. Our forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Annual Report on Form 10-K may include, for example, statements about:

- our ability to complete our initial business combination;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors following our initial business combination;
- our officers and directors allocating their time to other businesses and potentially having conflicts of interest with our business or in approving our initial business combination, as a result of which they would then receive expense reimbursements;
- our potential ability to obtain additional financing to complete our initial business combination;
- our pool of prospective target businesses;
- the ability of our officers and directors to generate a number of potential investment opportunities;
- our public securities' potential liquidity and trading;
- the lack of a market for our securities;
- the use of proceeds not held in the Trust Account (as described herein) or available to us from interest income on the Trust Account balance; or
- our financial performance.

The forward-looking statements contained in this report are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading "Risk Factors" in this Annual Report. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

# PART I

*References in this report to "we," "us" or the "Company" refer to CF Corporation. References to our "management" or our "management team" refer to our officers and directors, and references to the "Sponsor" refer to CF Capital Growth, LLC, a Delaware limited liability company. References to our "initial shareholders" refer to the Sponsor, the anchor investors (as defined below) and the Company's officers and directors.*

## Item 1. Business.

### Introduction

We are a blank check company incorporated on February 26, 2016 as a Cayman Islands exempted company formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. We have reviewed, and continue to review, a number of opportunities to enter into a business combination, but we are not able to determine at this time whether we will complete a business combination with any of the target businesses that we have reviewed or with any other target business. We also have neither engaged in any operations nor generated any revenue to date. Based on our business activities, the Company is a "shell company" as defined under the Exchange Act of 1934 (the "Exchange Act") because we have no operations and nominal assets consisting almost entirely of cash.

On May 25, 2016, we consummated our initial public offering (the "initial public offering") of 60,000,000 units (the "units"). Each unit consists of one Class A ordinary share and one-half of one warrant. Each whole warrant entitles the holder thereof to purchase one Class A ordinary share at a price of $11.50 per share. The units were sold at an offering price of $10.00 per unit, generating gross proceeds, before expenses, of $600 million. Prior to the consummation of the initial public offering, on March 2, 2016, the Sponsor purchased 15,000,000 Class B ordinary shares (the "founder shares") for an aggregate purchase price of $25,000, or approximately $0.002 per share. On April 19, 2016, the Sponsor surrendered 3,750,000 Class B ordinary shares to the Company for no consideration, which the Company cancelled. The Company then issued 3,750,000 Class B ordinary shares to certain other investors (the "anchor investors") for an aggregate price of approximately $7,000 in connection with their agreement to purchase an aggregate of 51,000,000 Class A ordinary shares ("forward purchase shares"), plus an aggregate of 19,083,333 redeemable warrants ("forward purchase warrants") for $10.00 per Class A ordinary share, for an aggregate purchase price of $510 million, in a private placement to occur concurrently with the closing of the initial business combination (the "forward purchase agreements"), resulting in the Sponsor holding 11,250,000 founder shares and the anchor investors holding 3,750,000 founder shares.

Simultaneously with the closing of the initial public offering, the Company consummated the private placement ("Initial Private Placement") of 14,000,000 warrants ("Private Placement Warrants") each exercisable to purchase one Class A ordinary share at $11.50 per share, at a price of $1.00 per Private Placement Warrant with the Sponsor, generating gross proceeds of $14 million.

On June 29, 2016, the Company consummated the closing of the sale of 9,000,000 additional units pursuant to the exercise in full of the underwriter's over-allotment option ("Over-allotment"), generating additional gross proceeds of $90 million and, in connection therewith, paid additional offering costs of $1.8 million in underwriting commissions. Simultaneously with the consummation of the Over-allotment, the Company consummated a private placement of an additional 1,800,000 Private Placement Warrants to the Sponsor (together with the Initial Private Placement, the "Private Placement"), generating gross proceeds of $1.8 million.

Upon the closing of the initial public offering, the Over-allotment and the Private Placement, $690 million ($10.00 per unit) from the net proceeds thereof was placed in a U.S.-based trust account at J.P. Morgan Chase Bank, N.A, maintained by Continental Stock Transfer & Trust Company, acting as trustee ("Trust Account"), and is invested in a money market fund selected by the Company until the earlier of: (i) the completion of the initial business combination or (ii) the redemption of the Company's public shares if the Company is unable to complete a business combination by May 25, 2018, subject to applicable law.

After the payment of underwriting discounts and commissions (excluding the deferred portion of $24,150,000 in underwriting discounts and commissions, which amount will be payable upon consummation of our initial business

combination if consummated) and approximately $1,000,000 in expenses relating to the Public Offering, approximately $1,000,000 of the net proceeds of the Public Offering and Private Placement was not deposited into the Trust Account and was retained by us for working capital purposes. The net proceeds deposited into the Trust Account remain on deposit in the Trust Account earning interest. As of December 31, 2016, there was approximately $691 million in investments and cash held in the Trust Account and approximately $1.0 million of cash held outside the Trust Account available for working capital purposes. As of December 31, 2016, no funds had been withdrawn from the Trust Account to pay taxes.

**Effecting our initial business combination**

***General***

We are not presently engaged in, and we will not engage in, any operations for an indefinite period of time. We intend to effectuate our initial business combination using cash held in the Trust Account, our equity, debt or a combination of these as the consideration. We may seek to complete our initial business combination with a company or business that may be financially unstable or in its early stages of development or growth, which would subject us to the numerous risks inherent in such companies and businesses.

If our initial business combination is paid for using equity or debt securities, or not all of the funds released from the Trust Account are used for payment of the consideration in connection with our initial business combination or used for redemptions of our Class A ordinary shares, we may apply the balance of the cash released to us from the Trust Account for general corporate purposes, including for maintenance or expansion of operations of the post-transaction company, the payment of principal or interest due on indebtedness incurred in completing our initial business combination, to fund the purchase of other companies or for working capital.

***Selection of a target business and structuring of our initial business combination***

While we may pursue an acquisition opportunity in any business industry or sector, we intend to focus on identifying a business combination opportunity in industries or sectors that complement our management team's background, and to capitalize on the ability of our management team to identify, acquire and operate a business, focusing on the financial, technology and services sectors in the United States or globally. We believe our management team is well positioned to take advantage of the growing set of investment opportunities focused in the financial, technology and services sectors, to create value for our shareholders, and that our contacts and sources, ranging from owners of private and public companies, private equity funds, investment bankers, attorneys, accountants and business brokers in these sectors will allow us to generate attractive acquisition opportunities. Our amended and restated memorandum and articles of association prohibit us from effectuating a business combination with another blank check company or similar company with nominal operations.

Our initial business combination must occur with one or more target businesses that together have an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the deferred underwriting commissions and taxes payable on the income earned on the Trust Account) at the time of the agreement to enter into the initial business combination. If our board is not able to independently determine the fair market value of the target business or businesses, we will obtain an opinion from an independent investment banking firm that is a member of the Financial Industry Regulatory Authority, or FINRA, with respect to the satisfaction of such criteria. We anticipate structuring our initial business combination so that the post-transaction company in which our public shareholders own shares will own or acquire 100% of the equity interests or assets of the target business or businesses. We may, however, structure our initial business combination such that the post-transaction company owns or acquires less than 100% of such interests or assets of the target business in order to meet certain objectives of the target management team or shareholders or for other reasons, but we will only complete such business combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act of 1940, as amended, or the Investment Company Act. Even if the post-transaction company owns or acquires 50% or more of the voting securities of the target, our shareholders prior to the business combination may collectively own a minority interest in the post-transaction company, depending on valuations ascribed to the target and us in the business combination transaction. For example, we could pursue a transaction in which we issue a substantial number of new shares in exchange for all of

the outstanding capital stock of a target. In this case, we would acquire a 100% controlling interest in the target. However, as a result of the issuance of a substantial number of new shares, our shareholders immediately prior to our initial business combination could own less than a majority of our outstanding shares subsequent to our initial business combination. If less than 100% of the equity interests or assets of a target business or businesses are owned or acquired by the post-transaction company, the portion of such business or businesses that is owned or acquired is what will be valued for purposes of the 80% of net assets test. If the business combination involves more than one target business, the 80% of net assets test will be based on the aggregate value of all of the target businesses even if the acquisitions of the target businesses are not closed simultaneously.

In evaluating a prospective target business, we expect to conduct a due diligence review which may encompass, among other things, meetings with incumbent management and employees, document reviews, interviews of customers and suppliers, inspection of facilities, as well as a review of financial and other information which will be made available to us. If we determine to move forward with a particular target, we will proceed to structure and negotiate the terms of the business combination transaction.

The time required to evaluate a target business and to structure and complete our initial business combination, and the costs associated with this process, are not currently ascertainable with any degree of certainty. Any costs incurred with respect to the evaluation of, and negotiation with, a prospective target business with which our business combination is not ultimately completed will result in our incurring losses and will reduce the funds we can use to complete another business combination. Prior to our initial business combination, we will not pay any consulting fees to members of our management team, or any of their respective affiliates, for services rendered to or in connection with our business combination.

***Redemption rights for holders of public shares upon consummation of our initial business combination***

We will provide our shareholders with the opportunity to redeem all or a portion of their Class A ordinary shares sold as part of the units sold in the initial public offering (the "public shares") upon the completion of our initial business combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, calculated as of two business days prior to the consummation of our initial business combination, including interest, less income taxes payable, divided by the number of then outstanding public shares, subject to the limitations described herein. There will be no redemption rights upon the completion of our initial business combination with respect to our warrants. Our initial shareholders have agreed to waive their redemption rights with respect to their founder shares, and with respect to the initial shareholders other than the anchor investors, any public shares they may hold in connection with the consummation of the initial business combination.

***Conduct of redemptions pursuant to tender offer rules***

If we conduct redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission (the "SEC"), we will, pursuant to our amended and restated memorandum and articles of association: (a) conduct the redemptions pursuant to Rule 13e-4 and Regulation 14E of the Exchange Act, which regulate issuer tender offers; and (b) file tender offer documents with the SEC prior to completing our initial business combination which contain substantially the same financial and other information about the initial business combination and the redemption rights as is required under Regulation 14A of the Exchange Act, which regulates the solicitation of proxies.

***Submission of our initial business combination to a stockholder vote***

In the event that we seek shareholder approval of our initial business combination, we will distribute proxy materials and, in connection therewith, provide our public shareholders with the redemption rights described above upon completion of the initial business combination.

If we seek shareholder approval, we will complete our initial business combination only if a majority of the outstanding ordinary shares voted are voted in favor of the business combination. In such case, our initial shareholders have agreed to vote their founder shares and any public shares purchased during or after the initial public offering in favor of our initial business combination. Each public shareholder may elect to redeem their public shares irrespective of whether they vote for or against the proposed transaction. In addition, our initial shareholders have agreed to waive their redemption rights with respect to

their founder shares, and with respect to the initial shareholders other than the anchor investors, any public shares they may hold in connection with the consummation of the business combination.

If we seek shareholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our initial shareholders, directors, executive officers, advisors or their affiliates may purchase shares or public warrants in privately negotiated transactions or in the open market either prior to or following the completion of our initial business combination. However, other than as expressly stated herein, they have no current commitments, plans or intentions to engage in such transactions and have not formulated any terms or conditions for any such transactions. None of the funds held in the Trust Account will be used to purchase shares or public warrants in such transactions. If they engage in such transactions, they will not make any such purchases when they are in possession of any material nonpublic information not disclosed to the seller or if such purchases are prohibited by Regulation M under the Securities Exchange Act of 1934, as amended, or the Exchange Act. We do not currently anticipate that such purchases, if any, would constitute a tender offer subject to the tender offer rules under the Exchange Act or a going-private transaction subject to the going-private rules under the Exchange Act; however, if the purchasers determine at the time of any such purchases that the purchases are subject to such rules, the purchasers will comply with such rules.

The purpose of any such purchases of shares could be to vote such shares in favor of the business combination and thereby increase the likelihood of obtaining shareholder approval of the business combination or to satisfy a closing condition in an agreement with a target that requires us to have a minimum net worth or a certain amount of cash at the closing of our business combination, where it appears that such requirement would otherwise not be met. The purpose of any such purchases of public warrants could be to reduce the number of public warrants outstanding or to vote such warrants on any matters submitted to the warrantholders for approval in connection with our initial business combination. Any such purchases of our securities may result in the completion of our business combination that may not otherwise have been possible. In addition, if such purchases are made, the public "float" of our Class A ordinary shares or warrants may be reduced and the number of beneficial holders of our securities may be reduced, which may make it difficult to maintain or obtain the quotation, listing or trading of our securities on a national securities exchange.

***Limitation on redemption rights upon completion of our initial business combination if we seek stockholder approval***

Notwithstanding the foregoing redemption rights, if we seek shareholder approval of our initial business combination and we do not conduct redemptions in connection with our business combination pursuant to the tender offer rules, our amended and restated memorandum and articles of association provide that a public shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13 of the Exchange Act), will be restricted from redeeming its shares with respect to more than an aggregate of 20% of the shares sold in the initial public offering. We believe the restriction described above will discourage shareholders from accumulating large blocks of shares, and subsequent attempts by such holders to use their ability to redeem their shares as a means to force us or our management to purchase their shares at a significant premium to the then-current market price or on other undesirable terms. Absent this provision, a public shareholder holding more than an aggregate of 20% of the shares sold in the initial public offering could threaten to exercise its redemption rights against a business combination if such holder's shares are not purchased by us or our management at a premium to the then-current market price or on other undesirable terms. By limiting our shareholders' ability to redeem to no more than 20% of the shares sold in the initial public offering, we believe we will limit the ability of a small group of shareholders to unreasonably attempt to block our ability to complete our business combination, particularly in connection with a business combination with a target that requires as a closing condition that we have a minimum net worth or a certain amount of cash. However, we would not be restricting our shareholders' ability to vote all of their shares (including all shares held by those shareholders that hold more than 20% of the shares sold in the initial public offering) for or against our business combination.

***Redemption of public shares and liquidation if no initial business combination***

The Sponsor, our executive officers and directors have agreed that we will have until May 25, 2018 to complete our initial business combination. If we are unable to complete our initial business combination by May 25, 2018, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not

more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (less up to $100,000 of interest to pay dissolution expenses and net of taxes payable), divided by the number of then outstanding public shares, which redemption will completely extinguish public shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining shareholders and our board of directors, dissolve and liquidate, subject in each case to our obligations under Cayman Islands law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to our warrants, which will expire worthless if we fail to complete our initial business combination by May 25, 2018.

***Competition***

In identifying, evaluating and selecting a target business for our business combination, we may encounter intense competition from other entities having a business objective similar to ours, including other blank check companies, private equity groups and leveraged buyout funds, and operating businesses seeking strategic acquisitions. Many of these entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates. Moreover, many of these competitors possess greater financial, technical, human and other resources than us. Our ability to acquire larger target businesses will be limited by our available financial resources. This inherent limitation gives others an advantage in pursuing the acquisition of a target business. Furthermore, our obligation to pay cash in connection with our public shareholders who exercise their redemption rights may reduce the resources available to us for our initial business combination and our outstanding warrants, and the future dilution they potentially represent, may not be viewed favorably by certain target businesses. Either of these factors may place us at a competitive disadvantage in successfully negotiating an initial business combination.

***Employees***

We currently have three executive officers. These individuals are not obligated to devote any specific number of hours to our matters but they intend to devote as much of their time as they deem necessary to our affairs until we have completed our initial business combination. The amount of time they will devote in any time period will vary based on whether a target business has been selected for our initial business combination and the stage of the business combination process we are in. We do not intend to have any full time employees prior to the completion of our initial business combination.

***Available Information***

We are required to file Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q with the SEC on a regular basis, and are required to disclose certain material events (e.g., changes in corporate control, acquisitions or dispositions of a significant amount of assets other than in the ordinary course of business and bankruptcy) in a Current Report on Form 8-K. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The SEC's Internet website is located at http://www.sec.gov.

## Item 1A. Risk Factors.

*An investment in our securities involves a high degree of risk. You should consider carefully all of the risks described below, together with the other information contained in this Annual Report on Form 10-K, the prospectus associated with our initial public offering and the registration statement of which such prospectus forms a part, before making a decision to invest in our securities. If any of the following events occur, our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment.*

**We are a recently formed company with no operating history and no revenues, and you have no basis on which to evaluate our ability to achieve our business objective.**

We are a recently formed company established under the laws of the Cayman Islands with no operating results, and we will not commence operations until completing a business combination. Because we have no operating history and have no operating results, you have no basis upon which to evaluate our ability to achieve our business objective of completing our business combination with one or more target businesses. We have no current arrangements or understandings with any prospective target business concerning a business combination and may be unable to complete our business combination. If we fail to complete our business combination, we will never generate any operating revenues.

**Our public shareholders may not be afforded an opportunity to vote on our proposed business combination, which means we may complete our initial business combination even though a majority of our public shareholders do not support such a combination.**

We may choose not to hold a shareholder vote before we complete our initial business combination if the business combination would not require shareholder approval under applicable law or stock exchange listing requirement. Accordingly, we may complete our initial business combination even if holders of a majority of our public shares do not approve of the business combination we complete.

**If we seek shareholder approval of our initial business combination, our initial shareholders have agreed to vote in favor of such initial business combination, regardless of how our public shareholders vote.**

Our initial shareholders have agreed to vote their founder shares, as well as any public chaser purchased during or after the initial public offering, in favor of our initial business combination. We expect that our initial shareholders will own approximately 18% of our outstanding ordinary shares at the time of any such shareholder vote. Accordingly, if we seek shareholder approval of our business combination, it is more likely that the necessary shareholder approval will be received than would be the case if such persons agreed to vote their founder shares in accordance with the majority of the votes cast by our public shareholders.

**Your only opportunity to affect the investment decision regarding a potential business combination will be limited to the exercise of your right to redeem your shares from us for cash, unless we seek shareholder approval of the business combination.**

You will not be provided with an opportunity to evaluate the specific merits or risks of one or more target businesses. Since our board of directors may complete a business combination without seeking shareholder approval, public shareholders may not have the right or opportunity to vote on the business combination, unless we seek such shareholder approval. Accordingly, if we do not seek shareholder approval, your only opportunity to affect the investment decision regarding a potential business combination may be limited to exercising your redemption rights within the period of time, which will be at least 20 business days, set forth in our tender offer documents mailed to our public shareholders in which we describe our business combination.

**In evaluating a prospective target business for our initial business combination, our management will rely on the availability of all of the funds from the sale of the forward purchase shares to be used as part of the consideration to the sellers in the initial business combination. If the sale of some or all of the forward purchase shares fails to close, we may lack sufficient funds to consummate our initial business combination.**

We have entered into forward purchase agreements pursuant to which the anchor investors (including two affiliates of our Sponsor) have agreed to purchase an aggregate of 51,000,000 forward purchase shares for $10.00 per share in a private placement to occur concurrently with our initial business combination. The forward purchase agreement with CFS Holdings (Cayman), L.P. (“CFS”) provides that it may be excused from its purchase obligation in connection with a specific business combination if, within five business days following written notice delivered by us of our intention to enter into such business combination, CFS notifies us that it has decided not to proceed with the purchase for any reason, including, without limitation, if it has determined that such purchase would constitute a conflict of interest. The funds from the sale of forward purchase shares may be used as part of the consideration to the sellers in our initial business combination, expenses in connection with our initial business combination or for working capital in the post-transaction company. The obligations under the forward purchase agreements do not depend on whether any public shareholders elect to redeem their shares and provide us with a

minimum funding level for the initial business combination. However, if the sale of the forward purchase shares does not close by reason of the failure by some or all of the anchor investors to fund the purchase price for their forward purchase shares, for example, we may lack sufficient funds to consummate our initial business combination. Additionally, in addition to CFS's excusal right, the anchor investors' obligations to purchase the forward purchase shares are subject to termination prior to the closing of the sale of the forward purchase shares by mutual written consent of the company and each anchor investor, or, automatically: (i) if our initial business combination is not consummated within 24 months from the closing of our initial public offering, unless extended up to a maximum of sixty (60) days in accordance with our amended and restated memorandum and articles of association; (ii) upon the death of both Chinh E. Chu and William P. Foley, II; (iii) if Chinh E. Chu, William P. Foley, II, our Sponsor or the Company becomes subject to any voluntary or involuntary petition under the United States federal bankruptcy laws or any state insolvency law, in each case which is not withdrawn within sixty (60) days after being filed, or a receiver, fiscal agent or similar officer is appointed by a court for business or property of Chinh E. Chu, William P. Foley, II, our Sponsor or the Company, in each case which is not removed, withdrawn or terminated within sixty (60) days after such appointment; or (iv) if either of Chinh E. Chu or William P. Foley, II is convicted in a criminal proceeding for a crime involving fraud or dishonesty. The anchor investors' obligations to purchase their forward purchase shares are subject to fulfillment of customary closing conditions, including the following: (i) our initial business combination must be consummated substantially concurrently with, and immediately following, the purchase of forward purchase shares; and (ii) the company must have delivered to the anchor investors a certificate evidencing the company's good standing as a Cayman Islands exempted limited company, as of a date within ten (10) business days of the closing of the sale of forward purchase shares. In the event of any such failure to fund by an anchor investor, any obligation is so terminated or any such condition is not satisfied and not waived by an anchor investor, we may not be able to obtain additional funds to account for such shortfall on terms favorable to us or at all. Any such shortfall would also reduce the amount of funds that we have available for working capital of the post-business combination company. While each anchor investor has represented to us that it has sufficient funds to satisfy its obligations under the respective forward purchase agreements, we have not obligated the anchor investors to reserve funds for such obligations.

**We are reliant on one anchor investor to purchase approximately 25% of the forward purchase shares, or 12,500,000 forward purchase shares for $10.00 per share, who has the ability to excuse itself from its obligation to purchase such forward purchase shares for any reason.**

We have entered into a forward purchase agreement with CFS, pursuant to which CFS has committed to purchase 12,500,000 forward purchase shares. Pursuant to such agreement, if, upon notification of our intention to enter into an initial business combination, CFS decides not to purchase such forward purchase shares for any reason, including, without limitation, if it has determined that such purchase would constitute a conflict of interest, CFS will be excused from its obligation to purchase such forward purchase shares. This excusal right could give CFS significant influence over our decision of whether or not to proceed with an initial business combination with a particular target business. In addition, if we consummate an initial business combination from which CFS excuses itself from purchasing its forward purchase shares, we will have $125,000,000 less at the time of our initial business combination than anticipated and, as a result, may be unable to consummate our initial business combination. We may not be able to obtain any or enough additional funds to account for such shortfall. Any such shortfall would also reduce the amount of funds that we have available for working capital of the post-business combination company.

**If the anchor investors purchase large amounts of public shares in the open market, they may attempt to leverage their redemption rights in order to affect the outcome of a potential initial business combination.**

The anchor investors have redemption rights with respect to any public shares they own, subject to the limitation that under the Company's amended and restated memorandum and articles of association, that a public shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13 of Exchange Act), is restricted from redeeming its shares with respect to more than an aggregate of 20% or more of our public shares, without the prior consent of the Company. If management proposes an initial business combination that some or all of the anchor investors are not in favor, such anchor investors may decide to purchase public shares in the open market and seek to leverage their redemption rights to influence whether such business combination is consummated. This could result in our having to negotiate for more favorable terms for the anchor investors, which could jeopardize our ability to successfully consummate an initial business combination.

**The ability of our public shareholders to redeem their shares for cash may make our financial condition unattractive to potential business combination targets, which may make it difficult for us to enter into a business combination with a target.**

We may seek to enter into a business combination transaction agreement with a prospective target that requires as a closing condition that we have a minimum net worth or a certain amount of cash. If too many public shareholders exercise their redemption rights, we would not be able to meet such closing condition and, as a result, would not be able to proceed with such a business combination. Furthermore, in no event will we redeem our public shares in an amount that would cause our net tangible assets to be less than $5,000,001 (so that we are not subject to the SEC's "penny stock" rules). Consequently, if accepting all properly submitted redemption requests would cause our net tangible assets to be less than $5,000,001 or such greater amount necessary to satisfy a closing condition as described above, we would not proceed with such redemption and the related business combination and may instead search for an alternate business combination. Prospective targets will be aware of these risks and, thus, may be reluctant to enter into a business combination transaction with us.

**The ability of our public shareholders to exercise redemption rights with respect to a large number of our shares may not allow us to complete the most desirable business combination or optimize our capital structure.**

At the time we enter into an agreement for our business combination, we will not know how many shareholders may exercise their redemption rights, and therefore will need to structure the transaction based on our expectations as to the number of shares that will be submitted for redemption. If our business combination agreement requires us to use a portion of the cash in the Trust Account to pay the purchase price, or requires us to have a minimum amount of cash at closing, we will need to reserve a portion of the cash in the Trust Account to meet such requirements, or arrange for third-party financing. In addition, if a larger number of shares are submitted for redemption than we initially expected, we may need to restructure the transaction to reserve a greater portion of the cash in the Trust Account or arrange for third-party financing. Raising additional third-party financing may involve dilutive equity issuances or the incurrence of indebtedness at higher than desirable levels. The above considerations may limit our ability to complete the most desirable business combination available to us or optimize our capital structure.

**The ability of our public shareholders to exercise redemption rights with respect to a large number of our shares could increase the probability that our initial business combination would be unsuccessful and that you would have to wait for liquidation in order to redeem your shares.**

If our business combination agreement requires us to use a portion of the cash in the Trust Account to pay the purchase price, or requires us to have a minimum amount of cash at closing, the probability that our initial business combination may be unsuccessful is increased. If our initial business combination is unsuccessful, you would not receive your pro rata portion of the Trust Account until we liquidate the Trust Account. If you are in need of immediate liquidity, you could attempt to sell your shares in the open market; however, at such time our shares may trade at a discount to the pro rata amount per share in the Trust Account. In either situation, you may suffer a material loss on your investment or lose the benefit of funds expected in connection with our redemption until we liquidate or you are able to sell your shares in the open market.

**The requirement that we complete our initial business combination within the prescribed time frame may give potential target businesses leverage over us in negotiating a business combination and may decrease our ability to conduct due diligence on potential business combination targets as we approach our dissolution deadline, which could undermine our ability to complete our business combination on terms that would produce value for our shareholders.**

Any potential target business with which we enter into negotiations concerning a business combination will be aware that we must complete our initial business combination by May 25, 2018, which is the date that is 24 months from the closing of the initial public offering. Consequently, such target business may obtain leverage over us in negotiating a business combination, knowing that if we do not complete our initial business combination with that particular target business, we may be unable to complete our initial business combination with any target business. This risk will increase as we get closer to the timeframe described above. In addition, we may have limited time to conduct due diligence and may enter into our initial business combination on terms that we would have rejected upon a more comprehensive investigation.

**We may not be able to complete our initial business combination within the prescribed time frame, in which case we would cease all operations except for the purpose of winding up and we would redeem our public shares and liquidate.**

We may not be able to find a suitable target business and complete our initial business combination by May 25, 2018, which is the date that is 24 months from the closing of the initial public offering. Our ability to complete our initial business combination may be negatively impacted by general market conditions, volatility in the capital and debt markets and the other risks described herein. If we have not completed our initial business combination within such time period, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (less up to $100,000 of interest to pay dissolution expenses and net of taxes payable), divided by the number of then outstanding public shares, which redemption will completely extinguish public shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining shareholders and our board of directors, dissolve and liquidate, subject in each case to our obligations under Cayman Islands law to provide for claims of creditors and the requirements of other applicable law.

**If we seek shareholder approval of our initial business combination, our initial shareholders, directors, executive officers, advisors and their affiliates may elect to purchase shares or public warrants from public shareholders, which may influence a vote on a proposed business combination and reduce the public "float" of our Class A ordinary shares.**

If we seek shareholder approval of our initial business combination and we do not conduct redemptions in connection with our business combination pursuant to the tender offer rules, our initial shareholders, directors, executive officers, advisors or their affiliates may purchase shares or public warrants in privately negotiated transactions or in the open market either prior to or following the completion of our initial business combination, although they are under no obligation to do so. However, other than as expressly stated herein, they have no current commitments, plans or intentions to engage in such transactions and have not formulated any terms or conditions for any such transactions. None of the funds in the Trust Account will be used to purchase shares or public warrants in such transactions. In the event that our initial shareholders, directors, executive officers, advisors or their affiliates purchase shares in privately negotiated transactions from public shareholders who have already elected to exercise their redemption rights, such selling shareholders would be required to revoke their prior elections to redeem their shares. The purpose of any such purchases could be to vote such shares in favor of the business combination and thereby increase the likelihood of obtaining shareholder approval of the business combination or to satisfy a closing condition in an agreement with a target business that requires us to have a minimum net worth or a certain amount of cash at the closing of our business combination, where it appears that such requirement would otherwise not be met. The purpose of any such purchases of public warrants could be to reduce the number of public warrants outstanding or to vote such warrants on any matters submitted to the warrantholders for approval in connection with our initial business combination. Any such purchases of our securities may result in the completion of our initial business combination that may not otherwise have been possible.

In addition, if such purchases are made, the public "float" of our Class A ordinary shares or public warrants and the number of beneficial holders of our securities may be reduced, possibly making it difficult to maintain or obtain the quotation, listing or trading of our securities on a national securities exchange.

**If a shareholder fails to receive notice of our offer to redeem our public shares in connection with our business combination, or fails to comply with the procedures for tendering its shares, such shares may not be redeemed.**

We will comply with the proxy rules or tender offer rules, as applicable, when conducting redemptions in connection with our business combination. Despite our compliance with these rules, if a shareholder fails to receive our proxy solicitation or tender offer materials, as applicable, such shareholder may not become aware of the opportunity to redeem its shares. In addition, the proxy solicitation or tender offer materials, as applicable, that we will furnish to holders of our public shares in connection with our initial business combination will describe the various procedures that must be complied with in order to validly redeem or tender the public shares. In the event that a shareholder fails to comply with these procedures, its shares may not be redeemed.

**You will not have any rights or interests in funds from the Trust Account, except under certain limited circumstances. Therefore, to liquidate your investment you may be forced to sell your public shares or warrants, potentially at a loss.**

Our public shareholders will be entitled to receive funds from the Trust Account only upon the earlier to occur of: (i) our completion of an initial business combination, and then only in connection with those Class A ordinary shares that such shareholder properly elected to redeem, subject to the limitations described herein, (ii) the redemption of any public shares properly tendered in connection with a shareholder vote to amend our amended and restated memorandum and articles of association to modify the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination within 24 months from the closing of the initial public offering, and (iii) the redemption of our public shares if we are unable to complete an initial business combination within 24 months from the closing of the initial public offering, subject to applicable law and as further described herein. In no other circumstances will a public shareholder have any right or interest of any kind in the Trust Account. Holders of warrants will not have any right to the proceeds held in the Trust Account with respect to the warrants. Accordingly, to liquidate your investment, you may be forced to sell your public shares or warrants, potentially at a loss.

**NASDAQ may delist our securities from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.**

Our units, Class A ordinary shares and warrants are listed on the NASDAQ Capital Market ("NASDAQ"). We cannot assure you that our securities will continue to be listed on NASDAQ in the future or prior to our initial business combination. In order to continue listing our securities on NASDAQ prior to our initial business combination, we must maintain certain financial, distribution and share price levels. Generally, we must maintain a minimum amount in shareholders' equity (generally $2,500,000) and a minimum number of holders of our securities (generally 300 public holders). Additionally, in connection with our initial business combination, we will be required to demonstrate compliance with NASDAQ's initial listing requirements, which are more rigorous than NASDAQ's continued listing requirements, in order to continue to maintain the listing of our securities on NASDAQ. For instance, our share price would generally be required to be at least $4.00 per share and our shareholders' equity would generally be required to be at least $5.0 million. We cannot assure you that we will be able to meet those initial listing requirements at that time.

If NASDAQ delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Class A ordinary shares are a "penny stock" which will require brokers trading in our Class A ordinary shares to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." Our units, Class A ordinary shares and warrants are listed on NASDAQ, and, as a result, are covered securities. Although the states are preempted from regulating the sale of our securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. While we are not aware of a state having used these powers to prohibit or restrict the sale of securities issued by blank check companies, other than the State of Idaho, certain state securities regulators view blank check companies unfavorably and might use these powers, or threaten to use these powers, to hinder the sale of securities of blank check companies in their states. Further, if we were no longer listed on NASDAQ, our securities would not be covered securities and we would be subject to regulation in each state in which we offer our securities.

**You will not be entitled to protections normally afforded to investors of many other blank check companies.**

Since the net proceeds of the initial public offering and the Private Placement are intended to be used to complete an initial business combination with a target business that has not been selected, we may be deemed to be a “blank check” company under the United States securities laws. However, because we have net tangible assets in excess of $5,000,000 and have filed a Current Report on Form 8-K, including an audited balance sheet demonstrating this fact, we are exempt from rules promulgated by the SEC to protect investors in blank check companies, such as Rule 419. Accordingly, investors will not be afforded the benefits or protections of those rules. Among other things, this means that we will have a longer period of time to complete our business combination than do companies subject to Rule 419. Moreover, if the initial public offering had been subject to Rule 419, that rule would have prohibited the release of any interest earned on funds held in the Trust Account to us unless and until the funds in the Trust Account were released to us in connection with our completion of an initial business combination.

**If we seek shareholder approval of our initial business combination and we do not conduct redemptions pursuant to the tender offer rules, and if you or a “group” of shareholders are deemed to hold in excess of 20% of our Class A ordinary shares, you will lose the ability to redeem all such shares in excess of 20% of our Class A ordinary shares.**

If we seek shareholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our amended and restated memorandum and articles of association provides that a public shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a “group” (as defined under Section 13 of the Exchange Act), will be restricted from seeking redemption rights with respect to more than an aggregate of 20% of the shares sold in the initial public offering, which we refer to as the “Excess Shares.” However, we would not be restricting our shareholders’ ability to vote all of their shares (including Excess Shares) for or against our business combination. Your inability to redeem the Excess Shares will reduce your influence over our ability to complete our business combination and you could suffer a material loss on your investment in us if you sell Excess Shares in open market transactions. Additionally, you will not receive redemption distributions with respect to the Excess Shares if we complete our business combination. And as a result, you will continue to hold that number of shares exceeding 20% and, in order to dispose of such shares, would be required to sell your shares in open market transactions, potentially at a loss.

**Because of our limited resources and the significant competition for business combination opportunities, it may be more difficult for us to complete our initial business combination. If we are unable to complete our initial business combination, our public shareholders may receive only an estimated $10.00 per share on our redemption, and our warrants will expire worthless.**

We expect to encounter intense competition from other entities having a business objective similar to ours, including private investors (which may be individuals or investment partnerships), other blank check companies and other entities, domestic and international, competing for the types of businesses we intend to acquire. Many of these individuals and entities are well-established and have extensive experience in identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Many of these competitors possess greater technical, human and other resources or more local industry knowledge than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe there are numerous target businesses we could potentially acquire, our ability to compete with respect to the acquisition of certain target businesses that are sizable will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. Furthermore, we are obligated to offer holders of our public shares the right to redeem their shares for cash at the time of our initial business combination in conjunction with a shareholder vote or via a tender offer. Target companies will be aware that this may reduce the resources available to us for our initial business combination. Any of these obligations may place us at a competitive disadvantage in successfully negotiating a business combination. If we are unable to complete our initial business combination, our public shareholders may receive only an estimated

$10.00 per share on our redemption, and our warrants will expire worthless.

**If our funds held outside the Trust Account are insufficient to allow us to operate for at least the next 24 months, we may be unable to complete our initial business combination.**

At December 31, 2016, we have $1.0 million available to us outside the Trust Account to fund our working capital requirements. The funds available to us outside of the Trust Account may not be sufficient to allow us to operate until May 25, 2018 assuming that our initial business combination is not completed during that time. We believe that the funds available to us outside of the Trust Account are sufficient to allow us to operate until at least May 25, 2018; however, we cannot assure you that our estimate is accurate. Of the funds available to us, we could use a portion of the funds available to us to pay fees to consultants to assist us with our search for a target business. We could also use a portion of the funds as a down payment or to fund a "no-shop" provision (a provision in letters of intent designed to keep target businesses from "shopping" around for transactions with other companies on terms more favorable to such target businesses) with respect to a particular proposed business combination, although we do not have any current intention to do so. If we entered into a letter of intent where we paid for the right to receive exclusivity from a target business and were subsequently required to forfeit such funds (whether as a result of our breach or otherwise) we might not have sufficient funds to continue searching for, or conduct due diligence with respect to, a target business.

If we are unable to complete our initial business combination, we will be forced to cease operations and liquidate the Trust Account. Consequently, our public shareholders may only receive an estimated $10.00 per share on our redemption of our public shares, and our warrants will expire worthless.

**If our funds held outside the Trust Account are insufficient, it could limit the amount available to fund our search for a target business or businesses and complete our initial business combination, and we will depend on loans from the Sponsor or management team to fund our search and to complete our business combination.**

As of December 31, 2016, we had approximately $1.0 million available outside of the Trust Account to fund our working capital requirements. If we are required to seek additional capital, we would need to borrow funds from the Sponsor, management team or other third parties to operate or may be forced to liquidate. Neither the Sponsor, members of our management team nor any of their affiliates is under any obligation to advance funds to us in such circumstances. Any such advances would be repaid only from funds held outside the Trust Account or from funds released to us upon completion of our initial business combination. If we are unable to complete our initial business combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the Trust Account. Consequently, our public shareholders may only receive an estimated $10.00 per share on our redemption of our public shares, and our warrants will expire worthless.

**Subsequent to our completion of our initial business combination, we may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our share price, which could cause you to lose some or all of your investment.**

Even if we conduct due diligence on a target business with which we combine, we cannot assure you that this diligence will surface all material issues that may be present inside a particular target business, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of the target business and outside of our control will not later arise. As a result of these factors, we may be forced to later write-down or write-off assets, restructure our operations, or incur impairment or other charges that could result in our reporting losses. Even if our due diligence successfully identifies certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to violate net worth or other covenants to which we may be subject as a result of assuming pre-existing debt held by a target business or by virtue of our obtaining post-combination debt financing. Accordingly, any shareholders who choose to remain shareholders following the business combination could suffer a reduction in the value of their shares. Such shareholders are unlikely to have a remedy for such reduction in value unless they are

able to successfully claim that the reduction was due to the breach by our officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to successfully bring a private claim under securities laws that the proxy solicitation or tender offer materials, as applicable, relating to the business combination contained an actionable material misstatement or material omission.

**If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per-share redemption amount received by shareholders may be less than $10.00 per share.**

Our placing of funds in the Trust Account may not protect those funds from third-party claims against us. Although we will seek to have all vendors, service providers (other than our independent accountants), prospective target businesses or other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to any funds held in the Trust Account for the benefit of our public shareholders, such parties may not execute such agreements, or even if they execute such agreements they may not be prevented from bringing claims against the Trust Account, including, but not limited to, fraudulent inducement, breach of fiduciary responsibility or other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain advantage with respect to a claim against our assets, including the funds held in the Trust Account. If any third party refuses to execute an agreement waiving such claims to the funds held in the Trust Account, our management will perform an analysis of the alternatives available to it and will only enter into an agreement with a third party that has not executed a waiver if management believes that such third party's engagement would be significantly more beneficial to us than any alternative.

Examples of possible instances where we may engage a third party that refuses to execute a waiver include the engagement of a third party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a service provider willing to execute a waiver. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the Trust Account for any reason. Upon redemption of our public shares, if we are unable to complete our business combination within the prescribed timeframe, or upon the exercise of a redemption right in connection with our business combination, we will be required to provide for payment of claims of creditors that were not waived that may be brought against us within the 10 years following redemption. Accordingly, the per-share redemption amount received by public shareholders could be less than the $10.00 per share initially held in the Trust Account, due to claims of such creditors.

Our Sponsor has agreed that it will be liable to us if and to the extent any claims by a vendor for services rendered or products sold to us, or a prospective target business with which we have discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below the lesser of (i) $10.00 per public share and (ii) the actual amount per public share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of the trust assets, in each case less taxes payable, except as to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account and except as to any claims under our indemnity of the underwriters of the initial public offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, our Sponsor will not be responsible to the extent of any liability for such third-party claims. However, we have not asked our Sponsor to reserve for such indemnification obligations, not have we independently verified whether our Sponsor has sufficient funds to satisfy its indemnity obligations and we believe that our Sponsor's only assets are securities of our Company. Our Sponsor may not have sufficient funds available to satisfy those obligations. None of our officers or directors will indemnify us for claims by third parties including, without limitation, claims by vendors and prospective target businesses. As a result, if any such claims were successfully made against the Trust Account, the funds available for our business combination and redemptions could be reduced to less than $10.00 per public share. In such event, we may not be able to complete our business combination, and you would receive such lesser amount per share in connection with any redemption of your public shares.

**Our directors may decide not to enforce the indemnification obligations of our Sponsor, resulting in a reduction in the amount of funds in the Trust Account available for distribution to our public shareholders.**

In the event that the proceeds in the Trust Account are reduced below the lesser of (i) $10.00 per share and

(ii) the actual amount per share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of the trust assets, in each case less taxes payable, and our Sponsor asserts that it is unable to satisfy its obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our Sponsor to enforce its indemnification obligations. While we currently expect that our independent directors would take legal action on our behalf against our Sponsor to enforce its indemnification obligations to us, it is possible that our independent directors in exercising their business judgment and subject to their fiduciary duties may choose not to do so in any particular instance. If our independent directors choose not to enforce these indemnification obligations, the amount of funds in the Trust Account available for distribution to our public shareholders may be reduced below $10.00 per share.

**We may not have sufficient funds to satisfy indemnification claims of our directors and executive officers.**

We have agreed to indemnify our officers and directors to the fullest extent permitted by law. However, our officers and directors have agreed to waive any right, title, interest or claim of any kind in or to any monies in the Trust Account and to not seek recourse against the Trust Account for any reason whatsoever. Accordingly, any indemnification provided will be able to be satisfied by us only if (i) we have sufficient funds outside of the Trust Account or (ii) we consummate an initial business combination. Our obligation to indemnify our officers and directors may discourage shareholders from bringing a lawsuit against our officers or directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against our officers and directors, even though such an action, if successful, might otherwise benefit us and our shareholders. Furthermore, a shareholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against our officers and directors pursuant to these indemnification provisions.

**If, after we distribute the proceeds in the Trust Account to our public shareholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, a bankruptcy court may seek to recover such proceeds, and the members of our board of directors may be viewed as having breached their fiduciary duties to our creditors, thereby exposing the members of our board of directors and us to claims of punitive damages.**

If, after we distribute the proceeds in the Trust Account to our public shareholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, any distributions received by shareholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a "preferential transfer" or a "fraudulent conveyance." As a result, a bankruptcy court could seek to recover all amounts received by our shareholders. In addition, our board of directors may be viewed as having breached its fiduciary duty to our creditors and/or having acted in bad faith, thereby exposing itself and us to claims of punitive damages, by paying public shareholders from the Trust Account prior to addressing the claims of creditors.

**If, before distributing the proceeds in the Trust Account to our public shareholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, the claims of creditors in such proceeding may have priority over the claims of our shareholders and the per-share amount that would otherwise be received by our shareholders in connection with our liquidation may be reduced.**

If, before distributing the proceeds in the Trust Account to our public shareholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, the proceeds held in the Trust Account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our shareholders. To the extent any bankruptcy claims deplete the Trust Account, the per-share amount that would otherwise be received by our shareholders in connection with our liquidation may be reduced.

**If we are deemed to be an investment company under the Investment Company Act, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete our business combination.**

If we are deemed to be an investment company under the Investment Company Act, our activities may be restricted, including:

- restrictions on the nature of our investments, and
- restrictions on the issuance of securities,

each of which may make it difficult for us to complete our business combination. In addition, we may have imposed upon us burdensome requirements, including:

- registration as an investment company;
- adoption of a specific form of corporate structure; and
- reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations.

In order not to be regulated as an investment company under the Investment Company Act, unless we can qualify for an exclusion, we must ensure that we are engaged primarily in a business other than investing, reinvesting or trading of securities and that our activities do not include investing, reinvesting, owning, holding or trading "investment securities" constituting more than 40% of our assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Our business is to identify and complete a business combination and thereafter to operate the post-transaction business or assets for the long term. We do not plan to buy businesses or assets with a view to resale or profit from their resale. We do not plan to buy unrelated businesses or assets or to be a passive investor.

We do not believe that our principal activities subject us to the Investment Company Act. To this end, the proceeds held in the Trust Account may only be invested in United States "government securities" within the meaning of Section 2 (a)(16) of the Investment Company Act having a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations. Pursuant to the trust agreement, the trustee is not permitted to invest in other securities or assets. By restricting the investment of the proceeds to these instruments, and by having a business plan targeted at acquiring and growing businesses for the long term (rather than on buying and selling businesses in the manner of a merchant bank or private equity fund), we intend to avoid being deemed an "investment company" within the meaning of the Investment Company Act. The Trust Account is intended as a holding place for funds pending the earlier to occur of either: (i) the completion of our initial business combination; (ii) the redemption of any public shares properly tendered in connection with a shareholder vote to amend our amended and restated memorandum and articles of association to modify the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination within 24 months from the closing of our initial public offering; or (iii) absent an initial business combination within 24 months from the closing of our initial public offering, our return of the funds held in the Trust Account to our public shareholders as part of our redemption of the public shares. If we do not invest the proceeds as discussed above, we may be deemed to be subject to the Investment Company Act. If we were deemed to be subject to the Investment Company Act, compliance with these additional regulatory burdens would require additional expenses for which we have not allotted funds and may hinder our ability to complete a business combination. If we are unable to complete our initial business combination, our public shareholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public shareholders, and our warrants will expire worthless.

**Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, including our ability to negotiate and complete our initial business combination and results of operations.**

We are subject to laws, regulations and rules enacted by national, regional and local governments and NASDAQ. In particular, we will be required to comply with certain SEC and other legal requirements or regulations. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly. Those laws, regulations and rules and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws, regulations or rules, as interpreted and applied, could have a material adverse effect on our business, including our ability to negotiate and complete our initial business combination, and results of operations.

**If we are unable to consummate our initial business combination, our public shareholders may be forced to wait up to 24 months before redemption from our Trust Account.**

If we are unable to consummate our initial business combination by May 25, 2018, the proceeds then on deposit in the Trust Account, including interest (less up to $100,000 of interest to pay dissolution expenses and net of taxes payable), will be used to fund the redemption of our public shares, as further described herein. Any redemption of public shareholders from the Trust Account shall be effected automatically by function of our amended and restated memorandum and articles of association prior to any voluntary winding up. If we are required to wind up, liquidate the Trust Account and distribute such amount therein, pro rata, to our public shareholders, as part of any liquidation process, such winding up, liquidation and distribution must comply with the applicable provisions of the Companies Law of the Cayman Islands ("Companies Law"). In that case, shareholders may be forced to wait beyond 24 months before the redemption proceeds of our Trust Account become available to them and they receive the return of their pro rata portion of the proceeds from our Trust Account. We have no obligation to return funds to shareholders prior to the date of our redemption or liquidation unless we consummate our initial business combination prior thereto and only then in cases where shareholders have sought to redeem their ordinary shares. Only upon our redemption or any liquidation will public shareholders be entitled to distributions if we are unable to complete our initial business combination.

**Our shareholders may be held liable for claims by third parties against us to the extent of distributions received by them upon redemption of their shares.**

If we are forced to enter into an insolvent liquidation, any distributions received by shareholders could be viewed as an unlawful payment if it was proved that immediately following the date on which the distribution was made, we were unable to pay our debts as they fall due in the ordinary course of business. As a result, a liquidator could seek to recover all amounts received by our shareholders. Furthermore, our directors may be viewed as having breached their fiduciary duties to us or our creditors and/or may have acted in bad faith, thereby exposing themselves and our Company to claims, by paying public shareholders from the Trust Account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons. We and our directors and officers who knowingly and willfully authorized or permitted any distribution to be paid out of our share premium account while we were unable to pay our debts as they fall due in the ordinary course of business would be guilty of an offence and may be liable to a fine of $15,000 and to imprisonment for five years in the Cayman Islands.

**We may not hold an annual meeting of shareholders until after the consummation of our initial business combination.**

In accordance with NASDAQ corporate governance requirements, we are not required to hold an annual meeting until no later than one year after our first fiscal year end following our listing on NASDAQ. There is no requirement under the Companies Law for us to hold annual or general meetings to elect directors. Until we hold an annual meeting of shareholders, public shareholders may not be afforded the opportunity to elect directors and to discuss company affairs with management.

**We are not registering the Class A ordinary shares issuable upon exercise of the warrants under the Securities Act or any state securities laws at this time, and such registration may not be in place when an investor desires to exercise warrants, thus precluding such investor from being able to exercise its warrants and causing such warrants to expire worthless.**

We have not registered the Class A ordinary shares issuable upon exercise of the warrants under the Securities Act or any state securities laws. However, under the terms of the warrant agreement, we have agreed to use our best efforts to file a registration statement under the Securities Act covering such shares and maintain a current prospectus relating to the Class A ordinary shares issuable upon exercise of the warrants. We cannot assure you that we will be able to do so if, for example, any facts or events arise which represent a fundamental change in the information set forth in the registration statement or prospectus, the financial statements contained or incorporated by reference therein are not current or correct or the SEC issues a stop order. If the shares issuable upon exercise of the warrants are not registered under the Securities Act, we will be required to permit holders to exercise their warrants on a cashless basis. However, no warrant will be exercisable for cash or on a cashless basis, and we will not be obligated to issue any

shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, unless an exemption is available. Notwithstanding the above, if our Class A ordinary shares are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their warrants to do so a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement or register or qualify the shares under blue sky laws. In no event will we be required to net cash settle any warrant, or issue securities or other compensation in exchange for the warrants in the event that we are unable to register or qualify the shares underlying the warrants under the Securities Act or applicable state securities laws. If the issuance of the shares upon exercise of the warrants is not so registered or qualified or exempt from registration or qualification, the holder of such warrant shall not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In such event, holders who acquired their warrants as part of a purchase of units will have paid the full unit purchase price solely for the Class A ordinary shares included in the units. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying Class A ordinary shares for sale under all applicable state securities laws.

**The grant of registration rights to our initial shareholders and holders of our Private Placement Warrants may make it more difficult to complete our initial business combination, and the future exercise of such rights may adversely affect the market price of our Class A ordinary shares.**

Pursuant to an agreement entered into concurrently with the initial public offering, our initial shareholders, other than the anchor investors, and their permitted transferees can demand that we register the Class A ordinary shares into which the founder shares are convertible. In addition, holders of our Private Placement Warrants and their permitted transferees can demand that we register the Private Placement Warrants and the Class A ordinary shares issuable upon exercise of such Private Placement Warrants, and holders of warrants that may be issued upon conversion of working capital loans may demand that we register such warrants or the Class A ordinary shares issuable upon exercise of such warrants. The registration rights will be exercisable with respect to the founder shares and the private placement warrants and the Class A ordinary shares issuable upon exercise of such private placement warrants. Pursuant to the forward purchase agreements, we have agreed that we will use our commercially reasonable efforts (i) to file within 30 days after the closing of the initial business combination a registration statement with the SEC for a secondary offering of the forward purchase shares and the forward purchase warrants (and underlying Class A ordinary shares), (ii) to cause such registration statement to be declared effective promptly thereafter and (iii) to maintain the effectiveness of such registration statement until the earliest of (A) the date on which the anchor investor ceases to hold the securities covered thereby, (B) the date all of the securities covered thereby can be sold publicly without restriction or limitation under Rule 144 under the Securities Act, and (C) the second anniversary of the date of effectiveness of such registration statement, subject to certain conditions and limitations set forth in the forward purchase agreements. We will bear the cost of registering these securities. The registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of our Class A ordinary shares. In addition, the existence of the registration rights may make our business combination more costly or difficult to conclude. This is because the shareholders of the target business may increase the equity stake they seek in the combined entity or ask for more cash consideration to offset the negative impact on the market price of our Class A ordinary shares that is expected when the ordinary shares owned by, or issuable to, our initial shareholders, holders of our private placement warrants or holders of our working capital loans or their respective permitted transferees are registered.

**Because we are not limited to a particular industry or any specific target businesses with which to pursue our initial business combination, you will be unable to ascertain the merits or risks of any particular target business's operations.**

We will seek to complete a business combination with an operating company in the media or entertainment industries but may also pursue acquisition opportunities in other sectors, except that we will not, under our amended and restated memorandum and articles of association, be permitted to effectuate our business combination with another blank check company or similar company with nominal operations. Because we have not yet selected or approached any specific target business with respect to a business combination, there is no basis to evaluate the possible merits or risks of any particular target business's operations, results of operations, cash flows, liquidity, financial condition or prospects. To the extent we complete our business combination, we may be affected by numerous risks inherent in the business operations with which we combine. For example, if we combine with a financially unstable business or an entity lacking an established record of sales or earnings, we may be affected by the risks inherent in the business and operations of a financially unstable or a development stage entity. Although our officers and directors will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all of the significant risk factors or that we will have adequate time to complete due diligence. Furthermore, some of these risks may be outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business. We also cannot assure you that an investment in our units will ultimately prove to be more favorable to shareholders than a direct investment, if such opportunity were available, in a business combination target. Accordingly, any shareholders who choose to remain shareholders following the business combination could suffer a reduction in the value of their shares. Such shareholders are unlikely to have a remedy for such reduction in value unless they are able to successfully claim that the reduction was due to the breach by our officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to successfully bring a private claim under securities laws that the proxy solicitation or tender offer materials, as applicable, relating to the business combination contained an actionable material misstatement or material omission.

**We may seek acquisition opportunities in industries or sectors that may be outside of the financial, technology and services industries (which industries may or may not be outside of our management's areas of expertise).**

Although we intend to focus on identifying business combination candidates in the financial, technology and services sectors, we will consider a business combination outside of financial, technology and services industries if a business combination candidate is presented to us and we determine that such candidate offers an attractive acquisition opportunity for our company or we are unable to identify a suitable candidate in the financial, technology and services industries after having expended a reasonable amount of time and effort in an attempt to do so. Although our management will endeavor to evaluate the risks inherent in any particular business combination candidate, we cannot assure you that we will adequately ascertain or assess all of the significant risk factors. We also cannot assure you that an investment in our units will not ultimately prove to be less favorable to our public shareholders than a direct investment, if an opportunity were available, in a business combination candidate. In the event we elect to pursue an investment outside of the financial, technology and services industries, our management's expertise may not be directly applicable to its evaluation or operation, and the information contained herein regarding the financial, technology and services industries would not be relevant to an understanding of the business that we elect to acquire. Accordingly, any shareholders who choose to remain shareholders following our business combination could suffer a reduction in the value of their shares.

**Although we have identified general criteria and guidelines that we believe are important in evaluating prospective target businesses, we may enter into our initial business combination with a target business that does not meet such criteria and guidelines, and as a result, the target business with which we enter into our initial business combination may not have attributes entirely consistent with our general criteria and guidelines.**

Although we have identified general criteria and guidelines for evaluating prospective target businesses, it is possible that a target business with which we enter into our business combination will not have all of these positive attributes. If we complete our business combination with a target business that does not meet some or all of these guidelines, such combination may not be as successful as a combination with a business that does meet all of our general criteria and guidelines. In addition, if we announce a prospective business combination with a target business that does not meet our general criteria and guidelines, a greater number of shareholders may exercise their redemption rights, which may make it difficult for us to meet any closing condition with a target business that requires us to have a minimum net worth or a certain amount of cash. In addition, if shareholder approval of the transaction is required by law, or we decide to obtain shareholder approval for business or other legal reasons, it may be more difficult for us to attain shareholder approval of our business combination if the target business does not meet our general criteria and guidelines. If we are unable to complete our initial business combination, our public shareholders may receive only receive an estimated $10.00 per share on our redemption of our public shares, and our warrants will expire worthless.

**We may seek acquisition opportunities with a financially unstable business or an entity lacking an established**

**record of revenue or earnings.**

To the extent we complete our initial business combination with a financially unstable business or an entity lacking an established record of sales or earnings, we may be affected by numerous risks inherent in the operations of the business with which we combine. These risks include volatile revenues or earnings and difficulties in obtaining and retaining key personnel. Although our officers and directors will endeavor to evaluate the risks inherent in a particular target business, we may not be able to properly ascertain or assess all of the significant risk factors and we may not have adequate time to complete due diligence. Furthermore, some of these risks may be outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business.

**We are not required to obtain an opinion from an independent accounting or investment banking firm, and consequently, you may have no assurance from an independent source that the price we are paying for the business is fair to our shareholders from a financial point of view.**

Unless we complete our business combination with an affiliated entity, we are not required to obtain an opinion from an independent accounting firm or investment banking firm that is a member of FINRA, that the price we are paying is fair to our shareholders from a financial point of view. If no opinion is obtained, our shareholders will be relying on the judgment of our board of directors, who will determine fair market value based on standards generally accepted by the financial community. Such standards used will be disclosed in our tender offer documents or proxy solicitation materials, as applicable, related to our initial business combination.

**We may issue additional Class A ordinary shares or preferred shares to complete our initial business combination or under an employee incentive plan after completion of our initial business combination. We may also issue Class A ordinary shares upon the conversion of the founder shares at a ratio greater than one-to-one at the time of our initial business combination as a result of the anti-dilution provisions contained therein. Any such issuances would dilute the interest of our shareholders and likely present other risks.**

Our amended and restated memorandum and articles of association authorizes the issuance of up to 400,000,000 Class A ordinary shares, par value $0.0001 per share, 50,000,000 Class B ordinary shares, par value $0.0001 per share and 1,000,000 preferred shares, par value $0.0001 per share. At December 31, 2016, there are 331,000,000 and 35,000,000 authorized but unissued Class A ordinary shares and Class B ordinary shares, respectively, available for issuance, which amount does not take into account shares reserved for issuance upon exercise of outstanding warrants and forward purchase warrants, shares issuable upon conversion of the Class B ordinary shares or shares issued upon the sale of the forward purchase shares. The Class B ordinary shares are automatically convertible into Class A ordinary shares at the time of our initial business combination, initially at a one-for-one ratio but subject to adjustment as set forth herein. At December 31, 2016 there are no preferred shares issued and outstanding.

We may issue a substantial number of additional Class A ordinary shares or preferred shares, in order to complete our initial business combination or under an employee incentive plan after completion of our initial business combination. We may also issue Class A ordinary shares upon conversion of the Class B ordinary shares at a ratio greater than one-to-one at the time of our business combination as a result of the anti-dilution provisions contained therein. However, our amended and restated memorandum and articles of association provide, among other things, that prior to our initial business combination, we may not issue additional ordinary shares that would entitle the holders thereof to (i) receive funds from the Trust Account or (ii) vote on any business combination. The issuance of additional ordinary shares or preferred shares:

- may significantly dilute the equity interest of investors in the initial public offering;
- may subordinate the rights of holders of Class A ordinary shares if preferred shares are issued with rights senior to those afforded our Class A ordinary shares;
- could cause a change in control if a substantial number of Class A ordinary shares are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; and
- may adversely affect prevailing market prices for our units, Class A ordinary shares and/or warrants.

**Resources could be wasted in researching acquisitions that are not completed, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we are unable to complete our initial business combination, our public shareholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public shareholders, and our warrants will expire worthless.**

We anticipate that the investigation of each specific target business and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys and others. If we decide not to complete a specific initial business combination, the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, if we reach an agreement relating to a specific target business, we may fail to complete our initial business combination for any number of reasons including those beyond our control. Any such event will result in a loss to us of the related costs incurred which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we are unable to complete our initial business combination, our public shareholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public shareholders, and our warrants will expire worthless.

**We may be a passive foreign investment company ("PFIC"), which could result in adverse U.S. federal income tax consequences to U.S. Holders.**

If we are a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. Holder (as defined herein) of our units, Class A ordinary shares or warrants, the U.S. Holder may be subject to adverse U.S. federal income tax consequences and may be subject to additional reporting requirements. Because we are a blank check company, with no current active business, we believe that we met the PFIC asset and income test for our initial taxable year ended December 31, 2016. However, our PFIC status for our initial taxable year ended December 31, 2016 and subsequent taxable years may depend on whether we qualify for the PFIC start-up exception. Depending on the particular circumstances, the application of the start-up exception may be subject to uncertainty, and there cannot be any assurance that we will qualify for the start-up exception. Accordingly, there can be no assurances with respect to our status as a PFIC for our initial taxable year ended December 31, 2016 or any subsequent taxable year. Moreover, our actual PFIC status for any taxable year will not be determinable until after the end of such taxable year. If we determine we are a PFIC for any taxable year, we will endeavor to provide to a U.S. Holder, upon request, such information as the IRS may require, including a PFIC annual information statement, in order to enable the U.S. Holder to make and maintain a "qualified electing fund" election, but there can be no assurance that we will timely provide such required information, and such election would be unavailable with respect to our warrants in all cases. We urge U.S. investors to consult their own tax advisors regarding the possible application of the PFIC rules.

**We may reincorporate in another jurisdiction in connection with our initial business combination and such reincorporation may result in taxes imposed on shareholders.**

We may, in connection with our initial business combination and subject to requisite shareholder approval under the Companies Law, reincorporate in the jurisdiction in which the target business is located. The transaction may require a shareholder to recognize taxable income in the jurisdiction in which the shareholder is a tax resident or in which its members are resident if it is a tax transparent entity. We do not intend to make any cash distributions to shareholders to pay such taxes. Shareholders may be subject to withholding taxes or other taxes with respect to their ownership of us after the reincorporation.

**After our initial business combination, it is possible that a majority of our directors and officers will live outside the United States and all of our assets will be located outside the United States; therefore investors may not be able to enforce federal securities laws or their other legal rights.**

It is possible that after our initial business combination, a majority of our directors and officers will reside outside of the United States and all of our assets will be located outside of the United States. As a result, it may be difficult, or in some cases not possible, for investors in the United States to enforce their legal rights, to effect service of process upon all of our directors or officers or to enforce judgments of United States courts predicated upon civil liabilities and criminal penalties on our directors and officers under United States laws.

**We are dependent upon our executive officers and directors and their departure could adversely affect our ability to operate.**

Our operations are dependent upon a relatively small group of individuals and, in particular, our executive officers and directors. We believe that our success depends on the continued service of our officers and directors, at least until we have completed our business combination. In addition, our executive officers and directors are not required to commit any specified amount of time to our affairs and, accordingly, will have conflicts of interest in allocating management time among various business activities, including identifying potential business combinations and monitoring the related due diligence. We do not have an employment agreement with, or key man insurance on the life of, any of our directors or executive officers. The unexpected loss of the services of one or more of our directors or executive officers could have a detrimental effect on us.

**Our ability to successfully effect our initial business combination and to be successful thereafter will be totally dependent upon the efforts of our key personnel, some of whom may join us following our initial business combination. The loss of key personnel could negatively impact the operations and profitability of our post-combination business.**

Our ability to successfully effect our business combination is dependent upon the efforts of our key personnel. The role of our key personnel in the target business, however, cannot presently be ascertained. Although some of our key personnel may remain with the target business in senior management or advisory positions following our business combination, it is likely that some or all of the management of the target business will remain in place. While we intend to closely scrutinize any individuals we engage after our business combination, we cannot assure you that our assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a company regulated by the SEC, which could cause us to have to expend time and resources helping them become familiar with such requirements.

**Our key personnel may negotiate employment or consulting agreements with a target business in connection with a particular business combination. These agreements may provide for them to receive compensation following our business combination and as a result, may cause them to have conflicts of interest in determining whether a particular business combination is the most advantageous.**

Our key personnel may be able to remain with the Company after the completion of our business combination only if they are able to negotiate employment or consulting agreements in connection with the business combination. Such negotiations would take place simultaneously with the negotiation of the business combination and could provide for such individuals to receive compensation in the form of cash payments and/or our securities for services they would render to us after the completion of the business combination. The personal and financial interests of such individuals may influence their motivation in identifying and selecting a target business. However, we believe the ability of such individuals to remain with us after the completion of our business combination will not be the determining factor in our decision as to whether or not we will proceed with any potential business combination. There is no certainty, however, that any of our key personnel will remain with us after the completion of our business combination. We cannot assure you that any of our key personnel will remain in senior management or advisory positions with us. The determination as to whether any of our key personnel will remain with us will be made at the time of our business combination.

**We may have a limited ability to assess the management of a prospective target business and, as a result, may effect our business combination with a target business whose management may not have the skills, qualifications or abilities to manage a public company.**

When evaluating the desirability of effecting our business combination with a prospective target business, our ability to assess the target business's management may be limited due to a lack of time, resources or information. Our assessment of the capabilities of the target's management, therefore, may prove to be incorrect and such management may lack the skills, qualifications or abilities we suspected. Should the target's management not possess the skills, qualifications or abilities necessary to manage a public company, the operations and profitability of the post-combination business may be negatively impacted. Accordingly, any shareholders who choose to remain shareholders following the business combination could suffer a reduction in the value of their shares. Such shareholders are unlikely

to have a remedy for such reduction in value unless they are able to successfully claim that the reduction was due to the breach by our officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to successfully bring a private claim under securities laws that the proxy solicitation or tender offer materials, as applicable, relating to the business combination contained an actionable material misstatement or material omission.

The officers and directors of an acquisition candidate may resign upon completion of our initial business combination. The departure of a business combination target's key personnel could negatively impact the operations and profitability of our post-combination business. The role of an acquisition candidate's key personnel upon the completion of our initial business combination cannot be ascertained at this time. Although we contemplate that certain members of an acquisition candidate's management team will remain associated with the acquisition candidate following our initial business combination, it is possible that members of the management of an acquisition candidate will not wish to remain in place.

**Our executive officers and directors will allocate their time to other businesses thereby causing conflicts of interest in their determination as to how much time to devote to our affairs. This conflict of interest could have a negative impact on our ability to complete our initial business combination.**

Our executive officers and directors are not required to, and will not, commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and our search for a business combination and their other businesses. We do not intend to have any full-time employees prior to the completion of our business combination. Each of our executive officers is engaged in several other business endeavors for which he may be entitled to substantial compensation and our executive officers are not obligated to contribute any specific number of hours per week to our affairs. Our independent directors also serve as officers and board members for other entities. If our executive officers' and directors' other business affairs require them to devote substantial amounts of time to such affairs in excess of their current commitment levels, it could limit their ability to devote time to our affairs which may have a negative impact on our ability to complete our business combination.

**Certain of our executive officers and directors are now, and all of them may in the future become, affiliated with entities engaged in business activities similar to those intended to be conducted by us and, accordingly, may have conflicts of interest in determining to which entity a particular business opportunity should be presented.**

Until we consummate our business combination, we intend to engage in the business of identifying and combining with one or more businesses. Our Sponsor and executive officers and directors are, or may in the future become, affiliated with entities that are engaged in a similar business.

Our officers and directors also may become aware of business opportunities which may be appropriate for presentation to us and the other entities to which they owe certain fiduciary or contractual duties. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in our favor and a potential target business may be presented to another entity prior to its presentation to us, subject to their fiduciary duties under Cayman Islands law.

For a complete discussion of our executive officers' and directors' business affiliations and the potential conflicts of interest that you should be aware of, please see "Item 10. Directors, Executive Officers and Corporate Governance," and "Item 13. Certain Relationships and Related Transactions, and Director Independence."

**Our executive officers, directors, security holders and their respective affiliates may have competitive pecuniary interests that conflict with our interests.**

We have not adopted a policy that expressly prohibits our directors, executive officers, security holders or affiliates from having a direct or indirect pecuniary or financial interest in any investment to be acquired or disposed of by us or in any transaction to which we are a party or have an interest. In fact, we may enter into a business combination with a target business that is affiliated with the Sponsor, our directors or executive officers, although we do not intend to do so. Nor do we have a policy that expressly prohibits any such persons from engaging for their own account in business activities of the types conducted by us. Accordingly, such persons or entities may have a conflict

between their interests and ours.

The personal and financial interests of our directors and officers may influence their motivation in timely identifying and selecting a target business and completing a business combination. Consequently, our directors' and officers' discretion in identifying and selecting a suitable target business may result in a conflict of interest when determining whether the terms, conditions and timing of a particular business combination are appropriate and in our shareholders' best interest. If this were the case, it would be a breach of their fiduciary duties to us as a matter of Cayman Islands law and we or our shareholders might have a claim against such individuals for infringing on our shareholders' rights. However, we might not ultimately be successful in any claim we may make against them for such reason.

**We may engage in a business combination with one or more target businesses that have relationships with entities that may be affiliated with our Sponsor, executive officers, directors or existing holders which may raise potential conflicts of interest.**

In light of the involvement of the Sponsor, executive officers and directors with other entities, we may decide to acquire one or more businesses affiliated with our Sponsor, executive officers and directors. Our directors also serve as officers and board members for other entities. Such entities may compete with us for business combination opportunities. Our Sponsor, officers and directors are not currently aware of any specific opportunities for us to complete our business combination with any entities with which they are affiliated, and there have been no preliminary discussions concerning a business combination with any such entity or entities. Although we will not be specifically focusing on, or targeting, any transaction with any affiliated entities, we would pursue such a transaction if we determined that such affiliated entity met our criteria for a business combination and such transaction was approved by a majority of our disinterested directors. Despite our agreement to obtain an opinion from an independent investment banking firm that is a member of FINRA, or from an independent accounting firm, regarding the fairness to our Company from a financial point of view of a business combination with one or more domestic or international businesses affiliated with our executive officers, directors or existing holders, potential conflicts of interest still may exist and, as a result, the terms of the business combination may not be as advantageous to our public shareholders as they would be absent any conflicts of interest.

**Since our Sponsor, executive officers and directors will lose their entire investment in us if our initial business combination is not completed (other than with respect to public shares they may), a conflict of interest may arise in determining whether a particular business combination target is appropriate for our initial business combination.**

Our Sponsor and the anchor investors (including two affiliates of our Sponsor) currently own 11,250,000 and 3,750,000 Class B ordinary shares, respectively. The founder shares will be worthless if we do not complete an initial business combination. In addition, our Sponsor has purchased an aggregate of 15,800,000 private placement warrants, each exercisable to purchase one Class A ordinary share at $11.50 per share, at a price of $1.00 per warrant, or $15,800,000 in the aggregate, in a private placement that occurred prior to the initial public offering.

If we do not complete our initial business combination by May 25, 2018, the private placement warrants will expire worthless. The personal and financial interests of our executive officers and directors may influence their motivation in identifying and selecting a target business combination, completing an initial business combination and influencing the operation of the business following the initial business combination. This risk may become more acute as the 24-month anniversary of the initial public offering, which is the deadline for our completion of an initial business combination.

**Since our Sponsor, executive officers and directors will not be eligible to be reimbursed for their out-of-pocket expenses if our business combination is not completed, a conflict of interest may arise in determining whether a particular business combination target is appropriate for our business combination.**

At the closing of our business combination, our Sponsor, executive officers and directors, or any of their respective affiliates, will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. There is no cap or ceiling on the reimbursement of out-of-pocket expenses incurred in connection with activities on our behalf. These financial interests of our Sponsor, executive officers and directors may influence their motivation in identifying and selecting a target business and completing a business combination.

**We may issue notes or other debt securities, or otherwise incur substantial debt, to complete a business combination, which may adversely affect our leverage and financial condition and thus negatively impact the value of our shareholders' investment in us.**

Although we have no commitments as of the date of this Annual Report on Form 10-K to issue any notes or other debt securities, or to otherwise incur outstanding debt, we may choose to incur substantial debt to complete our business combination. We and our officers have agreed that we will not incur any indebtedness unless we have obtained from the lender a waiver of any right, title, interest or claim of any kind in or to the monies held in the Trust Account. As such, no issuance of debt will affect the per-share amount available for redemption from the Trust Account. Nevertheless, the incurrence of debt could have a variety of negative effects, including:

- default and foreclosure on our assets if our operating revenues after an initial business combination are insufficient to repay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand;
- our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding;
- our inability to pay dividends on our Class A ordinary shares;
- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our Class A ordinary shares if declared, expenses, capital expenditures, acquisitions and other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation; and
- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of our strategy and other purposes and other disadvantages compared to our competitors who have less debt.

**We may only be able to complete one business combination with the proceeds of our initial public offering, the Private Placement and proceeds from the sale of forward purchase shares, which will cause us to be solely dependent on a single business which may have a limited number of products or services. This lack of diversification may negatively impact our operations and profitability.**

The net proceeds from the initial public offering and the Private Placement provided us with $690,000,000 million that we may use to complete our business combination (excluding $24,150,000 of deferred underwriting commissions being held in the Trust Account). We also expect to receive $510,000,000 of additional funds from the sale of forward purchase shares in connection with our business combination.

We may effectuate our business combination with a single target business, or multiple target businesses simultaneously or within a short period of time. However, we may not be able to effectuate our business combination with more than one target business because of various factors, including the existence of complex accounting issues and the requirement that we prepare and file pro forma financial statements with the SEC that present operating results and the financial condition of several target businesses as if they had been operated on a combined basis. By completing our initial business combination with only a single entity, our lack of diversification may subject us to numerous economic, competitive and regulatory risks. Further, we would not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry. Accordingly, the prospects for our success may be:

- solely dependent upon the performance of a single business, property or asset, or
- dependent upon the development or market acceptance of a single or limited number of products, processes or services.

This lack of diversification may subject us to numerous economic, competitive and regulatory risks, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to our business combination.

**We may attempt to simultaneously complete business combinations with multiple prospective targets, which may hinder our ability to complete our business combination and give rise to increased costs and risks that could negatively impact our operations and profitability.**

If we determine to simultaneously acquire several businesses that are owned by different sellers, we will need for each of such sellers to agree that our purchase of its business is contingent on the simultaneous closings of the other business combinations, which may make it more difficult for us, and delay our ability, to complete our initial business combination. With multiple business combinations, we could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business. If we are unable to adequately address these risks, it could negatively impact our profitability and results of operations.

**We may attempt to complete our initial business combination with a private company about which little information is available, which may result in a business combination with a company that is not as profitable as we suspected, if at all.**

In pursuing our acquisition strategy, we may seek to effectuate our initial business combination with a privately held company. By definition, very little public information exists about private companies, and we could be required to make our decision on whether to pursue a potential initial business combination on the basis of limited information, which may result in a business combination with a company that is not as profitable as we suspected, if at all.

**Our management may not be able to maintain control of a target business after our initial business combination. We cannot provide assurance that, upon loss of control of a target business, new management will possess the skills, qualifications or abilities necessary to profitably operate such business.**

We may structure a business combination so that the post-transaction company in which our public shareholders own shares will own less than 100% of the equity interests or assets of a target business, but we will only complete such business combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for us not to be required to register as an investment company under the Investment Company Act. We will not consider any transaction that does not meet such criteria. Even if the post-transaction company owns 50% or more of the voting securities of the target, our shareholders prior to the business combination may collectively own a minority interest in the post business combination company, depending on valuations ascribed to the target and us in the business combination transaction. For example, we could pursue a transaction in which we issue a substantial number of new Class A ordinary shares in exchange for all of the outstanding capital stock of a target. In this case, we would acquire a 100% interest in the target. However, as a result of the issuance of a substantial number of new Class A ordinary shares, our shareholders immediately prior to such transaction could own less than a majority of our outstanding ordinary shares subsequent to such transaction. In addition, other minority shareholders may subsequently combine their holdings resulting in a single person or group obtaining a larger share of the company's shares than we initially acquired. Accordingly, this may make it more likely that our management will not be able to maintain our control of the target business.

**We do not have a specified maximum redemption threshold. The absence of such a redemption threshold may make it possible for us to complete a business combination with which a substantial majority of our shareholders do not agree.**

Our amended and restated memorandum and articles of association does not provide a specified maximum redemption threshold, except that in no event will we redeem our public shares in an amount that would cause our net tangible assets to be less than $5,000,001 (such that we are not subject to the SEC's "penny stock" rules). As a result, we may be able to complete our business combination even though a substantial majority of our public shareholders do not agree with the transaction and have redeemed their shares or, if we seek shareholder approval of our initial business combination and do not conduct redemptions in connection with our business combination pursuant to the tender offer rules, have entered into privately negotiated agreements to sell their shares to our Sponsor, officers, directors, advisors or their affiliates. In the event the aggregate cash consideration we would be required to pay for all Class A ordinary shares that are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to the terms of the proposed business combination exceed the aggregate amount of cash available to us, we will not complete the business combination or redeem any shares, all Class A ordinary shares submitted for redemption will be returned to the holders thereof, and we instead may search for an alternate business combination.

**In order to effectuate an initial business combination, blank check companies have, in the recent past, amended various provisions of their charters and modified governing instruments, including warrant agreements. We cannot assure you that we will not seek to amend our amended and restated memorandum and articles of association or governing instruments in a manner that will make it easier for us to complete our initial business combination that our shareholders may not support.**

In order to effectuate a business combination, blank check companies have, in the recent past, amended various provisions of their charters and governing instruments, including their warrant agreements. For example, blank check companies have amended the definition of business combination, increased redemption thresholds, changed industry focus and, with respect to their warrants, amended their warrant agreements to require the warrants to be exchanged for cash and/or other securities. Amending our amended and restated memorandum and articles of association will require at least a special resolution of our shareholders as a matter of Cayman Islands law, meaning holders of not less than two-thirds of our ordinary shares who attend and vote at a general meeting of the Company, and amending our warrant agreement will require a vote of holders of at least 65% of the public warrants. We cannot assure you that we will not seek to amend our amended and restated memorandum and articles of association or other governing instruments in order to effectuate our initial business combination. In addition, our amended and restated memorandum and articles of association requires us to provide our public shareholders with the opportunity to redeem their public shares for cash if we propose an amendment to our amended and restated memorandum and articles of association that would affect the substance or timing of our obligation to redeem 100% of our public shares if we do not complete an initial business combination within 24 months of the closing of our initial public offering. To the extent any of such amendments would be deemed to fundamentally change the nature of any of the securities offered through this registration statement, we would register, or seek an exemption from registration for, the affected securities.

**The provisions of our amended and restated memorandum and articles of association that relate to our pre-business combination activity (and corresponding provisions of the agreement governing the release of funds from our Trust Account) may be amended with the approval of holders of not less than two-thirds of our ordinary shares who attend and vote at a general meeting of the Company, which is a lower amendment threshold than that of some other blank check companies. It may be easier for us, therefore, to amend our amended and restated memorandum and articles of association to facilitate the completion of an initial business combination that some of our shareholders may not support.**

Some other blank check companies have a provision in their charter which prohibits the amendment of certain of its provisions, including those which relate to a company's pre-business combination activity, without approval by a certain percentage of the company's shareholders. In those companies, amendment of these provisions requires approval by between 90% and 100% of the company's public shareholders. Our amended and restated memorandum and articles of association provide that any of its provisions related to pre-business combination activity (including the requirement to deposit proceeds of the initial public offering and the private placement of warrants into the Trust Account and not release such amounts except in specified circumstances, and to provide redemption rights to public shareholders as described herein) may be amended if approved by special resolution, meaning holders of not less than two-thirds of our ordinary shares who attend and vote at a general meeting of the Company, and corresponding provisions of the trust agreement governing the release of funds from our Trust Account may be amended if approved by holders of 65% of our ordinary shares. Our initial shareholders, who will collectively beneficially own, on an as-converted basis, 20% of our Class A ordinary shares upon the closing of the initial public offering (assuming they do not purchase any additional Class A ordinary shares), will participate in any vote to amend our amended and restated memorandum and articles of association and/or trust agreement and will have the discretion to vote in any manner they choose. As a result, we may be able to amend the provisions of our amended and restated memorandum and articles of association which govern our pre-business combination behavior more easily than some other blank check companies, and this may increase our ability to complete a business combination with which you do not agree. Our shareholders may pursue remedies against us for any breach of our amended and restated memorandum and articles of association.

Our Sponsor, our executive officers and directors have agreed, pursuant to a written agreement with us, that they will not propose any amendment to our amended and restated memorandum and articles of association that would affect the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination by May 25, 2018, unless we provide our public shareholders with the opportunity to redeem their Class A ordinary shares upon approval of any such amendment at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest, less income taxes payable, divided by the number of then outstanding public shares. These agreements are contained in letter agreements that we have entered into with the Sponsor, our executive officers and directors. Our shareholders are not parties to, or third-party beneficiaries of, these agreements and, as a result, will not have the ability to pursue remedies against the Sponsor, our executive officers or directors for any breach of these agreements. As a result, in the event of a breach, our shareholders would need to pursue a shareholder derivative action, subject to applicable law.

**We may be unable to obtain additional financing to complete our initial business combination or to fund the operations and growth of a target business, which could compel us to restructure or abandon a particular business combination. If we are unable to complete our initial business combination, our public shareholders may only receive their pro rata portion of the funds in the Trust Account that are available for distribution to public shareholders, and our warrants will expire worthless.**

Although we believe that the net proceeds of the initial public offering, Private Placement and the sale of forward purchase shares will be sufficient to allow us to complete our initial business combination, because we have not yet selected any prospective target business we cannot ascertain the capital requirements for any particular transaction. If the net proceeds of the initial public offering, the Private Placement and the sale of forward purchase shares prove to be insufficient, either because of the size of our initial business combination, the depletion of the available net proceeds in search of a target business, the obligation to repurchase for cash a significant number of shares from shareholders who elect redemption in connection with our initial business combination or the terms of negotiated transactions to purchase shares in connection with our initial business combination, we may be required to seek additional financing or to abandon the proposed business combination. We cannot assure you that such financing will be available on acceptable terms, if at all. The current economic environment has made it especially difficult for companies to obtain acquisition financing. To the extent that additional financing proves to be unavailable when needed to complete our initial business combination, we would be compelled to either restructure the transaction or abandon that particular business combination and seek an alternative target business candidate. If we are unable to complete our business combination, our public shareholders may only receive their pro rata portion of the funds in the Trust Account that are available for distribution to public shareholders, and our warrants will expire worthless. In addition, even if we do not need additional financing to complete our business combination, we may require such financing to fund the operations or growth of the target business. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the target business. None of our officers, directors or shareholders is required to provide any financing to us in connection with or after our business combination.

**Our initial shareholders control a substantial interest in us and thus may exert a substantial influence on actions requiring a shareholder vote, potentially in a manner that you do not support.**

Our initial shareholders own, on an as-converted basis, 20% of our issued and outstanding ordinary shares. Accordingly, they may exert a substantial influence on actions requiring a shareholder vote, potentially in a manner that you do not support, including amendments to our amended and restated memorandum and articles of association. If our initial shareholders purchase any additional Class A ordinary shares, this would increase their control. Neither our initial shareholders nor, to our knowledge, any of our officers or directors, have any current intention to purchase additional securities. Factors that would be considered in making such additional purchases would include consideration of the current trading price of our Class A ordinary shares. In addition, our board of directors, whose members were elected by the Sponsor, is and will be divided into three classes, each of which will generally serve for a terms for three years with only one class of directors being elected in each year. We may not hold an annual meeting of shareholders to elect new directors prior to the completion of our business combination, in which case all of the current directors will continue in office until at least the completion of the business combination. If there is an annual meeting prior to a business combination, only the holders of Class B ordinary shares will be able to vote for the election of directors. Accordingly, our initial shareholders will continue to exert control at least until the completion of our business combination.

**We may amend the terms of the warrants in a manner that may be adverse to holders of public warrants with the approval by the holders of at least 65% of the then outstanding public warrants. As a result, the exercise price of your warrants could be increased, the exercise period could be shortened and the number of shares of our Class A ordinary shares purchasable upon exercise of a warrant could be decreased, all without your approval.**

Our warrants will be issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 65% of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 65% of the then outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 65% of the then outstanding public warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, convert the warrants into cash, shorten the exercise period or decrease the number of Class A ordinary shares purchasable upon exercise of a warrant.

**We may redeem your unexpired warrants prior to their exercise at a time that is disadvantageous to you, thereby making your warrants worthless.**

We have the ability to redeem outstanding warrants at any time after they become exercisable and prior to their expiration, at a price of $0.01 per warrant, provided that the closing price of our Class A ordinary shares equals or exceeds $18.00 per share (as adjusted for share splits, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to proper notice of such redemption provided that on the date we give notice of redemption. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force you (i) to exercise your warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (ii) to sell your warrants at the then-current market price when you might otherwise wish to hold your warrants or (iii) to accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of your warrants. None of the private placement warrants will be redeemable by us so long as they are held by the Sponsor or its permitted transferees.

**Our warrants may have an adverse effect on the market price of our Class A ordinary shares and make it more difficult to effectuate our business combination.**

We issued warrants to purchase 34,500,000 of our Class A ordinary shares as part of the units sold in the initial public offering and, simultaneously with the closing of the initial public offering, we issued in the Private Placement an aggregate of 15,800,000 private placement warrants, each exercisable to purchase one Class A ordinary share at $11.50 per share. We also agreed to issue 19,083,333 forward purchase warrants concurrently with the closing of the sale of the forward purchase shares. In addition, if the Sponsor makes any working capital loans, it may convert those loans into up to an additional 1,500,000 private placement warrants, at the price of $1.00 per warrant. To the extent we issue ordinary shares to effectuate a business combination, the potential for the issuance of a substantial number of additional Class A ordinary shares upon exercise of these warrants could make us a less attractive

acquisition vehicle to a target business. Such warrants, when exercised, will increase the number of issued and outstanding Class A ordinary shares and reduce the value of the Class A ordinary shares issued to complete the business combination. Therefore, our warrants may make it more difficult to effectuate a business combination or increase the cost of acquiring the target business.

**Because each unit contains one-half of one warrant and only a whole warrant may be exercised, the units may be worth less than units of other blank check companies**

Each unit contains one-half of one warrant. Pursuant to the warrant agreement, no fractional warrants will be issued upon separation of the units, and only whole units will trade. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number the number of Class A ordinary shares to be issued to the warrant holder. This is different from other offerings similar to ours whose units include one ordinary share and one warrant to purchase one whole share. We have established the components of the units in this way in order to reduce the dilutive effect of the warrants upon completion of a business combination since the warrants will be exercisable in the aggregate for half of the number of shares compared to units that each contain a whole warrant to purchase one share, thus making us, we believe, a more attractive merger partner for target businesses. Nevertheless, this unit structure may cause our units to be worth less than if it included a warrant to purchase one whole share.

**Because we must furnish our shareholders with target business financial statements, we may lose the ability to complete an otherwise advantageous initial business combination with some prospective target businesses.**

The federal proxy rules require that a proxy statement with respect to a vote on a business combination meeting certain financial significance tests include historical and/or pro forma financial statement disclosure in periodic reports. We will include the same financial statement disclosure in connection with our tender offer documents, whether or not they are required under the tender offer rules. These financial statements may be required to be prepared in accordance with, or be reconciled to, accounting principles generally accepted in the United States of America, or GAAP, or international financial reporting standards, or IFRS, depending on the circumstances and the historical financial statements may be required to be audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), or PCAOB. These financial statement requirements may limit the pool of potential target businesses we may acquire because some targets may be unable to provide such statements in time for us to disclose such statements in accordance with federal proxy rules and complete our initial business combination within the prescribed time frame.

**We are an emerging growth company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.**

We are an "emerging growth company" within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. As a result, our shareholders may not have access to certain information they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our Class A ordinary shares held by non-affiliates exceeds $700 million as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to

comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used.

**Compliance obligations under the Sarbanes-Oxley Act may make it more difficult for us to effectuate our business combination, require substantial financial and management resources, and increase the time and costs of completing an acquisition.**

Section 404 of the Sarbanes-Oxley Act requires that we evaluate and report on our system of internal controls beginning with our Annual Report on Form 10-K for the year ending December 31, 2017. Only in the event we are deemed to be a large accelerated filer or an accelerated filer will we be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. Further, for as long as we remain an emerging growth company, we will not be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. The fact that we are a blank check company makes compliance with the requirements of the Sarbanes-Oxley Act particularly burdensome on us as compared to other public companies because a target business with which we seek to complete our business combination may not be in compliance with the provisions of the Sarbanes-Oxley Act regarding adequacy of its internal controls. The development of the internal control of any such entity to achieve compliance with the Sarbanes-Oxley Act may increase the time and costs necessary to complete any such acquisition.

**Because we are incorporated under the laws of the Cayman Islands, you may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. Federal courts may be limited.**

We are an exempted company incorporated under the laws of the Cayman Islands. As a result, it may be difficult for shareholders to effect service of process within the United States upon our directors or executive officers, or enforce judgments obtained in the United States courts against our directors or officers.

Our corporate affairs will be governed by our amended and restated memorandum and articles of association, the Companies Law (as may be supplemented or amended from time to time) and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, the decisions of whose courts are of persuasive authority, but are not binding on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are different from what they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a different body of securities laws as compared to the United States, and certain states, such as Delaware, may have more fully developed and judicially interpreted bodies of corporate law. In addition, Cayman Islands companies may not have standing to initiate a shareholders derivative action in a Federal court of the United States.

We have been advised by our Cayman Islands legal counsel that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the federal securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court

imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

As a result of all of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a United States company.

**Provisions in our amended and restated memorandum and articles of association may inhibit a takeover of us, which could limit the price investors might be willing to pay in the future for our Class A ordinary shares and could entrench management.**

Our amended and restated memorandum and articles of association contain provisions that may discourage unsolicited takeover proposals that shareholders may consider to be in their best interests. These provisions include a staggered board of directors and the ability of the board of directors to designate the terms of and issue new series of preferred shares, which may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

**Risks Associated with Acquiring and Operating a Business in Foreign Countries**

**After our business combination, it is possible that a majority of our directors and officers will live outside the United States and all of our assets will be located outside the United States; therefore shareholders may not be able to enforce federal securities laws or their other legal rights.**

It is possible that after our business combination, a majority of our directors and officers will reside outside of the United States and all of our assets will be located outside of the United States. As a result, it may be difficult, or in some cases not possible, for shareholders in the United States to enforce their legal rights, to effect service of process upon all of our directors or officers or to enforce judgments of United States courts predicated upon civil liabilities and criminal penalties on our directors and officers under United States laws.

**If we effect our business combination with a company with operations or opportunities outside of the United States, we would be subject to a variety of additional risks that may negatively impact our operations.**

If we effect our business combination with a company with operations or opportunities outside of the United States, we would be subject to any special considerations or risks associated with companies operating in an international setting, including any of the following:

- costs and difficulties inherent in managing cross-border business operations;
- rules and regulations regarding currency redemption;
- complex corporate withholding taxes on individuals;
- laws governing the manner in which future business combinations may be effected;
- tariffs and trade barriers;
- regulations related to customs and import/export matters;
- longer payment cycles;

- tax issues, such as tax law changes and variations in tax laws as compared to the United States;
- currency fluctuations and exchange controls;

- rates of inflation;
- challenges in collecting accounts receivable;
- cultural and language differences;
- employment regulations;
- crime, strikes, riots, civil disturbances, terrorist attacks and wars; and
- deterioration of political relations with the United States.

We may not be able to adequately address these additional risks. If we were unable to do so, our operations might suffer, which may adversely impact our results of operations and financial condition.

**If our management following our initial business combination is unfamiliar with United States securities laws, they may have to expend time and resources becoming familiar with such laws, which could lead to various regulatory issues.**

Following our initial business combination, any or all of our management could from their positions as officers of the Company, and the management of the target business at the time of the business combination would remain in place. Management of the target business may not be familiar with United States securities laws. If new management is unfamiliar with United States securities laws, they may have to expend time and resources becoming familiar with such laws. This could be expensive and time-consuming and could lead to various regulatory issues which may adversely affect our operations.

**After our initial business combination, substantially all of our assets may be located in a foreign country and substantially all of our revenue would be derived from our operations in such country. Accordingly, our results of operations and prospects would be subject, to a significant extent, to the economic, political and legal policies, developments and conditions in the country in which we operate.**

The economic, political and social conditions, as well as government policies, of the country in which our operations are located could affect our business. Economic growth could be uneven, both geographically and among various sectors of the economy and such growth may not be sustained in the future. If in the future such country's economy experiences a downturn or grows at a slower rate than expected, there may be less demand for spending in certain industries. A decrease in demand for spending in certain industries could materially and adversely affect our ability to find an attractive target business with which to consummate our initial business combination and if we effect our initial business combination, the ability of that target business to become profitable.

**Exchange rate fluctuations and currency policies may cause a target business' ability to succeed in the international markets to be diminished.**

In the event we acquire a non-U.S. target, all revenues and income would likely be received in a foreign currency, and the dollar equivalent of our net assets and distributions, if any, could be adversely affected by reductions in the value of the local currency. The value of the currencies in our target regions fluctuate and are affected by, among other things, changes in political and economic conditions. Any change in the relative value of such currency against our reporting currency may affect the attractiveness of any target business or, following consummation of our initial business combination, our financial condition and results of operations. Additionally, if a currency appreciates in value against the dollar prior to the consummation of our initial business combination, the cost of a target business as measured in dollars will increase, which may make it less likely that we are able to consummate such transaction.

**We may reincorporate in another jurisdiction in connection with our initial business combination, and the laws of such jurisdiction may govern some or all of our future material agreements and we may not be able to enforce our legal rights.**

In connection with our initial business combination, we may relocate the home jurisdiction of our business from the Cayman Islands to another jurisdiction. If we determine to do this, the laws of such jurisdiction may govern some or all of our future material agreements. The system of laws and the enforcement of existing laws in such jurisdiction may not be as certain in implementation and interpretation as in the United States. The inability to enforce or obtain a remedy under any of our future agreements could result in a significant loss of business, business opportunities or capital.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. Properties.**

We currently maintain our corporate offices at 1701 Village Center Circle, Las Vegas, Nevada 89134. The cost for this space is included in the $10,000 per month fee that we pay an affiliate of our Sponsor for office space, secretarial and administrative services. We consider our current office space, combined with the other office space otherwise available to our executive officers, adequate for our current operations.

**Item 3. Legal Proceedings.**

We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us or any of our officers or directors in their corporate capacity.

**Item 4. Mine Safety Disclosures.**

None.

**PART II**

**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

**Market Information**

Our units, Class A ordinary shares and warrants are traded on the NASDAQ Capital Market under the symbols "CFCOU", "CFCO" and "CFCOW", respectively. The following table sets forth the high and low sales prices for our units, Class A ordinary shares and warrants for the periods indicated since our units began public trading on May 20, 2016 and our Class A ordinary shares and warrants began public trading on July 8, 2016.

| | units (CFCOU) | | Class A ordinary shares (CFCO) | | Warrants (CFCOW) | |
|---|---|---|---|---|---|---|
| | High | Low | High | Low | High | Low |
| Year ended December 31, 2016: | | | | | | |
| Quarter ended June 30, 2016(1) | $ 10.10 | $ 9.76 | N/A | N/A | N/A | N/A |
| Quarter ended September 30, 2016(2) | $ 12.05 | $ 9.15 | $ 10.02 | $ 9.50 | $ 1.17 | $ 0.53 |
| Quarter ended December 31, 2016 | $ 10.97 | $ 10.13 | $ 9.98 | $ 9.78 | $ 1.19 | $ 0.81 |

(1) Beginning on May 20, 2016 with respect to CFCOU.
(2) Beginning on July 8, 2016 with respect to CFCO and CFCOW.

**Holders**

At March 9, 2017, there was one holder of record of our units, one holder of record of our separately traded ordinary shares and three holders of record of our separately traded warrants.

**Dividends**

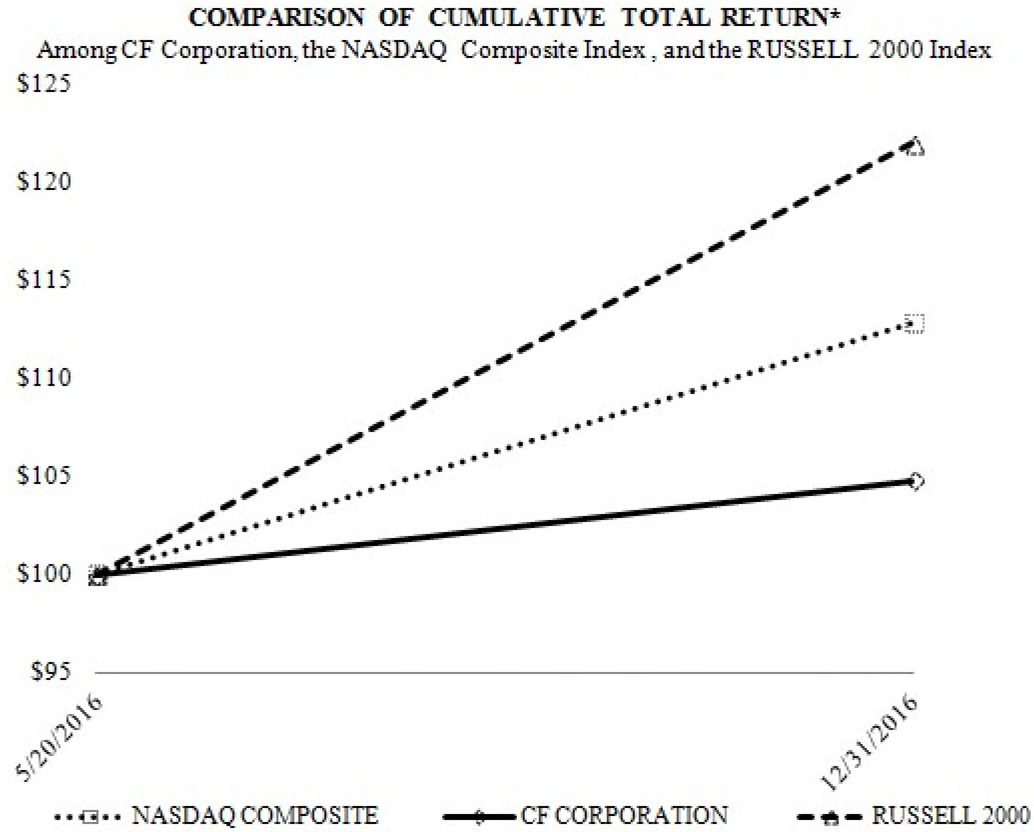
We have not paid any cash dividends on our ordinary shares to date and do not intend to pay cash dividends prior to the completion of our business combination. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of our business combination. The payment of any cash dividends subsequent to our business combination will be within the discretion of our board of directors. In addition, our board of directors is not currently contemplating and does not anticipate declaring stock dividends in the foreseeable future. Further, if we incur any indebtedness in connection with our business combination, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith.

**Securities Authorized for Issuance Under Equity Compensation Plans**

None.

**Performance Graph**

The graph below compares the cumulative total return for our units from May 20, 2016 (the first day on which our units began trading) through December 31, 2016 with the comparable cumulative return of three indices: the NASDAQ Composite Index and the Russell 2000 Index. The graph assumes $100 invested on May 20, 2016 in each of our units and the three indices presented.




* $100 invested on May 20, 2016 in stock or index, including reinvestment of dividends.

| | 5/20/2016 | 12/31/2016 |
|---|---|---|
| CF Corporation | 100.00 | 104.80 |
| NASDAQ Composite | 100.00 | 112.86 |
| RUSSELL 2000 | 100.00 | 122.01 |

**Recent Sales of Unregistered Securities; Use of Proceeds from Registered Offerings**

On March 2, 2016, we issued an aggregate of 15,000,000 founder shares to our Sponsor in exchange for a capital contribution of $25,000, or approximately $0.002 per share. On April 19, 2016, our Sponsor surrendered 3,750,000 founder shares to the Company for no consideration. On April 19, 2016, the Company issued 3,750,000 founder shares to the anchor investors in connection with the forward purchase agreements. Our Sponsor and the anchor investors (including two affiliates of our Sponsor) currently own 11,250,000 and 3,750,000 Class B ordinary shares, respectively. In addition, our Sponsor purchased an aggregate of 15,800,000 private placement warrants, each exercisable to purchase one ordinary share at $11.50 per share, at a price of $1.00 per warrant, in a private placement that closed simultaneously with the closing of our initial public offering. Each private placement warrant entitles the holder to purchase one ordinary share at $11.50 per share. The sales of the above securities by the Company were deemed to be exempt from registration under the Securities Act, in reliance on Section 4(a)(2) of the Securities Act as transactions by an issuer not involving a public offering.

On May 25, 2016, the Company consummated the initial public offering of 60,000,000 units, with each unit consisting of one Class A ordinary share of the Company, par value $0.0001 per share, and one-half of one warrant to purchase one Class A Ordinary Share. Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith and Credit Suisse Securities (USA) LLC acted as joint book-runners for the offering. The units were sold at a price of $10.00 per unit, generating gross proceeds to the Company of $600,000,000. On June 29, 2017, the underwriters exercised in full option to purchase an additional 9,000,000 units to cover overallotments, generating gross proceeds of $90.0 million. Following the closing of the initial public offering and the over-allotment option, an aggregate of $690 million was placed in the Trust Account.

The Company incurred approximately $39.5 million of offering costs in connection with the initial public offering, inclusive of $24.15 million of deferred underwriting commissions payable to the underwriters from the amounts held in the Trust Account solely in the event the Company completes a Business Combination. There has been no material change in the planned use of proceeds from the initial public offering as described in our final prospectus dated May 19, 2016 which was filed with the SEC.

**Item 6. Selected Financial Data.**

The following table sets forth selected historical financial information derived from our audited financial statements included elsewhere in this report for the period from February 26, 2016 (inception) through December 31, 2016. You should read the following selected financial data in conjunction with “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the financial statements and the related notes appearing elsewhere in this report.

| | | For the Period from February 26, 2016 (Inception) to December 31, 2016 |
|---|---|---|
| **Statement of Operations Data:** | | |
| General and administrative costs | $ | 1,167,249 |
| Loss from operations | | (1,167,249) |
| Interest income | | 887,027 |
| Net loss | $ | (280,222) |
| Weighted average shares outstanding, basic and diluted (1) | | 18,560,652 |
| Basic and diluted net loss per share | $ | (0.02) |
| **Balance Sheet Data (end of period):** | | |
| Total assets | $ | 691,999,565 |
| Total liabilities | | 46,333,132 |
| Class A ordinary shares subject to possible redemption | | 640,666,430 |
| Shareholders' Equity | | 5,000,003 |
| **Other Financial Data:** | | |
| Net cash used in operating activities | $ | (538,094) |
| Net cash used in investing activities | | (690,000,000) |
| Net cash provided by financing activities | | 691,554,251 |

(1) This number excludes an aggregate of up to 64,066,643 shares subject to possible redemption at December 31, 2016

**Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

*References to the “Company,” “our,” “us” or “we” refer to CF Corporation. The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.*

**Cautionary Note Regarding Forward-Looking Statements**

All statements other than statements of historical fact included in this Form 10-K including, without limitation, statements under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding our financial position, business strategy and the plans and objectives of management for future operations, are forward looking statements. When used in this Form 10-K, words such as “may,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “continue,” or the negative of such terms or other similar expressions, as they relate to us or our management, identify forward looking statements. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other Securities and Exchange Commission (“SEC”) filings. References to “we”, “us”, “our” or the “Company” are to CF Corporation, except where the context requires otherwise. Such forward looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to, our management. No assurance can be given that results in any forward-looking statement will be achieved and actual results could be affected by one or more factors, which could cause them to differ materially. The cautionary statements made in this Annual Report on Form 10-K should be read as being applicable to all forward-looking statements whenever they appear in this Annual Report. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act. Actual results could differ materially from those contemplated by the forward looking statements as a result of certain factors detailed in our filings with the Securities and Exchange Commission. All subsequent written or oral forward looking statements attributable to us or persons acting on our behalf are qualified in their entirety by this paragraph.

**Overview**

We are a blank check company incorporated on February 26, 2016 as a Cayman Islands exempted company and formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar Business Combination with one or more businesses. We intend to effectuate our initial Business Combination using cash from the proceeds of the initial public offering and the Private Placement of the private placement warrants, our shares, debt or a combination of cash, equity and debt.

In April 2016, we entered into forward purchase agreements pursuant to which Anchor Investors (as defined below) agreed to purchase an aggregate of 51,000,000 Class A ordinary shares, plus an aggregate of 19,083,333 redeemable warrants (one redeemable warrant for every three forward purchase shares purchased) for $10.00 per Class A ordinary share, or an aggregate purchase price of $510 million, in a private placement to occur concurrently with the closing of the Business Combination. In connection with the forward purchase agreements, we agreed to compensate the placement agents an aggregate amount of up to $20.675 million, including deferred placement agent fees of $20.4 million and reimbursement of legal fees of $275,000, payable upon the consummation of the Business Combination.

On May 25, 2016, we consummated the initial public offering of 60,000,000 units at $10.00 per unit generating gross proceeds of $600 million and incurring offering costs of approximately $34.5 million, inclusive of $33.0 million of underwriting commissions in connection with the initial public offering. We paid $12 million of underwriting commissions upon the closing of the initial public offering and deferred $21 million of underwriting commissions until the consummation of the Business Combination.

Simultaneously with the closing of the initial public offering, we consummated the Private Placement of 14,000,000 private placement warrants at a price of $1.00 per private placement warrant with our Sponsor, generating gross proceeds of $14 million.

On June 29, 2016, we consummated the sale of 9,000,000 additional units upon receiving notice of the underwriter's election to fully exercise its Over-allotment, generating an additional gross proceeds of $90 million and, in connection therewith, we incurred additional offering costs of $1.8 million in underwriting commissions. Simultaneously with the exercise of the Over-allotment, we consummated the Private Placement of an additional 1,800,000 private placement warrants to the Sponsor, generating gross proceeds of $1.8 million. Additional underwriting commissions of $3.15 million were deferred until the completion of our initial Business Combination.

Upon the closing of the initial public offering, the Over-allotment, and the Private Placement, $690.0 million ($10.00 per unit) from the net proceeds thereof was placed in the Trust Account, and was invested in a money market fund selected by the Company until the earlier of: (i) the completion of a Business Combination and (ii) our failure to consummate a Business Combination by May 25, 2018. In order to protect the amounts held in the Trust Account, the Sponsor has agreed to indemnify the Trust Account if and to the extent any claims by third parties, such as a vendor for services rendered or products sold to us, or a prospective target business with which we have entered into an acquisition agreement, reduce the amount of funds in the Trust Account below $10.00 per share. This liability will not apply with respect to any claims by a third party who executed a waiver of any right, title, interest or claim of any kind in or to any monies held in the Trust Account or to any claims under the Company's indemnity of the underwriter of the initial public offering against certain liabilities, including liabilities under the Securities Act. Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible

to the extent of any liability for such third party claims.

Our management has broad discretion with respect to the specific application of the net proceeds of the initial public offering, the Over-allotment, and the Private Placement, although substantially all of the net proceeds are intended to be applied toward consummating a Business Combination.

**Critical Accounting Policies**

*Ordinary Shares Subject to Possible Redemption*

We account for our ordinary shares subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "*Distinguishing Liabilities from Equity*." Ordinary shares subject to mandatory redemption (if any) are classified as a liability instrument and are measured at fair value. Conditionally redeemable ordinary shares (including ordinary shares that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. At all other times, ordinary shares are classified as shareholders' equity. Our ordinary shares feature certain redemption rights that are considered to be outside of our control and subject to occurrence of uncertain future events. Accordingly, ordinary shares subject to possible redemption at redemption value are presented as temporary equity, outside of the shareholders' equity section of our Balance Sheet.

Although we did not specify a maximum redemption threshold, our amended and restated memorandum and articles of association provide that in no event will we redeem our public shares in an amount that would cause our net tangible assets (shareholder' equity) to be less than $5,000,001. We recognize changes in redemption value immediately as they occur and will adjust the carrying value of the security to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable ordinary shares shall be affected by charges against additional paid-in capital. Accordingly, at December 31, 2016, 64,066,643 Class A ordinary shares were classified outside of permanent equity at their redemption value.

*Recent Accounting Pronouncements*

In August 2014, the Financial Accounting Standards Board ("FASB") issued the Accounting Standards Update ("ASU") 2014-15, "Disclosure of Uncertainties about an Entity's Ability to continue as a Going Concern" ("ASU 2014-15"). ASU 2014-15 provides guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. The amendments in ASU 2014-15 are effective for annual reporting periods ending after December 15, 2016, and for annual and interim periods thereafter. Early adoption is permitted. We have adopted the methodologies prescribed by ASU 2014-15 the adoption of ASU 2014-15 had no effect on its financial position or results of operations.

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

**Results of Operations**

We have not generated any revenues to date, and we will not be generating any operating revenues until the closing and completion of our initial Business Combination. Our entire activity from inception to December 31, 2016 relates to our formation, consummation of the initial public offering, the forward purchase agreements, and, since the closing of the initial public offering, the search for a Business Combination candidate. Going forward, we expect to incur increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses. We expect our expenses to increase substantially after this period.

For the period from February 26, 2016 (inception) to December 31, 2016, we had net losses of approximately $280,000, which consisted solely of operating expenses of approximately $1.2 million and offset by interest income from our Trust Account of approximately $887,000.

**Liquidity and Capital Resources**

As indicated in the accompanying financial statements, at December 31, 2016, we had approximately $1.0 million in our operating bank account, approximately $691.0 million in cash and cash equivalents held in the Trust Account, interest income of approximately $887,000 available from the Company's investments in the Trust Account to pay for our income tax obligations, and working capital of approximately $325,000. The working capital excludes approximately $996,000 in accrued legal and printer costs which have been deferred until the earlier of the consummation of a Business Combination or May 25, 2018.

Through December 31, 2016, our liquidity needs also have been satisfied through receipt of a $25,000 capital contribution from our Sponsor in exchange for the issuance of the founder shares to our Sponsor, $225,733 in loans from our Sponsor, and the proceeds not held in the Trust Account resulted from the consummation of the Private Placement.

In order to finance transaction costs in connection with a Business Combination, our Sponsor or an affiliate of the Sponsor, or certain of our officers and directors may, but are not obligated to, loan us the funds as may be required ("Working Capital Loans"). If we complete a Business Combination, we would repay the Working Capital Loans out of the proceeds of the Trust Account released to us. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, we may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans, other than the interest on such proceeds that may be released to pay our tax obligations. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to $1,500,000 of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of $1.00 per warrant. Such warrants would be identical to the private placement warrants.

Based on the foregoing, we believe that we will have sufficient working capital and borrowing capacity to meet our needs through the earlier of consummation of a Business Combination or May 25, 2018. Over this time period, we will be using these funds for paying existing accounts payable, identifying and evaluating prospective Business Combination candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business, and structuring, negotiating and consummating the Business Combination.

**Related Party Transactions**

*Founder Shares*

On March 2, 2016, we issued an aggregate of 15,000,000 founder shares to our Sponsor in exchange for a capital contribution of $25,000. On April 19, 2016, the Sponsor surrendered 3,750,000 founder shares to us for no consideration, which we cancelled. We then issued 3,750,000 founder shares to the anchor investors for an aggregate price of approximately $7,000 in connection with the forward purchase agreements. The Sponsor and the anchor investors currently own 11,250,000 and 3,750,000 founder shares, respectively. The founder shares will automatically convert into Class A ordinary shares in connection with the consummation of a Business Combination at a ratio such that the number of Class A ordinary shares issuable upon conversion of all founder shares will equal, in the aggregate, on an as-converted basis, 20% of the sum of (i) the total number of Class A ordinary shares outstanding upon completion of the initial public offering (including the Over-allotment), plus (ii) the sum of (a) the total number of Class A ordinary shares issued or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by us in connection with or in relation to the consummation of the initial Business Combination (including forward purchase shares, but not forward purchase warrants), excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, or to be issued, to any seller in the initial Business Combination and any private placement warrants issued to the Sponsor upon conversion of Working Capital Loans, minus (b) the number of public shares redeemed by public shareholders in connection with the initial Business Combination.

The Sponsor, Chinh E. Chu and William P. Foley, II have agreed not to transfer, assign or sell any of their founder shares until the earliest of (a) one year after the completion of the initial Business Combination with respect to 50% of their founder shares, (b) two years after the completion of the initial Business Combination with respect to the remaining 50% of their founder shares, and (c) the date on which we complete a liquidation, merger, share exchange or other similar transaction after an initial Business Combination that results in all of our shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property. Subject to certain exceptions, the anchor investors have agreed not to transfer, assign or sell any of their founder shares until the earlier to occur of: (i) one year after the completion of the initial Business Combination or (ii) the date on which we complete a liquidation, merger, share exchange or other similar transaction after the initial Business Combination that results in all of our shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property. Any permitted transferees will be subject to the same restrictions and other agreements of the initial shareholders or anchor investors, as applicable, with respect to any founder shares. Notwithstanding the foregoing, if the closing price of the Class A ordinary shares equals or exceeds $12.00 per share (as adjusted for share splits, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the initial Business Combination, the founder shares held by investors other than the Sponsor, Chinh E. Chu and William P. Foley, II will be released from the lock-up.

*Private Placement Warrants*

On May 25, 2016 and June 29, 2016, the Sponsor purchased from us an aggregate of 15,800,000 private placement warrants. Each private placement warrant entitles the holder to purchase one Class A ordinary share at $11.50 per share. The private placement warrants (including the Class A ordinary shares issuable upon exercise of the private placement warrants) will not be transferable, assignable or salable until 30 days after the completion of the initial Business Combination, and they will be non-redeemable so long as they are held by the initial purchasers of the private placement warrants or their permitted transferees. If the private placement warrants are held by someone other than the initial purchasers of the private placement warrants or their permitted transferees, the private placement warrants will be redeemable by us and exercisable by such holders on the same basis as the public warrants. Otherwise, the private placement warrants have terms and provisions that are identical to those of the public warrants and have no net cash settlement provisions.

If we do not complete a Business Combination, then the proceeds of the sale of the private placement warrants will be part of the liquidating distribution to the public shareholders and the private placement warrants will expire worthless.

*Forward Purchase Agreements*

On April 19, 2016, we entered into forward purchase agreements pursuant to which certain investors (“Anchor Investors”) (including two affiliates of the Sponsor) agreed to purchase an aggregate of 51,000,000 Class A ordinary shares plus an aggregate of 19,083,333 redeemable warrants (one redeemable warrant for every three forward purchase shares purchased) at $10.00 per Class A ordinary share for an aggregate purchase price of $510 million, in a private placement to occur concurrently with the closing of the Business Combination. In connection with these agreements, we issued an aggregate of 3,750,000 founder shares to such investors. The founder shares issued to such investors are subject to similar contractual conditions and restrictions as the founder shares issued to the Sponsor. The Anchor Investors will have redemption rights with respect to any public shares they own but have waived redemption rights with respect to their founder shares. The forward purchase agreements also provide that the investors are entitled to a right of first offer to with respect to any proposed sale of additional equity or equity-linked securities by us for capital raising purposes in connection with the closing of the Business Combination (other than shares and warrants pursuant to forward purchase agreements) and registration rights with respect to the shares, warrants and Class A ordinary shares underlying the forward purchase warrants.

On April 22, 2016, we entered into an agreement with Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC in connection with the forward purchase agreements described above, to act as placement agents (the “Placement Agents”) in the related private placement. In connection therewith, the Placement Agents are entitled to placement agent fees in an aggregate amount of: (i) up to 3.5% of the aggregate proceeds received from the forward purchase shares (or $17.85 million), contingently payable at the consummation of the an initial Business Combination, (ii) an additional placement agent fee of 0.5% of the aggregate proceeds received from the sales of the forward purchase agreements (or $2.55 million) at our sole discretion as

determined at the time of the consummation of an initial Business Combination, and (iii) reimbursement of reasonable legal counsel fees and expenses up to an aggregate amount of $275,000, which will be paid upon the earlier of the consummation of an initial Business Combination and December 1, 2017.

*Due to Related Parties*

Our Sponsor and other related parties have loaned us an aggregate amount of $225,733 to be used for the payment of costs related to the initial public offering. These borrowings are non-interest bearing, unsecured and due upon the closing of the initial public offering. We have not yet repaid this amount as of December 31, 2016.

*Administrative Service Fee*

We have agreed, commencing on May 25, 2016 through the earlier of our consummation of a Business Combination and liquidation, to pay an affiliate of our Sponsor a monthly fee of $10,000 for office space, and secretarial and administrative services. We recorded $70,000 for the period from February 26, 2016 (inception) to December 31, 2016 in connection with this agreement in the accompanying statement of operations.

**Off-Balance Sheet Arrangements**

As of December 31, 2016, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

**Contractual Obligations**

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities other than an administrative agreement to reimburse the Sponsor for office space, secretarial and administrative services provided to the Company in an amount not to exceed $10,000 per month. Upon completion of a Business Combination or the Company’s liquidation, the Company will cease paying these monthly fees.

The underwriters are entitled to underwriting discounts and commissions of 5.5%, of which 2.0% ($24,150,000) was deferred. The deferred underwriting discount will become payable to the underwriters from the amounts held in the Trust Account solely in the event that the Company completes an initial Business Combination, subject to the terms of the underwriting agreement. The underwriters are not entitled to any interest accrued on the deferred underwriting discount.

**JOBS Act**

The JOBS Act contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. We qualify as an “emerging growth company” and under the JOBS Act are allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As such, our financial statements may not be comparable to companies that comply with public company effective dates.

**Certain U.S. Federal Income Tax Information**

**We may be a passive foreign investment company, or “PFIC,” which could result in adverse U.S. federal income tax consequences to U.S. investors.**

If we are determined to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. taxpayer who holds our Class A ordinary shares or warrants, the U.S. taxpayer may be subject to increased U.S. federal income tax liability and may be subject to additional reporting requirements.

The discussion below of the U.S. federal income tax consequences to “U.S. Holders” will apply to a beneficial owner of our securities that is for U.S. federal income tax purposes (i) an individual citizen or resident of the United

States; (ii) a corporation (or other entity treated as a corporation) that is created or organized (or treated as created or organized) in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or (iv) a trust if (A) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust, or (B) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

A foreign (i.e., non-U.S.) corporation will be classified as a PFIC for U.S. federal income tax purposes if either (i) at least 75% of its gross income in a taxable year, including its pro rata share of the gross income of any corporation in which it is considered to own at least 25% of the shares by value, is passive income or (ii) at least 50% of its assets in a taxable year (ordinarily determined based on fair market value and averaged quarterly over the year), including its pro rata share of the assets of any corporation in which it is considered to own at least 25% of the shares by value, are held for the production of, or produce, passive income. Passive income generally includes dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets.

Because we are a blank check company, with no current active business, we believe that we met the PFIC asset and income test for our initial taxable year ended December 31, 2016. However, pursuant to a startup exception, a corporation will not be a PFIC for the first taxable year the corporation has gross income, if (1) no predecessor of the corporation was a PFIC; (2) the corporation satisfies the IRS that it will not be a PFIC for either of the first two taxable years following the startup year; and (3) the corporation is not in fact a PFIC for either of those years. The applicability of the startup exception to us will not be known until a future time. Accordingly, there can be no assurance with respect to our status as a PFIC for our taxable year ended December 31, 2016.

In light of the uncertainty regarding our PFIC status, upon request by a U.S. Holder, we will endeavor to provide to a U.S. Holder, upon request, such information as the IRS may require, including a PFIC annual information statement, in order to enable the U.S. Holder to make and maintain a "qualified electing fund" ("QEF") election (as discussed herein), but there can be no assurance that we will timely provide such required information. If we do not timely provide such required information, a QEF election may not be available to U.S. Holders. There is also no assurance that we will have timely knowledge of our status as a PFIC in the future or of the required information to be provided. If we do not timely provide such required information, a QEF election may not be available to U.S. Holders.

Although our PFIC status is determined annually, an initial determination that our company is a PFIC will generally apply for subsequent years to a U.S. Holder who held Class A ordinary shares or warrants while we were a PFIC, whether or not we meet the test for PFIC status in those subsequent years. If we are determined to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. Holder of our Class A ordinary shares or warrants and, in the case of our Class A ordinary shares, the U.S. Holder did not make either a timely QEF election for our first taxable year as a PFIC in which the U.S. Holder held (or was deemed to hold) Class A ordinary shares, as described below, such U.S. Holder generally will be subject to special rules with respect to (i) any gain recognized by the U.S. Holder on the sale or other disposition of its Class A ordinary shares or warrants and (ii) any "excess distribution" made to the U.S. Holder (generally, any distributions to such U.S. Holder during a taxable year of the U.S. Holder that are greater than 125% of the average annual distributions received by such U.S. Holder in respect of the Class A ordinary shares during the three preceding taxable years of such U.S. Holder or, if shorter, such U.S. Holder's holding period for the Class A ordinary shares).

Under these rules:

- the U.S. Holder's gain or excess distribution will be allocated ratably over the U.S. Holder's holding period for the Class A ordinary shares or warrants;
- the amount allocated to the U.S. Holder's taxable year in which the U.S. Holder recognized the gain or received the excess distribution, or to the period in the U.S. Holder's holding period before the first day of our first taxable year in which we are a PFIC, will be taxed as ordinary income;
- the amount allocated to other taxable years (or portions thereof) of the U.S. Holder and included in its holding period will be taxed at the highest tax rate in effect for that year and applicable to the U.S. Holder; and
- an additional tax equal to the interest charge generally applicable to underpayments of tax will be imposed on the U.S. Holder with respect to the tax attributable to each such other taxable year of the U.S. Holder.

In general, if we are determined to be a PFIC, a U.S. Holder will avoid the PFIC tax consequences described above in respect to our Class A ordinary shares by making a timely and valid QEF election to include in income its pro rata share of our net capital gains (as long-term capital gain) and other earnings and profits (as ordinary income), on a current basis, in each case whether or not distributed, in the taxable year of the U.S. Holder in which or with which our taxable year ends. A U.S. Holder generally may make a separate election to defer the payment of taxes on undistributed income inclusions under the QEF rules, but if deferred, any such taxes will be subject to an interest charge. In addition, such U.S. Holder will not be subject to the QEF inclusion regime with respect to such shares for any taxable year of us that ends within or with a taxable year of the U.S. Holder and in which we are not a PFIC. On the other hand, if the QEF election is not effective for each of our taxable years in which we are a PFIC and the U.S. Holder holds (or is deemed to hold) our Class A ordinary shares, the PFIC rules discussed above will continue to apply to such shares unless the holder makes a purging election, as described above, and pays the tax and interest charge with respect to the gain inherent in such shares attributable to the pre-QEF election period.

A U.S. Holder may not make a QEF election with respect to its warrants to acquire our Class A ordinary shares. As a result, if a U.S. Holder sells or otherwise disposes of such warrants (other than upon exercise of such warrants) and we were a PFIC at any time during the U.S. Holder's holding period of such warrants, any gain recognized generally will be treated as an excess distribution, taxed as described above. If a U.S. Holder that exercises such warrants properly makes a QEF election with respect to the newly acquired Class A ordinary shares (or has previously made a QEF election with respect to our Class A ordinary shares), the QEF election will apply to the newly acquired Class A ordinary shares. Notwithstanding, the adverse tax consequences relating to PFIC shares, adjusted to take into account the current income inclusions resulting from the QEF election, will continue to apply with respect to such newly acquired Class A ordinary shares (which generally will be deemed to have a holding period for purposes of the PFIC rules that includes the period the U.S. Holder held the warrants), unless the U.S. Holder makes a purging election under the PFIC rules. Under the purging election, the U.S. Holder will be deemed to have sold such shares at their fair market value and any gain recognized on such deemed sale will be treated as an excess distribution, as described above. As a result of the purging election, the U.S. Holder will have a new basis and holding period in the Class A ordinary shares acquired upon the exercise of the warrants for purposes of the PFIC rules.

The QEF election is made on a shareholder-by-shareholder basis and, once made, can be revoked only with the consent of the IRS. A U.S. Holder generally makes a QEF election by attaching a completed IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund), including the information provided in a PFIC annual information statement, to a timely filed U.S. federal income tax return for the tax year to which the election relates. Retroactive QEF elections generally may be made only by filing a protective statement with such return and if certain other conditions are met or with the consent of the IRS. U.S. Holders should consult their tax advisors regarding the availability and tax consequences of a retroactive QEF election under their particular circumstances.

If a U.S. Holder has made a QEF election with respect to our Class A ordinary shares, and the excess distribution rules discussed above do not apply to such shares (because of a timely QEF election for our first taxable year as a PFIC in which the U.S. Holder holds (or is deemed to hold) such shares or a purge of the PFIC taint pursuant to a purging election, as described above), any gain recognized on the sale of our Class A ordinary shares generally will be taxable as capital gain and no additional tax charge will be imposed under the PFIC rules. As discussed above, if we are a PFIC for any taxable year, a U.S. Holder of our Class A ordinary shares that has made a QEF election will be currently taxed on its pro rata share of our earnings and profits, whether or not distributed for such year. A subsequent distribution of such earnings and profits that were previously included in income generally should not be taxable when distributed to such U.S. Holder. The tax basis of a U.S. Holder's shares in a QEF will be increased by amounts that are included in income, and decreased by amounts distributed but not taxed as dividends, under the above rules. In addition, if we are not a PFIC for any taxable year, such U.S. Holder will not be subject to the QEF inclusion regime with respect to our Class A ordinary shares for such a taxable year.

If we are a PFIC and our Class A ordinary shares constitute "marketable stock," a U.S. Holder may avoid the adverse PFIC tax consequences discussed above if such U.S. Holder, at the close of the first taxable year in which it holds (or is deemed to hold) our Class A ordinary shares, makes a mark-to-market election with respect to such shares for such taxable year. Such U.S. Holder generally will include for each of its taxable years as ordinary income the excess, if any, of the fair market value of its Class A ordinary shares at the end of such year over its adjusted basis in its Class A ordinary shares. The U.S. Holder also will recognize an ordinary loss in respect of the excess, if any, of its

adjusted basis of its Class A ordinary shares over the fair market value of its Class A ordinary shares at the end of its taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's basis in its Class A ordinary shares will be adjusted to reflect any such income or loss amounts, and any further gain recognized on a sale or other taxable disposition of its Class A ordinary shares will be treated as ordinary income. Currently, a mark-to-market election may not be made with respect to warrants.

The mark-to-market election is available only for "marketable stock," generally, stock that is regularly traded on a national securities exchange that is registered with the Securities and Exchange Commission, including NASDAQ Capital Market (on which we have listed the Class A ordinary shares), or on a foreign exchange or market that the IRS determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. U.S. Holders should consult their own tax advisors regarding the availability and tax consequences of a mark-to-market election in respect to our Class A ordinary shares under their particular circumstances.

If we are a PFIC and, at any time, have a foreign subsidiary that is classified as a PFIC, U.S. Holders generally would be deemed to own a portion of the shares of such lower-tier PFIC, and generally could incur liability for the deferred tax and interest charge described above if we receive a distribution from, or dispose of all or part of our interest in, the lower-tier PFIC or the U.S. Holders otherwise were deemed to have disposed of an interest in the lower-tier PFIC. We will endeavor to cause any lower-tier PFIC to provide to a U.S. Holder the information that may be required to make or maintain a QEF election with respect to the lower-tier PFIC. There can be no assurance that we will have timely knowledge of the status of any such lower-tier PFIC. In addition, we may not hold a controlling interest in any such lower-tier PFIC and thus there can be no assurance we will be able to cause the lower-tier PFIC to provide such required information. U.S. Holders are urged to consult their tax advisors regarding the tax issues raised by lower-tier PFICs.

A U.S. Holder that owns (or is deemed to own) shares in a PFIC during any taxable year of the U.S. Holder, may have to file an IRS Form 8621 (whether or not a QEF or market-to-market election is made) and such other information as may be required by the U.S. Treasury Department. Failure to do so, if required, will extend the statute of limitations until such required information is furnished to the IRS.

The rules dealing with PFICs and with the QEF and mark-to-market elections are very complex and are affected by various factors in addition to those described above. Accordingly, U.S. Holders of our ordinary shares and warrants should consult their own tax advisors concerning the application of the PFIC rules to our securities under their particular circumstances.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

To date, our efforts have been limited to organizational activities and activities relating to the initial public offering and the identification and evaluation of prospective acquisition targets for a business combination. We have neither engaged in any operations nor generated any revenues. At December 31, 2016, the net proceeds from our initial public offering and the sale of the private placement warrants held in the Trust Account were comprised entirely of cash. We invested the funds held in the Trust Account in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invest solely in United States Treasuries. Due to the short-term nature of the money market fund's investments, we do not believe that there will be an associated material exposure to interest rate risk.

At December 31, 2016, $690,000,000 was held in the Trust Account for the purposes of consummating a business combination. If we complete a business combination within 24 months after the Close Date, funds in the Trust Account will be used to pay for the business combination, redemptions of Class A ordinary shares, if any, deferred underwriting compensation of $24,150,000 and accrued expenses related to the business combination. Any funds remaining will be made available to us to provide working capital to finance our operations.

We have not engaged in any hedging activities since our Inception. We do not expect to engage in any hedging activities with respect to the market risk to which we are exposed.

**Item 8. Financial Statements and Supplementary Data.**

Index To Financial Statements

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of
CF Corporation

We have audited the accompanying balance sheet of CF Corporation (the "Company"), as of December 31, 2016, and the related statements of operations, changes in shareholders' equity and cash flows for the period from February 26, 2016 (date of inception) to December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2016, and the results of its operations and its cash flows for the period from February 26, 2016 (date of inception) to December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

/s/ WithumSmith+Brown, PC

New York, New York
March 15, 2017

**CF CORPORATION**

**BALANCE SHEET**

| | | December 31, 2016 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ | 1,016,157 |
| Prepaid expenses | | 96,381 |
| Total current assets | | 1,112,538 |
| | | |
| Investments and cash equivalents held in Trust Account | | 690,887,027 |
| **Total Assets** | **$** | **691,999,565** |
| | | |
| **Liabilities and Shareholders' Equity** | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ | 491,765 |
| Accounts payable - related party | | 70,000 |
| Due to related parties | | 225,733 |
| Total current liabilities | | 787,498 |
| | | |
| Accrued legal and printer costs | | 995,634 |
| Deferred underwriting commissions and placement agent fees | | 44,550,000 |
| **Total Liabilities** | | 46,333,132 |
| | | |
| **Commitments** | | |
| Class A ordinary shares subject to possible redemption, $0.0001 par value; 64,066,643 shares at redemption value at December 31, 2016 | | 640,666,430 |
| | | |
| **Shareholders' Equity:** | | |
| Preferred shares, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding at December 31, 2016 | | - |
| Class A ordinary shares, $0.0001 par value; 400,000,000 shares authorized; 4,933,357 issued and outstanding (excluding 64,066,643 shares subject to possible redemption) at December 31, 2016 | | 493 |
| Class B ordinary shares, $0.0001 par value; 50,000,000 shares authorized; 15,000,000 shares issued and outstanding at December 31, 2016 | | 1,500 |
| Additional paid-in capital | | 5,278,232 |
| Accumulated deficit | | (280,222) |
| **Total Shareholders' Equity** | | 5,000,003 |
| **Total Liabilities and Shareholders' Equity** | **$** | **691,999,565** |

*The accompanying notes are an integral part of these financial statements.*

## CF CORPORATION

## STATEMENT OF OPERATIONS

| | For the Period from February 26, 2016 (Inception) to December 31, 2016 |
|---|---|
| General and administrative expenses | $ 1,167,249 |
| Loss from operations | (1,167,249) |
| Interest income | 887,027 |
| **Net loss** | $ (280,222) |
| **Weighted average shares outstanding, basic and diluted [(1)]** | 18,560,652 |
| **Basic and diluted net loss per share** | $ (0.02) |

*(1) This number excludes an aggregate of up to 64,066,643 shares subject to possible redemption at December 31, 2016*

*The accompanying notes are an integral part of these financial statements.*

**CF CORPORATION**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

| | Ordinary Shares | | | | Additional Paid-In Capital | Accumulated Deficit | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|
| | Class A | | Class B | | | | |
| | Shares | Amount | Shares | Amount | | | |
| **Balance - February 26, 2016 (inception)** | **-** | **$ -** | **-** | **$ -** | **$ -** | **$ -** | **$ -** |
| Issuance of Class B ordinary shares to Sponsor | - | - | 15,000,000 | 1,500 | 23,500 | - | 25,000 |
| Acquisition and retirement of Class B ordinary shares | - | - | (3,750,000) | (375) | 375 | - | - |
| Issuance of Class B ordinary shares to Anchor Investors | - | - | 3,750,000 | 375 | 6,876 | - | 7,251 |
| Sale of units in initial public offering, net of offering costs | 69,000,000 | 6,900 | - | - | 650,507,504 | - | 650,514,404 |
| Sale of private placement warrants to Sponsor in private placement | - | - | - | - | 15,800,000 | - | 15,800,000 |
| Deferred placement agent fees in connection with the forward purchase agreement | - | - | - | - | (20,400,000) | - | (20,400,000) |
| Ordinary shares subject to possible redemption | (64,066,643) | (6,407) | - | - | (640,660,023) | - | (640,666,430) |
| Net loss | - | - | - | - | | (280,222) | (280,222) |
| **Balance -December 31, 2016** | **4,933,357** | **$ 493** | **15,000,000** | **$ 1,500** | **$ 5,278,232** | **$ (280,222)** | **$ 5,000,003** |

*The accompanying notes are an integral part of these financial statements.*

**CF CORPORATION**

**STATEMENT OF CASH FLOWS**

**For the period from February 26, 2016 (Inception) to December 31, 2016**

| | | |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Net loss | $ | (280,222) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Formation expenses paid by Sponsor | | 5,000 |
| Interest earned on investments and cash equivalents held in Trust Account | | (887,027) |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses | | (96,381) |
| Accounts payable and accrued expenses | | 491,764 |
| Accounts payable - related party | | 70,000 |
| Accrued legal and printer costs | | 158,772 |
| **Net cash used in operating activities** | | (538,094) |
| **Cash Flows from Investing Activities** | | |
| Principal deposited in Trust Account | | (690,000,000) |
| **Net cash used in investing activities** | | (690,000,000) |
| **Cash Flows from Financing Activities** | | |
| Proceeds received from loans to related parties | | 225,733 |
| Proceeds received from issuance of Class B ordinary shares to Anchor Investors | | 7,251 |
| Proceeds received from initial public offering, net of offering costs | | 675,521,267 |
| Proceeds from private placement | | 15,800,000 |
| **Net cash provided by financing activities** | | 691,554,251 |
| **Net increase in cash and cash equivalents** | | 1,016,157 |
| **Cash and cash equivalents - beginning of the period** | | - |
| **Cash and cash equivalents - ending of the period** | **$** | **1,016,157** |
| **Supplemental disclosure of noncash investing and financing activities:** | | |
| Formation and offering costs paid by Sponsor in exchange for founder shares | $ | 25,000 |
| Value of Class A ordinary shares subject to possible redemption | $ | 640,666,430 |
| Deferred underwriting commissions in connection with the initial public offering | $ | 24,150,000 |
| Deferred placement agent fees in connection with the forward purchase agreement | $ | 20,400,000 |
| Offering costs included in accrued legal and printer costs | $ | 836,863 |

*The accompanying notes are an integral part of these financial statements.*

**CF CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1 - Organization, Plan of Business Operations**

CF Corporation (the "Company") is a blank check company incorporated in the Cayman Islands on February 26, 2016. The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses ("Business Combination"). Although the Company is not limited to a particular industry or geographic region for purposes of consummating a Business Combination, the Company intends to focus on the financial, technology and services industries in the United States or globally.

On April 21, 2016, the Company effected a share capitalization of approximately 4.217 shares for each outstanding Class B ordinary share, resulting in an aggregate of 15,000,000 Class B ordinary shares outstanding ("founder shares"). All share amounts presented in the financial statements herein have been retroactively restated to reflect the share capitalization.

All activity from February 26, 2016 (inception) through December 31, 2016 relates to the Company's formation, initial public offering ("initial public offering"), forward purchase agreement, and, since the closing of the initial public offering, the search for a Business Combination described below. The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

In April 2016, the Company entered into forward purchase agreements pursuant to which the Anchor Investors (as defined below) agreed to purchase an aggregate of 51,000,000 Class A ordinary shares ("forward purchase shares"), plus one redeemable warrant ("forward purchase warrant(s)") for every three forward purchase shares purchased (or an aggregate of 19,083,333 redeemable warrants) for $10.00 per Class A ordinary share, for an aggregate purchase price of $510 million, in a private placement to occur concurrently with the closing of the Business Combination. In connection with the forward purchase agreements, the Company agreed to compensate the placement agents an aggregate amount of up to $20.675 million, including deferred placement agent fees of $20.4 million and reimbursement of legal fees of $275,000, payable upon the consummation of the Business Combination (Note 6). As the placements agents already performed services related to the forward purchase agreements and the closing of a Business Combination was deemed probable by the management, the Company accrued a deferred placement agent fee and reimbursement of legal fees in the accompanying balance sheet.

The registration statement for the initial public offering was declared effective on May 19, 2016. The Company consummated the initial public offering of 60,000,000 units ("units" and, with respect to the Class A ordinary shares included in the units, the "public shares") for $10.00 per unit on May 25, 2016, generating gross proceeds of $600 million and, in connection therewith, incurring offering costs of approximately $34.5 million, including $33 million of underwriting commissions in connection with the initial public offering. Each unit consists of one Class A ordinary share, $0.0001 par value per share, and one-half of one redeemable warrant. Each whole warrant entitles the holder thereof to purchase one Class A ordinary share at a purchase price of $11.50 per share, subject to adjustment, terms and limitations ("Public Warrant(s)"). The Company paid $12 million of underwriting commissions upon the closing of the initial public offering and deferred $21 million of underwriting commissions until the consummation of its initial Business Combination (Note 3).

Simultaneously with the closing of the initial public offering, the Company consummated the private placement ("Initial Private Placement") of 14,000,000 warrants ("Private Placement Warrants") at a price of $1.00 per Private Placement Warrant with the Company's Sponsor, CF Capital Growth, LLC ("Sponsor"), generating gross proceeds of $14 million (Note 4).

On June 29, 2016, the Company consummated the closing of the sale of 9,000,000 additional Units pursuant to the exercise in full of the underwriter's over-allotment option ("Over-allotment"), generating additional gross proceeds of $90 million. In connection therewith, the Company paid additional offering costs of $1.8 million in underwriting commissions and deferred $3.15 million of underwriting commissions until the completion of the Company's initial Business Combination. Simultaneously with the consummation of the Over-allotment, the Company consummated a private placement of an additional 1,800,000 Private Placement Warrants to the Sponsor (together with the Initial Private Placement, the "Private Placement"), generating gross proceeds of $1.8 million.

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Upon the closing of the initial public offering, the Over-allotment, and the Private Placement, $690 million ($10.00 per unit) from the net proceeds thereof was placed in a U.S.-based trust account at J.P. Morgan Chase Bank, N.A, maintained by Continental Stock Transfer & Trust Company, acting as trustee ("Trust Account"), and is invested in a money market fund selected by the Company until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the funds held in the Trust Account as described below.

At December 31, 2016, the Company has approximately $1 million in cash held outside of the Trust Account. The Company's management has broad discretion with respect to the specific application of the net proceeds of its initial public offering, the Over-allotment, and the Private Placement, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. The Company's initial Business Combination must be with one or more target businesses that together have an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the deferred underwriting commissions and taxes payable on income earned on the trust account) at the time of the agreement to enter into the initial Business Combination. However, the Company will only complete a Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act 1940, as amended, or the Investment Company Act.

The Company will provide the holders of its public shares ("public shareholders") with the opportunity to redeem all or a portion of their public shares upon the completion of a Business Combination either (i) in connection with a shareholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek shareholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The public shareholders will be entitled to redeem their public shares for a pro rata portion of the amount then in the Trust Account (initially estimated to be $10.00 per share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). As of December 31, 2016, the Company had approximately $691 million in its Trust Account. If a shareholder vote is not required by the law and the Company does not decide to hold a shareholder vote for business or other reasons, the Company will, pursuant to its Amended and Restated Memorandum and Articles of Association (the "charter"), conduct redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission ("SEC"), and file tender offer documents with the SEC prior to completing a Business Combination. If, however, shareholder approval of the proposed Business Combination is required by law, or the Company decides to obtain shareholder approval for business reasons, the Company will offer to redeem the public shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. Additionally, each public shareholder may elect to redeem their public shares irrespective of whether they vote for or against the proposed Business Combination. The per-share amount to be distributed to public shareholders who redeem their public shares will not be reduced by the deferred underwriting commissions the Company will pay to the underwriters (as discussed in Note 6). The Company will proceed with a Business Combination only if the Company has net tangible assets of at least $5,000,001 upon such consummation of a Business Combination.

Notwithstanding the foregoing, the Company's charter provides that a public shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), will be restricted from redeeming its shares with respect to more than an aggregate of 20% or more of the public shares without the prior consent of the Company.

If the Company is unable to complete a Business Combination by May 25, 2018 (the "Combination Period"), the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than ten business days thereafter, redeem 100% of the outstanding public shares which redemption will completely extinguish public shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any), subject to applicable law and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining shareholders and the Company's board of directors, proceed to commence a voluntary liquidation and thereby a formal dissolution of the Company, subject in each case to its obligations to provide for claims of creditors and the requirements of applicable law.

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In connection with the redemption of 100% of the Company's outstanding public shares if the Company fails to complete a Business Combination prior to the expiration of the Combination Period, each public shareholder will receive a full pro rata portion of the amount then in the Trust Account, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay the Company's taxes payable (less taxes payable and up to $100,000 of interest to pay dissolution expenses).

The Company's Sponsor, officers and directors (the "initial shareholders") and Anchor Investors have agreed to waive their liquidation rights with respect to the founder shares if the Company fails to complete a Business Combination within the Combination Period and the initial shareholders have also agreed to such waiver with respect to any public shares they may hold. However, if the initial shareholders acquire public shares in or after the initial public offering, they will be entitled to liquidating distributions from the Trust Account with respect to such public shares if the Company fails to complete a Business Combination within the Combination Period. The underwriters have agreed to waive their rights to their deferred underwriting commission held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period and, in such event, such amounts will be included with the funds held in the Trust Account that will be available to fund the redemption of the Company's public shares. In the event of such distribution, it is possible that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be only $10.00 per share. In order to protect the amounts held in the Trust Account, the Sponsor has agreed to be liable to the Company if and to the extent any claims by third parties, such as a vendor for services rendered or products sold to the Company, or a prospective target business with which the Company has entered into an acquisition agreement, reduce the amount of funds in the Trust Account below $10.00 per share. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (other than the Company's independent auditors), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account. The Sponsor will not be required to indemnify the Trust Account with respect to any claims by a third party who executed such waiver of any right, title, interest or claim of any kind in or to any monies held in the Trust Account or to any claims under the Company's indemnity of the underwriters of the initial public offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). In addition, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third party claims.

**Liquidity**

As of December 31, 2016, the Company had approximately $1.0 million in its operating bank account and working capital of approximately $325,000. The working capital excludes approximately $996,000 in accrued legal and printer costs which have been deferred until the earlier of the consummation of a Business Combination or May 25, 2018.

In order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company will repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans will be repaid only out of funds held outside the Trust Account. In the event that the Company does not complete a Business Combination, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account may be used to repay the Working Capital Loans. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. The Working Capital Loans will either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to $1,500,000 of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of $1.00 per warrant. Any such warrants would have identical terms as the Private Placement Warrants.

Based on the foregoing, management believes that the Company will have sufficient working capital and borrowing capacity to meet the Company's needs through the earlier of consummation of a Business Combination or May 25, 2018.

Over this time period, the Company will be using these funds for paying existing accounts payable, identifying and evaluating prospective merger or acquisition candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to merge with or acquire, and structuring,

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negotiating and consummating the Business Combination.

**Note 2 - Significant Accounting Policies**

***Basis of Presentation***

The accompanying financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and pursuant to the accounting and disclosure rules and regulations of the U.S. Securities and Exchange Commission (the "SEC").

***Cash and Cash Equivalents***

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

***Investments and Cash Equivalents Held in the Trust Account***

The amounts held in the Trust Account represent substantially all of the proceeds of the initial public offering and Private Placement and are classified as restricted assets since such amounts can only be used by the Company in connection with the consummation of a Business Combination. As of December 31, 2016, there was approximately $887,000 of interest income held in the Trust Account available to be released to the Company to pay its income tax obligations.

***Concentration of Credit Risk***

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash accounts in a financial institution which, at times may exceed the Federal depository insurance coverage of $250,000. At December 31, 2016, the Company had not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

***Ordinary Shares Subject to Possible Redemption***

The Company accounts for its ordinary shares subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "*Distinguishing Liabilities from Equity*." Ordinary shares subject to mandatory redemption (if any) are classified as a liability instrument and are measured at fair value. Conditionally redeemable ordinary shares (including ordinary shares that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. At all other times, ordinary shares are classified as shareholders' equity. The Company's ordinary shares feature certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, ordinary shares subject to possible redemption at redemption value are presented as temporary equity, outside of the shareholders' equity section of the Company's balance sheet.

Although the Company did not specify a maximum redemption threshold, its charter provides that in no event will it redeem its public shares in an amount that would cause its net tangible assets (shareholders' equity) to be less than $5,000,001. The Company recognizes changes in redemption value immediately as they occur and will adjust the carrying value of the security to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable ordinary shares shall be affected by charges against additional paid-in capital. Accordingly, at December 31, 2016, 64,066,643 Class A ordinary shares were classified outside of permanent equity at their redemption value.

***Offering costs***

Offering costs consisting principally of legal, accounting, underwriting commissions and other costs incurred through the balance sheet date that are directly related to the initial public offering totaled approximately $39.5 million,

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inclusive of $24.15 million in deferred underwriting commissions in connection with the initial public offering. Offering costs were charged to shareholders' equity upon the completion of the initial public offering.

In addition, an aggregate of approximately $20.4 million in deferred placement agent fees incurred through the balance sheet date that are directly related to the forward purchase agreements were also charged to shareholders' equity upon the issuance of Class B shares to the anchor investors.

***Net Income (Loss) per Share***

Net income (loss) per share is computed by dividing net loss by the weighted-average number of ordinary shares outstanding during the period. An aggregate of 64,066,643 shares of Class A ordinary shares subject to possible redemption at December 31, 2016 have been excluded from the calculation of basic income (loss) per ordinary share since such shares, if redeemed, only participate in their pro rata share of the trust earnings. The Company has not considered the effect of the warrants sold in the initial public offering (including the consummation of the over-allotment) and Private Placement to purchase an aggregate of 50,300,000 shares of the Company's class A ordinary shares in the calculation of diluted income (loss) per share, since their inclusion would be anti-dilutive.

***Fair Value Measurements***

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

ASC 820, *Fair Value Measurement and Disclosures*, requires all entities to disclose the fair value of financial instruments, both assets and liabilities for which it is practicable to estimate fair value, and defines fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. As of December 31, 2016, the recorded values of cash and cash equivalents, prepaid expenses, accounts payable, and accrued expenses approximate the fair values due to the short-term nature of the instruments.

***Income Taxes***

The Company follows the asset and liability method of accounting for income taxes under FASB ASC 740, "Income Taxes" ("ASC 740"). Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. 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 effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period of the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

FASB ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties at December 31, 2016. The Company is currently not

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aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

There is currently no taxation imposed on income by the Government of the Cayman Islands. In accordance with Cayman federal income tax regulations, income taxes are not levied on the Company. Consequently, income taxes are not reflected in the Company's financial statements. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

***Recent Accounting Pronouncements***

In August 2014, the Financial Accounting Standards Board ("FASB") issued the Accounting Standards Update ("ASU") 2014-15, "Disclosure of Uncertainties about an Entity's Ability to continue as a Going Concern" ("ASU 2014-15"). ASU 2014-15 provides guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. The amendments in ASU 2014-15 are effective for annual reporting periods ending after December 15, 2016, and for annual and interim periods thereafter. Early adoption is permitted. The Company has adopted the methodologies prescribed by ASU 2014-15 the adoption of ASU 2014-15 had no material effect on its financial position or results of operations.

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's balance sheet.

***Subsequent Events***

The Company evaluates events that have occurred after the balance sheet date through the date, which these financial statements were issued.

**Note 3 - Initial Public Offering**

On May 25, 2016, the Company consummated the sale of 60,000,000 units at a price of $10.00 per unit in the initial public offering. On June 29, 2016, the Company consummated the sale of 9,000,000 additional units pursuant to the exercise in full of the Over-allotment. Each unit consists of one Public Share, and one-half of one Public Warrant. No fractional Public Warrants will be issued upon separation of the units and only whole Public Warrants will trade.

The Company incurred approximately $39.5 million of offering costs in connection with the initial public offering, inclusive of $24.15 million of deferred underwriting commissions payable to the underwriters from the amounts held in the Trust Account solely in the event the Company completes a Business Combination. The underwriters are not entitled to any interest accrued on the deferred discount.

**Note 4 - Private Placement**

Concurrently with the closing of the initial public offering and the Over-allotment, the Sponsor purchased an aggregate of 15,800,000 Private Placement Warrants at $1.00 per Private Placement Warrant, generating gross proceeds of $15.8 million in the aggregate. Each Private Placement Warrant is exercisable to purchase one Class A ordinary share for $11.50 per share. A portion of the proceeds from the sale of the Private Placement Warrants was added to the proceeds from the initial public offering to be held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the Private Placement Warrants will expire worthless.

**Note 5 - Related Party Transactions**

**Founder Shares**

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On March 2, 2016, the Company issued an aggregate of 15,000,000 founder shares to the Sponsor in exchange for a capital contribution of $25,000. On April 19, 2016, the Sponsor surrendered 3,750,000 founder shares to the Company for no consideration, which the Company cancelled. The Company then issued 3,750,000 founder shares to the anchor investors for an aggregate price of approximately $7,000 in connection with the forward purchase agreements. The Sponsor and the anchor investors currently own 11,250,000 and 3,750,000 founder shares, respectively. The founder shares will automatically convert into Class A ordinary shares in connection with the consummation of a Business Combination at a ratio such that the number of Class A ordinary shares issuable upon conversion of all founder shares will equal, in the aggregate, on an as-converted basis, 20% of the sum of (i) the total number of Class A ordinary shares outstanding upon completion of the initial public offering, plus (ii) the sum of (a) the total number of Class A ordinary shares issued or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the Company in connection with or in relation to the consummation of the initial Business Combination (including forward purchase shares, but not forward purchase warrants), excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, or to be issued, to any seller in the initial Business Combination and any Private Placement Warrants issued to the Sponsor upon conversion of Working Capital Loans, minus (b) the number of public shares redeemed by public shareholders in connection with the initial Business Combination.

The Sponsor, Chinh E. Chu and William P. Foley, II have agreed not to transfer, assign or sell any of their founder shares until the earliest of (a) one year after the completion of the initial Business Combination with respect 50% of their founder shares, (b) two years after the completion of the initial Business Combination with respect to the remaining 50% of their founder shares, and (c) the date on which the Company completes a liquidation, merger, share exchange or other similar transaction after an initial Business Combination that results in all of the Company's shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property. The anchor investors have agreed not to transfer, assign or sell any of their founder shares until the earlier to occur of: (i) one year after the completion of the initial Business Combination or (ii) the date on which the Company completes a liquidation, merger, share exchange or other similar transaction after the initial Business Combination that results in all of the Company's shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property (except to certain permitted transferees). Any permitted transferees will be subject to the same restrictions and other agreements of the initial shareholders or anchor investors, as applicable, with respect to any founder shares. Notwithstanding the foregoing, if the closing price of the Class A ordinary shares equals or exceeds $12.00 per share (as adjusted for share splits, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the initial Business Combination, the founder shares held by investors other than the Sponsor, Chinh E. Chu and William P. Foley, II will be released from the lock-up.

**Private Placement Warrants**

On May 25, 2016 and June 29, 2016, the Sponsor purchased from the Company an aggregate of 15,800,000 Private Placement Warrants as described in Note 4. Each Private Placement Warrant entitles the holder to purchase one Class A ordinary share at $11.50 per share. The Private Placement Warrants (including the Class A ordinary shares issuable upon exercise of the Private Placement Warrants) will not be transferable, assignable or salable until 30 days after the completion of the initial Business Combination, and they will be non-redeemable so long as they are held by the Sponsor or its permitted transferees. If the Private Placement Warrants are held by someone other than the Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants. Otherwise, the Private Placement Warrants have terms and provisions that are identical to those of the Public Warrants and have no net cash settlement provisions.

If the Company does not complete a Business Combination, then the proceeds of the sale of the Private Placement Warrants will be part of the liquidating distribution to the public shareholders and the Private Placement Warrants will expire worthless.

**Forward Purchase Agreements**

On April 19, 2016, the Company entered into forward purchase agreements pursuant to which certain investors

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(“Anchor Investors”) (including two affiliates of the Sponsor) agreed to purchase an aggregate of 51,000,000 Class A ordinary shares plus an aggregate of 19,083,333 redeemable warrants (one redeemable warrant for every three forward purchase shares purchased) at $10.00 per Class A ordinary share for an aggregate purchase price of $510 million, in a private placement to occur concurrently with the closing of the Business Combination. In connection with these agreements, the Company issued an aggregate of 3,750,000 founder shares to such investors. The founder shares issued to such investors are subject to similar contractual conditions and restrictions as the founder shares issued to the Sponsor. The Anchor Investors will have redemption rights with respect to any public shares they own but have waived redemption rights with respect to their founder shares. The forward purchase agreements also provide that the investors are entitled to a right of first offer to with respect to any proposed sale of additional equity or equity-linked securities by the Company for capital raising purposes in connection with the closing of the Business Combination (other than shares and warrants pursuant to forward purchase agreements) and registration rights with respect to the shares, warrants and Class A ordinary shares underlying the forward purchase warrants.

On April 22, 2016, the Company entered into an agreement with Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC in connection with the forward purchase agreements described above, to act as placement agents (the “Placement Agents”) in the related private placement. In connection therewith, the Placement Agents are entitled to placement agent fees in an aggregate amount of: (i) up to 3.5% of the aggregate proceeds received from the forward purchase shares (or $17.85 million), contingently payable at the consummation of the an initial Business Combination, (ii) an additional placement agent fee of 0.5% of the aggregate proceeds received from the sales of the forward purchase agreements (or $2.55 million) at the Company’s sole discretion as determined at the time of the consummation of an initial Business Combination, and (iii) reimbursement of reasonable legal counsel fees and expenses up to an aggregate amount of $275,000, which will be paid upon the earlier of the consummation of an initial Business Combination and December 1, 2017.

**Due to Related Parties**

The Company’s Sponsor and other related parties have loaned the Company an aggregate amount of $225,733 to be used for the payment of costs related to the initial public offering. These borrowings are non-interest bearing, unsecured and due on demand. The Company has not yet repaid this amount as of December 31, 2016.

**Administrative Service Fee**

The Company has agreed, commencing on May 25, 2016 through the earlier of the Company’s consummation of a Business Combination and liquidation, to pay an affiliate of the Sponsor a monthly fee of $10,000 for office space, and secretarial and administrative services. The Company recorded $70,000 for the period from February 26, 2016 (inception) to December 31, 2016 in connection with this agreement in the accompanying statement of operations.

**Note 6 - Commitments & Contingencies**

**Registration Rights**

The Sponsor is entitled to registration rights pursuant to a registration rights agreement entered into on May 19, 2016 with respect to the founder shares and Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans (and any Class A ordinary shares issuable upon the conversion of the founder shares, the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans). The Sponsor may make up to three demands, excluding short form demands, that the Company register such securities. In addition, the Sponsor has “piggy-back” registration rights with respect to registration statements filed subsequent to the consummation of a Business Combination. However, the registration rights agreement provides that the Company will not permit any registration statement filed under the Securities Act to become effective until termination of the applicable lock-up period. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Pursuant to the forward purchase agreements described below, the Company agreed to file within 30 days after the closing of the Business Combination a registration statement for a secondary offering of the forward purchase shares and the forward purchase warrants (and underlying Class A ordinary shares) and to maintain the effectiveness of such

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registration statement until the earliest of (A) the date on which the anchor investors cease to hold the securities covered thereby, (B) the date all of the securities covered thereby can be sold publicly without restriction or limitation under Rule 144 under the Securities Act and (C) the second anniversary of the date of effectiveness of such registration statement, subject to certain conditions and limitations set forth in the forward purchase agreements.

**Underwriting Agreement**

The Company granted the underwriters a 45-day option to purchase up to 9,000,000 additional units to cover over-allotments at the initial public offering price less the underwriting discounts and commissions. The underwriters fully exercised the Over-allotment on June 29, 2016, generating an additional gross proceeds of $90 million.

The Company paid $0.20 per unit, or $13.8 million in the aggregate, to the underwriters, upon the closing of the initial public offering. $0.35 per unit, or $24.15 million in the aggregate will be payable to the underwriters for deferred underwriting commissions. The deferred fee will become payable to the underwriter from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

**Note 7 - Shareholders' Equity**

***Class A ordinary shares*** - The Company is authorized to issue 400,000,000 Class A ordinary shares with a par value of $0.0001 per share. Holders of the Company's Class A ordinary shares are entitled to one vote for each share. At December 31, 2016, there are 69,000,000 Class A ordinary shares issued and outstanding, including 64,066,643 shares of Class A ordinary shares subject to possible redemption.

***Class B ordinary shares (founder shares)*** - The Company is authorized to issue 50,000,000 Class B ordinary shares with a par value of $0.0001 per share. Holders of the Company's Class B ordinary shares are entitled to one vote for each share. The founder shares and will automatically convert into Class A ordinary shares on the first business day following the consummation of the initial Business Combination. The ratio at which founder shares will convert into Class A ordinary shares will be such that the number of Class A ordinary shares issuable upon conversion of all founder shares will equal, in the aggregate, on an as-converted basis, 20% of the sum of (i) the total number of Class A ordinary shares outstanding upon the completion of the initial public offering (including pursuant to the underwriters' over-allotment option), plus (ii) the sum of (a) the total number of Class A ordinary shares issued or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the Company in connection with or in relation to the consummation of the initial Business Combination (including forward purchase shares, but not forward purchase warrants), excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, or to be issued, to any seller in the initial Business Combination and any Private Placement Warrants issued to the Sponsor upon conversion of Working Capital Loans, minus (b) the number of public shares redeemed by Public Shareholders in connection with the initial Business Combination.

As of December 31, 2016, the Company had 15,000,000 founder shares issued and outstanding.

Holders of Class A ordinary shares and Class B ordinary shares will vote together as a single class on all matters submitted to a vote of shareholders except as required by law, except that prior to a Business Combination, only holders of Class B ordinary shares have the right to elect the Company's directors.

***Preferred shares*** - The Company is authorized to issue 1,000,000 preferred shares with a par value of $0.0001 per share. At December 31, 2016, there were no preferred shares issued or outstanding.

***Warrants*** - The Public Warrants will become exercisable on the later of (a) 30 days after the completion of a Business Combination and (b) May 26, 2017; provided in each case that the Company has an effective registration statement under the Securities Act covering the Class A ordinary shares issuable upon exercise of the Public Warrants and a current prospectus relating to them is available (or the Company permits holders to exercise their Public Warrants on a cashless basis and such cashless exercise is exempt from registration under the Securities Act). The Company has agreed that as soon as practicable, but in no event later than 15 business days, after the closing of a

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**NOTES TO FINANCIAL STATEMENTS**

Business Combination, the Company will use its best efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the Class A ordinary shares issuable upon exercise of the Public Warrants. The Company will use its best efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the Public Warrants in accordance with the provisions of the warrant agreement. If a registration statement covering the Class A ordinary shares issuable upon exercise of the warrants is not effective by the sixtieth (60th) day after the closing of the initial Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption. The Public Warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

The Private Placement Warrants are identical to the Public Warrants underlying the units sold in the initial public offering, except that the Private Placement Warrants and the Class A ordinary shares issuable upon exercise of the Private Placement Warrants will not be transferable, assignable or salable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be non-redeemable so long as they are held by the Sponsor or its permitted transferees. If the Private Placement Warrants are held by someone other than the Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

The Company may call the Public Warrants for:

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon a minimum of 30 days prior written notice of redemption; and
- if, and only if, the last reported sales price of the ordinary shares equals or exceeds $18.00 per share for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a cashless basis. In no event will the Company be required to net cash settle its warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

**Note 8 - Fair Value Measurements**

The following table presents information about the Company's assets that are measured on a recurring basis as of December 31, 2016 and indicates the fair value hierarchy of the valuation techniques that the Company utilized to determine such fair value.

| Description | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Other Unobservable Inputs (Level 3) |
|---|---|---|---|
| Investments and cash equivalents held in Trust Account | $ 690,887,027 | $ - | $ - |

Approximately $30,000 of the balance in the Trust Account was held in cash as of December 31, 2016.

**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

**Item 9A. Controls and Procedures.**

**Disclosure Controls and Procedures**

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2016. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

**Internal Control over Financial Reporting**

This Annual Report on Form 10-K does not include a report of management’s assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

During the most recently completed fiscal year, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information.**

None.

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance.**

Our current directors and executive officers are as follows:

| Name | Age | Title |
|---|---|---|
| Chinh E. Chu | 50 | Co-Executive Chairman |
| William P. Foley, II | 72 | Co-Executive Chairman |
| Richard N. Massey | 60 | Director |
| James A. Quella | 67 | Director |
| Douglas B. Newton | 38 | Chief Financial Officer |
| David Ducommun | 40 | Secretary |

*Chinh E. Chu*, 50, has been our Co-Executive Chairman since April 16, 2016. Mr. Chu is the Founder and a Senior Managing Director at CC Capital Management LLC, or CC Capital, a private investment firm which he founded in 2015. Before founding CC Capital, Mr. Chu worked at The Blackstone Group L.P., or Blackstone, from 1990 to 2015. Blackstone is a leading global alternative asset manager, with total assets under management of $336.4 billion as of December 31, 2015. Mr. Chu was a Senior Managing Director at Blackstone since 2000, and previously served as Co-

Chair of Blackstone's Private Equity Executive Committee and was a member of Blackstone's Executive Committee. Mr. Chu currently serves as a Director of Catalent, Inc., Stearns Mortgage, and NCR Corporation. Mr. Chu previously served as a Director of Kronos Incorporated, SunGard Data Systems, Inc., Stiefel Laboratories, Freescale Semiconductor, Ltd. Biomet, Inc., Alliant, Celanese Corporation, Nalco Company, DJO Global, Inc., HealthMarkets, Inc., Nycomed, Alliant Insurance Services, Inc., the London International Financial Futures and Options Exchange, or LIFFE, Graham Packaging, and AlliedBarton Security Services. Before joining

Blackstone in 1990, Mr. Chu worked at Salomon Brothers in the Mergers & Acquisitions Department. Mr. Chu received a B.S. in Finance from the University of Buffalo.

Mr. Chu's qualifications to serve on our board of directors include: his substantial experience in mergers and acquisitions, corporate finance and strategic business planning; his track record at Blackstone and in advising and managing multi-national companies; and his experience serving as a director for various public and private companies.

*William P. Foley, II*, 72, has been our Co-Executive Chairman since April 16, 2016. Mr. Foley has over 32 years of experience as a director and executive officer of Fidelity National Financial, or FNF (NYSE:FNF). Today, FNF is organized into two groups, FNF Group (NYSE:FNF) and FNFV Group (NYSE:FNFV). FNF is a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. Under Mr. Foley's leadership, FNF is the nation's largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title, Alamo Title and National Title of New York - that collectively issue more title insurance policies than any other title company in the United States. FNF also provides industry-leading mortgage technology solutions and transaction services, including MSP, the leading residential mortgage servicing technology platform in the United States, through its majority-owned subsidiaries Black Knight Financial Services, Inc., or Black Knight (NYSE:BKFS), and ServiceLink Holdings, LLC. FNFV holds majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC, Ceridian HCM, Inc., Fleetcor Technologies, Inc., Digital Insurance, Inc. and Del Frisco's Restaurant Group, Inc.

Mr. Foley has served as the Chairman (and at times Executive Chairman) of FNF since 1984, and Executive Chairman of Black Knight since January 2014. Mr. Foley served as FNF's Chief Executive Officer from 1984 to 2007.

In addition to his experience at FNF and Black Knight, from 2006 to 2011 Mr. Foley served as Executive Chairman of Fidelity National Information Services, Inc., or FIS (NYSE:FIS), served as FIS's non-executive Chairman from 2011 to 2012 and has served as FIS's Vice Chairman since 2012. Under Mr. Foley's leadership, FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting, and outsourcing solutions. Through the depth and breadth of FIS's solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries and has a market capitalization of approximately $19 billion.

Mr. Foley has experience as a board member and executive officer of public and private companies in a wide variety of industries and a strong track record of building and maintaining stockholder value and successfully negotiating and implementing mergers and acquisitions. Mr. Foley has driven favorable outcomes due to his operational expertise, disciplined industry consolidation and rapid execution on cost-reduction opportunities in connection with mergers and acquisitions.

Mr. Foley is the founder and Chairman, CEO and President of Foley Family Wines Holdings, Inc., which has grown to become a major producer, marketer and distributor of highly-acclaimed, handmade wines from some of the world's greatest vineyards. From 2007 to 2014, Mr. Foley also served as Chairman of Remy International, Inc., a leading global manufacturer, remanufacturer, and distributor of alternators, starter motors, and electric traction motors for the automotive and commercial vehicle industry.

Mr. Foley devotes time to many educational and community organizations. He serves as an advisory board member for the University of Washington School of Law and on the Florida Forum Advisory Board for the Women's Board of Wolfson Children's Hospital. Mr. Foley and his wife are active philanthropists for many causes, especially in support of children's education. Mr. Foley serves as a trustee on the boards of the Folded Flag Foundation, the Jacksonville Chamber of Commerce and the Cummer Museum of Arts and Gardens.

After receiving his B.S. degree in engineering from the United States Military Academy at West Point, Mr. Foley served in the U.S. Air Force, where he attained the rank of captain. Mr. Foley received an M.B.A. degree from Seattle University and earned a J.D. degree from the University of Washington School of Law. In February 2016, Mr. Foley received the Distinguished Graduate Award from the United States Military Academy at West Point based on his character, distinguished service, and stature drawing wholesome comparison to the qualities for which West Point strives, in keeping with its motto: "Duty, Honor, Country." Mr. Foley is one of only 121 West Point graduates who have received this prestigious award.

Mr. Foley's qualifications to serve on our board of directors include: his over 32 years of experience as a director and executive officer of FNF; his experience as a board member and executive officer of public and private companies in a wide variety of industries; and his strong track record of building and maintaining stockholder value and successfully negotiating and implementing mergers and acquisitions.

*Richard N. Massey*, 60, has been a member of our board of directors since May 19, 2016. Since 2009, Mr. Massey has been a partner of Westrock Capital, LLC, a private investment partnership. Mr. Massey was Chief Strategy Officer and General Counsel of Alltel Corporation, or Alltel, from 2006 to 2009. Alltel, the fifth-largest wireless carrier in the United States as of 2009, was acquired by its management and a consortium of private equity investors in 2007 and sold to Verizon Communications, Inc. in 2009 for approximately $29 billion. From 2000 until 2006, Mr. Massey served as Managing Director of Stephens Inc., a private investment bank, during which time his financial advisory practice focused on software and information technology companies. Since 2006, Mr. Massey has served as a director of FNF. Mr. Massey also serves as a director of FIS, Black Knight and ServiceLink Holdings, LLC, as Chairman of the board of directors of Bear State Financial, Inc., and as a director of Oxford American Literary Project, a non-profit literary publication, and the Arkansas Razorback Foundation. Mr. Massey has served as a director of various other private companies. Mr. Massey received a B.A. and a J.D., with high honors, from the University of Arkansas.

Mr. Massey's qualifications to serve on the board of directors include his experience in corporate finance and investment banking and as a financial and legal advisor to public and private businesses, as well as his expertise in identifying, negotiating and consummating mergers and acquisitions.

*James A. Quella*, 67, has been a member of our board of directors since May 19, 2016. Since 2013, Mr. Quella has served as a Senior Advisor at Blackstone Group. On June 30, 2013, Mr. Quella retired as a Senior Managing Director and Senior Operating Partner at Blackstone, where he worked since 2004. Mr. Quella was responsible for monitoring the strategy and operational performance of Blackstone's portfolio companies and providing direct assistance in the oversight of large investments. Mr. Quella has been a Director of Michaels Stores, Inc. since 2006 and has been an Independent Director of The Michaels Companies, Inc. since 2013. Mr. Quella has been a Director of Catalent, Inc. since 2009 and a Director of DJO Finance LLC and DJO Global Inc. since 2012. Mr. Quella has been a Director of Lionbridge Technologies Inc. since 2015.

While at Blackstone, Mr. Quella also served as a Director at The Columbia House Company from 2004 to 2005. Mr. Quella served as a Director of Celanese Emulsions GmbH and Celanese Corporation from 2004 to 2007. He served as a Director of Houghton Mifflin Harcourt Publishing Company from 2005 to 2006. Mr. Quella served as a Director of Allied Waste Industries, Inc. from 2005 to 2008. He served as a Director and Vice President, Assistant Secretary and Assistant Treasurer Graham Packaging Holdings Company from 2005 to 2010. Mr. Quella served as Member of Supervisory Board at Nielsen Holdings plc (also known as Nielsen Holdings N.V.) from 2006 to 2009. He served as a Director of Intelenet Global Services from 2007 to 2011, a Director of Vanguard Health Systems Inc. from 2007 to 2011, a Director of Freescale Semiconductor, Ltd. from 2008 to February, 2011 and from August, 2011 to 2015.

Previous to his experience at Blackstone, Mr. Quella held various positions at Donaldson, Lufkin & Jenrette Merchant Banking Partners-CSFB Private Equity. Mr. Quella served as Managing Director and Senior Operating Partner at Credit Suisse Private Equity, LLC (formerly, CSFB Private Equity) from 2000 to 2004. While at DLJ Merchant Banking Partners-CSFB Private Equity, Mr. Quella served as a member of various private equity company Boards including as a Director of Merrill Corporation from 2000 to 2004. He served as a Director of Von Hoffmann Holdings Inc. and Von Hoffmann Corporation from 2000 to 2004. Mr. Quella served as a Director of Advanstar Holdings Inc., from 2000 to 2004, a Director of DeCrane Aerospace, Inc. (formerly Decrane Aircraft Holdings Inc.) and DeCrane Holdings Co. from 2003 to 2004, and a Director of Jostens, Inc. from 2003 to 2004.

From 1981 to 2000, Mr. Quella worked at Oliver Wyman, Inc., (Mercer Management Consulting and Strategic Planning Associates) where he served as a Senior Consultant to Chief Executive Officers and senior management teams and served as a Co-Vice Chairman from 1997 to 2000 with shared responsibility for overall management of the global firm. In 1992, he founded the Financial Services Practice Group and also managed it until 1995.

Mr. Quella is a co-author of <u>Profit Patterns: 30 Ways to Anticipate and Profit from the Strategic Forces Reshaping Your Business</u>. Mr. Quella received his Masters of Business Administration, with Dean's honors, from the University of

Chicago Graduate School of Business, and a B.A. in International Studies from the University of Chicago and University of Wisconsin-Madison.

Mr. Quella's qualifications to serve on our board of directors include: his substantial experience in managing businesses; his experience in mergers and acquisitions; his familiarity with corporate finance and strategic business planning activities; and his extensive experience serving as a director for various public and private companies.

*Douglas B. Newton*, 38, has been our Chief Financial Officer since April 16, 2016. Mr. Newton is a Senior Managing Director at CC Capital Management, LLC, a private investment firm. From 2013 to 2016 Mr. Newton was a Founding Partner at the WindAcre Partnership, LLC, or WindAcre. WindAcre is an investment firm that owns a concentrated, long-term portfolio of public equities globally. From 2006 to 2012, Mr. Newton was a Senior Investment Analyst at Seneca Capital Investments, LP, a multi-strategy hedge fund where he focused on making long-term fundamental value investments across a company's capital structure. From 2002 to 2004, Mr. Newton was an Analyst at DLJ Merchant Banking Partners. From 2000 to 2002, Mr. Newton was an analyst in the Media & Communications Group at Credit Suisse First Boston and at Donaldson, Lufkin & Jenrette. Mr. Newton received an A.B. in Economics from Dartmouth College and a Masters of Business Administration from the Stanford University Graduate School of Business.

*David Ducommun*, 40, has been our Secretary since April 16, 2016. Mr. Ducommun joined FNF as Senior Vice President of Mergers & Acquisitions in 2011. Prior to joining FNF, Mr. Ducommun was a Director of Investment Banking at Bank of America Corporation, since 2008. Before Bank of America Corporation, Mr. Ducommun was an investment banker at Bear Stearns. Mr. Ducommun received a B.A. in Philosophy from The George Washington University.

**Number and Terms of Office of Officers and Directors**

Our board of directors is divided into three classes, with only one class of directors being elected in each year, and with each class (except for those directors appointed prior to our first annual meeting of shareholders) serving a three-year term. In accordance with NASDAQ corporate governance requirements, we are not required to hold an annual meeting until one year after our first fiscal year end following our listing on NASDAQ. The term of office of the first class of directors, consisting of Richard N. Massey, will expire at our first annual meeting of shareholders. The term of office of the second class of directors, consisting of James A. Quella, will expire at our second annual meeting of shareholders. The term of office of the third class of directors, consisting of Chinh E. Chu and William P. Foley, II, will expire at our third annual meeting of shareholders.

Our officers are appointed by the board of directors and serve at the discretion of the board of directors, rather than for specific terms of office. Our board of directors is authorized to appoint persons to the offices set forth in our amended and restated memorandum and articles of association as it deems appropriate. Our amended and restated memorandum and articles of association provide that our officers may consist of one or more chairmen of the board, chief executive officers, a president, chief financial officer, vice presidents, secretary, treasurer and such other offices as may be determined by the board of directors.

**Committees of the Board of Directors**

Our board of directors has two standing committees: an audit committee and a compensation committee. Subject to phase-in rules and a limited exception, the rules of NASDAQ and Rule 10A of the Exchange Act require that the audit committee of a listed company be comprised solely of independent directors. Subject to phase-in rules and a limited exception, the rules of NASDAQ require that the compensation committee of a listed company be comprised solely of independent directors.

*Audit Committee*

Our board has established an audit committee of the board of directors. Audit committee members include Messrs. Massey, Quella and Chu. Mr. Chu serves as chairman of the audit committee. Under NASDAQ rules, we have one year from the date of our initial public offering to have our audit committee be comprised solely of independent members. We intend to identify one additional independent director to serve on the audit committee within one year of the closing of our initial public offering, at which time Mr. Chu will resign from the committee.

Each member of the audit committee is financially literate and our board of directors has determined that Messrs. Massey, Quella and Chu each qualifies as an “audit committee financial expert” as defined in applicable SEC rules.

The responsibilities of our audit committee include:

- meeting with our independent registered public accounting firm regarding, among other issues, audits, and adequacy of our accounting and control systems;
- monitoring the independence of the independent registered public accounting firm;
- verifying the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law;
- inquiring and discussing with management our compliance with applicable laws and regulations;
- pre-approving all audit services and permitted non-audit services to be performed by our independent registered public accounting firm, including the fees and terms of the services to be performed;

- appointing or replacing the independent registered public accounting firm;
- determining the compensation and oversight of the work of the independent registered public accounting firm (including resolution of disagreements between management and the independent registered public

accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or related work;

- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or reports which raise material issues regarding our financial statements or accounting policies;

- monitoring compliance on a quarterly basis with the terms of the prospectus for our initial public offering and, if any noncompliance is identified, immediately taking all action necessary to rectify such noncompliance or otherwise causing compliance with the terms of the prospectus for our initial public offering; and

- reviewing and approving all payments made to our existing shareholders, executive officers or directors and their respective affiliates. Any payments made to members of our audit committee will be reviewed and approved by our board of directors, with the interested director or directors abstaining from such review and approval.

*Compensation Committee*

Our board has established a compensation committee of the board of directors. Compensation committee members include Messrs. Massey and Quella. Mr. Massey serves as chairman of the compensation committee.

We have adopted a compensation committee charter which details the principal functions of the compensation committee, including:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our chief executive officer's compensation, evaluating our chief executive officer's performance in light of such goals and objectives and determining and approving the remuneration (if any) of our chief executive officer based on such evaluation;

- reviewing and approving the compensation of all of our other Section 16 executive officers;

- reviewing our executive compensation policies and plans;

- implementing and administering our incentive compensation equity-based remuneration plans;

- assisting management in complying with our proxy statement and annual report disclosure requirements;

- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our executive officers and employees;

- producing a report on executive compensation to be included in our annual proxy statement; and

- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

The charter also provides that the compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and will be directly responsible for the appointment, compensation and oversight of the work of any such adviser. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other adviser, the compensation committee will consider the independence of each such adviser, including the factors required by NASDAQ and the SEC.

**Director nominations**

We do not have a standing nominating committee, though we intend to form a corporate governance and nominating committee as and when required to do so by law or NASDAQ rules. In accordance with Rule 5605(e)(2) of the NASDAQ rules, a majority of the independent directors may recommend a director nominee for selection by the board of directors. The board of directors believes that the independent directors can satisfactorily carry out the responsibility of properly selecting or approving director nominees without the formation of a standing nominating committee. In accordance with Rule 5605(e)(1)(A) of the NASDAQ rules, all such directors are independent. As there is no standing nominating committee, we do not have a nominating committee charter in place.

Prior to our business combination, the board of directors will also consider director candidates recommended for nomination by holders of our founder shares during such times as they are seeking proposed nominees to stand for election at an annual meeting of shareholders (or, if applicable, a special meeting of shareholders). Prior to our business combination, holders of our public shares will not have the right to recommend director candidates for nomination to our board.

We have not formally established any specific, minimum qualifications that must be met or skills that are necessary for directors to possess. In general, in identifying and evaluating nominees for director, the board of directors considers educational background, diversity of professional experience, knowledge of our business, integrity, professional reputation, independence, wisdom, and the ability to represent the best interests of our shareholders.

**Compensation committee interlocks and insider participation**

None of our executive officers currently serves, and in the past year has not served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers, directors and persons who beneficially own more than ten percent of our ordinary shares to file reports of ownership and changes in ownership with the SEC. These reporting persons are also required to furnish us with copies of all Section 16(a) forms they file. Based solely upon a review of such Forms, we believe that during the year ended December 31, 2016 there were no delinquent filers.

**Code of Ethics**

We have adopted a Code of Ethics that applies to all of our directors, executive officers and employees that complies with the rules and regulations of the NASDAQ. The Code of Ethics codifies the business and ethical principles that govern all aspects of our business. We have previously filed copies of our form of Code of Ethics, our form of Audit Committee Charter and our form of Compensation Committee Charter as exhibits to our registration statement in connection with our initial public offering. You may review these documents by accessing our public filings at the SEC's web site at www.sec.gov. In addition, a copy of the Code of Ethics will be provided without charge upon request to us in writing at 1701 Village Center Circle, Las Vegas, Nevada 89134 or by telephone at (702) 323-7331.

**Conflicts of interest**

Under Cayman Islands law, directors and officers owe the following fiduciary duties:

- duty to act in good faith in what the director or officer believes to be the best interests of the company as a whole;
- duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose;
- directors should not improperly fetter the exercise of future discretion;
- duty to exercise powers fairly as between different sections of shareholders;
- duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests; and
- duty to exercise independent judgment.

In addition to the above, directors also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge skill and experience of that director.

As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorized in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in the amended and restated memorandum and articles of association or alternatively by shareholder approval at general meetings.

Each of our officers and directors presently has, and any of them in the future may have additional, fiduciary or contractual obligations to another entity pursuant to which such officer or director is or will be required to present a business combination opportunity to such entity. Accordingly, if any of our officers or directors becomes aware of a business combination opportunity which is suitable for an entity to which he or she has then-current fiduciary or contractual obligations, he or she will honor his or her fiduciary or contractual obligations to present such business combination opportunity to such entity, subject to their fiduciary duties under Cayman Islands law. We do not believe, however, that the fiduciary duties or contractual obligations of our officers and directors will materially affect our ability to complete our business combination.

Our Sponsor, executive officers and directors may become involved with subsequent blank check companies similar to our Company, although they have agreed not to participate in the formation of, or become an officer or director of, any blank check company until we have entered into a definitive agreement regarding our business combination or we have failed to complete our business combination by May 25, 2018.

Below is a table summarizing the entities to which our executive officers and directors currently have fiduciary duties or contractual obligations:

| Individual | Entity | Entity's Business | Affiliation |
|---|---|---|---|
| Chinh E. Chu | Catalent, Inc. | Pharmaceutical Biotechnology | Chairman |
| | CC Capital Management, LLC | Private Investments | Founder and Senior Managing Director |
| | NCR Corporation | Software, Computer Hardware and Electronics | Director |
| | Stearns Mortgage | Mortgage Services | Director |
| William P. Foley, II | Fidelity National Financial, Inc. | Insurance | Chairman |
| | Black Knight Financial Services, Inc. | Financial Services | Executive Chairman |
| | Fidelity National Information Services, Inc. | Financial Services Technology | Vice Chairman |
| | ServiceLink Holdings, LLC | Mortgage Services | Chairman |
| Richard N. Massey | Westrock Capital, LLC | Private Investments | Partner |
| | Fidelity National Financial, Inc. | Insurance | Director |
| | Black Knight Financial Services, Inc. | Financial Services | Director |
| | Fidelity National Information Services, Inc. | Financial Services Technology | Director |
| | ServiceLink Holdings, LLC | Mortgage Services | Director |
| | Bear State Financial, Inc. | Banking | Chairman |
| James A. Quella | The Blackstone Group, L.P. | Private Equity | Senior Advisor |
| | DJO Finance LLC | Medical Devices and Services | Director |
| | The Michaels Companies, Inc. and | Arts and Craft Retail | Director |

| | | | |
|---|---|---|---|
| | Michaels Stores, Inc. | | |
| | Freescale Semiconductor, Ltd., Freescale Semiconductor, Inc., and Freescale Holdings GP, Ltd. | Semiconductors | Director |
| | Catalent, Inc. and Catalent Pharma Solutions, Inc. | Pharmaceuticals | Director |
| | Lionbridge Technologies, Inc. | Translation and Localization Services | Director |
| | HM Publishing Corp | Publishing | Director |
| | Merrill Corporation | Printing and Publishing | Director |
| | DeCrane Holdings Co. | Aerospace and Defense | Director |
| | Allied Waste Industries, Inc. | Waste and Disposal Services | Director |
| | Von Hoffmann Holdings LLC and Von Hoffmann Corporation | Publishing, Commercial Services and Supplies | Director |
| David Ducommun | Fidelity National Financial, Inc. | Insurance | Senior Vice President |
| Douglas B. Newton | CC Capital Management, LLC | Private Investments | Senior Managing Director |

Potential investors should also be aware of the following other potential conflicts of interest:

- Our executive officers and directors are not required to, and will not, commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and our search for a business combination and their other businesses. We do not intend to have any full-time employees prior to the completion of our initial business combination. Each of our executive officers is engaged in several other business endeavors for which he may be entitled to substantial compensation, and our executive officers are not obligated to contribute any specific number of hours per week to our affairs.
- Our initial shareholders have agreed to waive their redemption rights with respect to their founder shares and, with respect to our initial shareholders other than the anchor investors, public shares in connection with the completion of our initial business combination. The other members of our management team have similarly agreed to waive their redemption rights with respect to any public shares acquired by them after our initial public offering. Additionally, our initial shareholders have agreed to waive their redemption rights with respect to their founder shares if we fail to consummate our business combination within the prescribed time frame. If we do not complete our business combination within the prescribed time frame, the private placement warrants will expire worthless. Our Sponsor, Chinh E. Chu and William P. Foley, II have agreed not to transfer, assign or sell any of their founder shares until the earliest of (a) one year after the completion of our initial business combination with respect 50% of their founder shares, (b) two years after the completion of our initial business combination with respect to the remaining 50% of their founder shares, and (c) the date on which we complete a liquidation, merger, share exchange or other similar transaction after our initial business combination that results in all of our shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property. Our anchor investors have agreed not to transfer, assign or sell any of their founder shares until the earlier to occur of: (i) one year after the completion of our initial business combination or (ii) the date following the completion of our initial business combination on which we complete a liquidation, merger, share exchange or other similar transaction that results in all of our shareholders having the right to exchange their ordinary shares for cash, securities or other property. Notwithstanding the foregoing, if the closing price of our Class A ordinary shares equals or exceeds $12.00 per share (as adjusted for share splits, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination, the founder shares held by investors other than our Sponsor, Chinh E. Chu and William P. Foley, II will be released from the lockup. The private placement warrants will not be transferable until 30 days following the completion of our business

combination. Because our Sponsor and officers and directors directly or indirectly own ordinary shares or warrants, they may have a conflict of interest in determining whether a particular target business is an appropriate business with which to effectuate our initial business combination.

- Our officers and directors may have a conflict of interest with respect to evaluating a particular business combination if the retention or resignation of any such officers and directors was included by a target business as a condition to any agreement with respect to our initial business combination.

The conflicts described above may not be resolved in our favor.

Accordingly, if any of the above executive officers or directors become aware of a business combination opportunity which is suitable for any of the above entities to which he or she has then-current fiduciary or contractual obligations, he or she will honor his or her fiduciary or contractual obligations to present such business combination opportunity to such entity, and only present it to us if such entity rejects the opportunity, subject to their fiduciary duties under Cayman Islands law. We do not believe, however, that any of the foregoing fiduciary duties or contractual obligations will materially affect our ability to complete our business combination.

We are not prohibited from pursuing a business combination with a company that is affiliated with our Sponsor, officers or directors. In the event we seek to complete our business combination with such a company, we, or a committee of independent directors, would obtain an opinion from an independent investment banking firm that is a member of FINRA, or from an independent accounting firm, that such a business combination is fair to our Company from a financial point of view.

In the event that we submit our business combination to our public shareholders for a vote, our initial shareholders, officers and directors have agreed, pursuant to the terms of a letter agreement entered into with us, to vote any founder shares held by them, and their permitted transferees will agree, and any public shares held by them in favor of our business combination.

**Limitation on Liability and Indemnification of Officers and Directors**

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against willful default, fraud or the consequences of committing a crime. Our amended and restated memorandum and articles of association provide for indemnification of our officers and directors to the maximum extent permitted by law, including for any liability incurred in their capacities as such, except through their own actual fraud, willful default or willful neglect. We may purchase a policy of directors' and officers' liability insurance that insures our officers and directors against the cost of defense, settlement or payment of a judgment in some circumstances and insures us against our obligations to indemnify our officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

**Item 11. Executive Compensation.**

None of our executive officers or directors have received any cash compensation for services rendered to us. Commencing on May 19, 2016, through the earlier of the consummation of a business combination or our liquidation, we pay monthly recurring expenses of $10,000 to an affiliate of our Sponsor for office space, secretarial and administrative services. Our Sponsor, executive officers, directors, or any of their respective affiliates, are reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. Our audit committee reviews on a quarterly basis all payments that were made to our Sponsor, executive officers, directors and our or their affiliates.

After the completion of our business combination, directors or members of our management team who remain with us may be paid consulting, management or other fees from the combined company. All of these fees will be fully disclosed to shareholders, to the extent then known, in the tender offer materials or proxy solicitation materials furnished to our shareholders in connection with a proposed business combination. It is unlikely the amount of such compensation will be known at the time, because the directors of the post-combination business will be responsible for determining executive officer and director compensation. Any compensation to be paid to our executive officers will be determined by a compensation committee constituted solely by independent directors.

We do not intend to take any action to ensure that members of our management team maintain their positions with us after the consummation of a business combination, although it is possible that some or all of our executive officers and directors may negotiate employment or consulting arrangements to remain with us after a business combination. The existence or terms of any such employment or consulting arrangements to retain their positions with us may influence our management's motivation in identifying or selecting a target business but we do not believe that the ability of our management team to remain with us after the consummation of a business combination will be a determining factor in our decision to proceed with any potential business combination. We are not party to any agreements with our executive officers and directors that provide for benefits upon termination of employment.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

We have no compensation plans under which equity securities are authorized for issuance.

The following table sets forth information available to us at March 17, 2017 with respect to our ordinary shares held by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding ordinary shares;
- each of our executive officers and directors that beneficially own ordinary shares; and
- all our executive officers and directors as a group.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all ordinary shares beneficially owned by them. The following table does not reflect record or beneficial ownership of the Private Placement Warrants as they are not exercisable within 60 days of March 17, 2017.

| Directors and Executive Officers[(1)] | Number of Shares Beneficially Owned[(2)] | Percentage of Outstanding Ordinary Shares |
|---|---|---|
| Chinh E. Chu[(3)] | 11,452,206 | 13.6% |
| William P. Foley, II[(3)] | 11,452,206 | 13.6% |
| Douglas B. Newton | - | - |
| Richard N. Massey | 73,529 | * |
| James A. Quella | 36,765 | * |
| David Ducommun | - | - |
| All officers and directors as a group (six individuals) | 12,712,716 | 15.1% |
| **Greater than 5% Shareholders** | | |
| CF Capital Growth, LLC (our Sponsor)[(3)] | 11,250,000 | 13.4% |
| Angelo, Gordon & Co., L.P.[(4)] | 5,800,000 | 6.9% |
| Blue Pool Capital Limited [(5)] | 5,000,000 | 6.0% |
| BlueMountain Capital Management, LLC [(6)] | 7,000,000 | 8.3% |

* Less than 1%.

(1) This table is based on 84,000,000 ordinary shares outstanding at March 17, 2017, of which 69,000,000 were Class A ordinary shares and 15,000,000 were Class B ordinary shares. The Class A ordinary shares and Class B ordinary shares vote together on all matters presented to shareholders for approval, exception that prior to the consummation of an initial business combination, only holders of Class B ordinary shares will have the ability to elect our directors. Except as described in the footnotes below and subject to applicable community property laws and similar laws, we believe that each person listed above has sole voting and investment power with respect to such shares. Unless otherwise indicated, the business address of each of the entities, directors and executives in this table is 1701 Village Center Circle, Las Vegas, Nevada 89134.

(2) The interests shown consist solely of founder shares, classified as Class B ordinary shares. Such shares will automatically convert into Class A ordinary shares at the time of our business combination. Excludes Class A ordinary shares issuable pursuant to the forward purchase agreements, as such shares will only be issued concurrently with the closing of our initial business combination.

(3) CC Capital Management, LLC and BilCar, LLC are the members of our Sponsor. Mr. Chu is the sole member of CC Capital Management, LLC. Mr. Foley is the manager of BilCar, LLC. Mr. Chu and Mr. Foley share voting and dispositive power over the founder shares held by our Sponsor.

(4) According to Schedule 13G filed with the SEC on February 14, 2017 on behalf of Angelo, Gordon & Co., L.P. ("Angelo, Gordon") and Michael L. Gordon ("Mr. Gordon"), each of Angelo, Gordon and Mr. Gordon holds sole voting and sole dispositive power with respect to 5,800,000 shares of the Company's Class A Ordinary Shares. Angelo, Gordon is the relevant entity for which Mr. Gordon may be considered a control person and Angelo, Gordon is an investment adviser registered under the Investment Advisers Act of 1940. The business address of Angelo, Gordon and Mr. Gordon is 245 Park Avenue, New York, New York 10167.

(5) According to Schedule 13G filed with the SEC on February 14, 2017 on behalf of Blue Pool Capital Limited ("BPCL"), Blue Pool Management Ltd. ("BPM"), Alexander Gustav Lennart West ("Mr. West"), and Oliver Paul Weisberg ("Mr. Weisberg"), each of BPCL, BPM, Mr. West and Mr. Weisberg holds shared voting and shared dispositive power with respect to 5,000,000 shares of the Company's Class A ordinary shares. The Class A ordinary shares are held for the account of Absolute Partners Master Fund Limited, an exempted company organized under the laws of the Cayman Islands. BPCL provides investment advisory services to the investment manager of the Absolute Partners Master Fund Limited and, in such capacity, exercises voting and investment power over the Class A ordinary shares represented by the units held for the account of Absolute Partners Master Fund Limited. BPM is the sole shareholder of BPCL. Each of Mr. West and Mr. Weisberg is a shareholder and a director of BPM. The business address of BPCL, BPM, Mr. West and Mr. Weisberg is 3208 Two Exchange Square, Central, Hong Kong.

(6) According to Schedule 13G filed with the SEC on June 8, 2016, on behalf of BlueMountain Capital Management, LLC ("BMCM") and Blue Mountain Credit Alternatives Master Fund L.P. ("BMCA"), BMCM holds shared voting and shared dispositive power with respect to 7,000,000 shares of the Company's Class A ordinary shares and BMCA holds shared voting and shared dispositive power with respect to 3,396,511 shares of the Company's Class A ordinary shares. BMCM acts as investment manager to, and exercises investment discretion with respect to the Ordinary Shares directly owned by, the following entities: BMCA, with respect to the 3,396,511 shares of Ordinary Shares directly owned by it; BlueMountain Foinaven Master Fund L.P., a Cayman Islands exempted limited partnership, with respect to the 346,428 shares of Ordinary Shares directly owned by it; BlueMountain Guadalupe Peak Fund L.P., a Delaware limited partnership, with respect to the 128,318 shares of Ordinary Shares directly owned by it; BlueMountain Logan Opportunities Master Fund L.P., a Cayman Islands exempted limited partnership, with respect to the 262,927 shares of Ordinary Shares directly owned by it; BlueMountain Montenvers Master Fund SCA SICAV-SIF, an investment company with variable capital organized as a specialized investment fund in the form of a corporate partnership limited by shares under the laws of Luxembourg, with respect to the 209,444 shares of Ordinary Shares directly owned by it; BlueMountain Kicking Horse Fund L.P., a Cayman Islands exempted limited partnership, with respect to the 218,343 shares of Ordinary Shares directly owned by it; and BlueMountain Long/Short Equity Master Fund L.P., a Cayman Islands exempted limited partnership, with respect to the 2,438,029 shares of Ordinary Shares directly owned by it. The business address of BMCM and BMCA is 280 Park Avenue, 12th Floor, New York, New York 10017.

Our initial shareholders beneficially own, on an as-converted basis, 20% of our issued and outstanding ordinary shares and have the right to elect all of our directors prior to our business combination as a result of holding all of the founder shares. Holders of our public shares will not have the right to elect any directors to our board of directors prior to our business combination. In addition, because of their ownership block, our initial shareholders may be able to effectively influence the outcome of all other matters requiring approval by our shareholders, including amendments to our amended and restated memorandum and articles of association and approval of significant corporate transactions.

On March 2, 2016, we issued an aggregate of 15,000,000 shares of Class B ordinary shares to our Sponsor in exchange for a capital contribution of $25,000. On April 19, 2016, our Sponsor surrendered 3,750,000 Class B ordinary shares to us for no consideration, which we cancelled. We then issued 3,750,000 Class B ordinary shares to the anchor investors for an aggregate price of approximately $7,000 in connection with the forward purchase agreements. The Sponsor and the anchor investors currently own 11,250,000 and 3,750,000 Class B ordinary shares, respectively.

In connection with the consummation of our initial public offering, our Sponsor purchased an aggregate of 15,800,000 private placement warrants at a price of $1.00 per private placement warrant (a purchase price of $15,800,000) in a private placement. Each private placement warrant entitles the holder to purchase one Class A ordinary share at $11.50 per share.

Our Sponsor and our executive officers and directors are deemed to be our "promoters" as such term is defined under the federal securities laws. See "Item 13. Certain Relationships and Related Transactions, and Director Independence" below for additional information regarding our relationships with our promoters.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

On March 2, 2016, we issued an aggregate of 15,000,000 founder shares to our Sponsor in exchange for a capital contribution of $25,000, or approximately $0.002 per share. On April 19, 2016, our Sponsor surrendered 3,750,000 founder shares to the Company for no consideration. On April 19, 2016, the Company issued 3,750,000 founder shares to the anchor investors in connection with the forward purchase agreements. Our Sponsor and the anchor investors (including two affiliates of our Sponsor) currently own 11,250,000 and 3,750,000 Class B ordinary shares, respectively. In addition, our Sponsor purchased an aggregate of 15,800,000 private placement warrants, each exercisable to purchase one ordinary share at $11.50 per share, at a price of $1.00 per warrant, in a private placement that closed simultaneously with the closing of our initial public offering. Each private placement warrant entitles the holder to purchase one ordinary share at $11.50 per share. The private placement warrants (including the Class A ordinary shares issuable upon exercise of the private placement warrants) may not, subject to certain limited exceptions, be transferred, assigned or sold until 30 days after the completion of our initial business combination.

Prior to our initial public offering, we entered into forward purchase agreements pursuant to which the certain anchor investors (including two affiliates of our Sponsor) agreed to purchase an aggregate of 51,000,000 Class A ordinary shares, plus 19,083,333 redeemable warrants, for a purchase price of $10.00 multiplied by the number of Class A ordinary shares purchased, or $510,000,000 in the aggregate, in a private placement to occur concurrently with the closing of our initial business combination. The forward purchase agreement with CFS provides that it may be excused from its purchase obligation in connection with a specific business combination, as described below. We entered into forward purchase agreements with two affiliates of our Sponsor, CC Capital Management, LLC and BilCar, LLC, providing for the sale of an aggregate of 5,500,000 forward purchase shares and 1,833,333 forward purchase warrants to such anchor investors, for an aggregate purchase price of $10.00 per Class A ordinary share, or $55,000,000. In connection with these forward purchase agreements, we issued to these anchor investors an aggregate of 404,412 founder shares for $0.002 per share. In addition, we entered into forward purchase agreements with James A. Quella and Richard N. Massey, two of our directors, providing for the sale of 500,000 and 1,000,000 forward purchase shares, and 333,333 and 166,667 forward purchase warrants, respectively, for an aggregate purchase price of $10.00 per Class A ordinary share. In connection with these forward purchase agreements, we issued to these anchor investors an aggregate of 110,294 founder shares for $0.002 per share. The founder shares issued to the anchor investors are subject to similar contractual conditions and restrictions as the founder shares issued to our Sponsor. The anchor investors will have redemption rights with respect to any public shares they own. The forward purchase warrants will have the same terms as our public warrants. The forward purchase agreements also provide that the anchor investors are entitled to a right of first offer with respect to any proposed sale of additional equity or equity-linked securities by us for capital raising purposes in connection with the closing of our initial business combination (other than forward purchase shares and forward purchase warrants) and registration rights with respect to their forward purchase securities, the Class A ordinary shares underlying their forward purchase warrants and their founder shares. The anchor investors also have a right to acquire an aggregate of five percent of the founder shares of any special purpose acquisition company Sponsored by Chinh E. Chu and William P. Foley, II for 10 years following the date of the forward purchase agreements. Chinh E. Chu and William P. Foley, II have agreed, pursuant to a written letter agreement, not to participate in the formation of, or become an officer or director of, any other blank check company until we have entered into a definitive agreement regarding our initial business combination or we have failed to complete our initial business combination within 24 months after the closing of our initial public offering.

We currently maintain our executive offices at 1701 Village Center Circle, Las Vegas, Nevada 89134. The cost for our use of this space is included in the $10,000 per month fee that we pay to an affiliate of our Sponsor for office space, administrative and support services. Upon completion of our initial business combination or our liquidation, we will cease paying these monthly fees.

Other than these monthly fees, no compensation of any kind, including finder's and consulting fees, have or will be paid by the company to our Sponsor, executive officers and directors, or any of their respective affiliates, for services rendered prior to or in connection with the completion of an initial business combination. However, these individuals will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. Our audit committee will review on a quarterly basis all payments that were made to our Sponsor, officers, directors or our or their affiliates.

In order to finance transaction costs in connection with an intended initial business combination, our Sponsor or an affiliate of our Sponsor or certain of our officers and directors may, but are not obligated to, loan us funds as may be required on a non-interest basis. If we complete an initial business combination, we would repay such loaned amounts. In the event that the initial business combination does not close, we may use a portion of the working capital held outside the trust account to repay such loaned amounts but no proceeds from our trust account would be used for such repayment. Up to $1,500,000 of such loans may be convertible into warrants of the post business combination entity at a price of $1.00 per warrant at the option of the lender. The warrants would be identical to the private placement warrants. Except as set forth above, the terms of such loans, if any, have not been determined and no written agreements exist with respect to such loans. Prior to the completion of our initial business combination, we do not expect to seek loans from parties other than our Sponsor or an affiliate of our Sponsor as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in our trust account.

After our initial business combination, members of our management team who remain with us may be paid consulting, management or other fees from the combined company with any and all amounts being fully disclosed to our shareholders, to the extent then known, in the proxy solicitation or tender offer materials, as applicable, furnished to our shareholders. It is unlikely the amount of such compensation will be known at the time of distribution of such tender offer materials or at the time of a shareholder meeting held to consider our initial business combination, as applicable, as it will be up to the directors of the post-combination business to determine executive and director compensation.

*Director Independence*

NASDAQ listing standards require that a majority of our board of directors be independent. An “independent director” is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which in the opinion of the company’s board of directors, would interfere with the director’s exercise of independent judgment in carrying out the responsibilities of a director. Our Board of Directors has determined that Messrs. Massey and Quella are “independent directors” as defined in Rule 10A-3 of the Exchange Act and the rules of the NASDAQ. Our independent directors have regularly scheduled meetings at which only independent directors are present.

**Item 14. Principal Accounting Fees and Services.**

Fees for professional services provided by our independent registered public accounting firm WithumSmith+Brown, PC ("Withum") since inception include:

**Audit Fees**

Audit fees consist of fees billed for professional services rendered for the audit of our year-end financial statements and services that are normally provided by Withum in connection with regulatory filings. The aggregate fees billed by Withum for professional services rendered for the audit of our annual financial statements and review of the financial information included in our Forms 10-Q for the period from February 26, 2016 (inception) to December 31, 2016 totaled approximately $64,000. For the period from February 26, 2016 (inception) to December 31, 2016, the Company incurred approximately $84,000 related to audit services in connection with proxy statement filings made during the year.

**Audit-Related Fees**

Audit-related fees consist of fees billed for assurance and related services that are reasonably related to performance of the audit or review of our year-end financial statements and are not reported under “Audit Fees.” These services include attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards. During the period from February 26, 2016 (inception) to December 31, 2016, we did not pay Withum for consultations concerning financial accounting and reporting standards.

**Tax Fees**

Tax fees consist of fees billed for professional services relating to tax compliance, tax planning and tax advice. We did not pay Withum for other services for the period from February 26, 2016 (inception) to December 31, 2016.

**All Other Fees**

All other fees consist of fees billed for all other services. We did not pay Withum for other services for the period from February 26, 2016 (inception) to December 31, 2016.

**Policy on Board Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Auditors**

The audit committee is responsible for appointing, setting compensation and overseeing the work of the independent auditors. In recognition of this responsibility, the audit committee shall review and, in its sole discretion, pre-approve all audit and permitted non-audit services to be provided by the independent auditors as provided under the audit committee charter.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules.**

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Financial Statements: See "Index to Financial Statements" at "Item 8. Financial Statements and Supplementary Data" herein.

(b) Financial Statement Schedules. All schedules are omitted for the reason that the information is included in the financial statements or the notes thereto or that they are not required or are not applicable.

(c) Exhibits: The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference as part of this Annual Report on Form 10-K.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

**CF CORPORATION**

Date: March 17, 2017

By: /s/ Chinh E. Chu
Chinh E. Chu
Co- Executive Chairman

## POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Chinh E. Chu, William P. Foley, II and Douglas B. Newton and each or any one of them, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the United States Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, 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 he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

| Name | Title | Date |
|---|---|---|
| /s/ Chinh E. Chu<br>**Chinh E. Chu** | Co-Executive Chairman<br>(Principal Executive Officer) | March 17, 2017 |
| /s/ William P. Foley, II<br>**William P. Foley, II** | Co-Executive Chairman | March 17, 2017 |
| /s/ Douglas B. Newton<br>**Douglas B. Newton** | Chief Financial Officer<br>(Principal Financial and Accounting Officer) | March 17, 2017 |
| /s/ Richard N. Massey<br>**Richard N. Massey** | Director | March 17, 2017 |
| /s/ James A. Quella<br>**James A. Quella** | Director | March 17, 2017 |

## Exhibit Index

| Exhibit Number | Description |
|---|---|
| 3.1 | Memorandum and Articles of Association of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-210854), filed with the SEC on April 21, 2016). |
| 3.2 | Amended and Restated Memorandum and Articles of Association of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-210854), filed with the SEC on April 21, 2016). |
| 4.1 | Specimen unit Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-210854), filed with the SEC on April 21, 2016). |
| 4.2 | Specimen Ordinary Share Certificate (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-210854), filed with the SEC on April 21, 2016). |
| 4.3 | Specimen Warrant Certificate (incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-1 (File No. 333-210854), filed with the SEC on April 21, 2016). |
| 4.4 | Warrant Agreement, dated May 19, 2016, by and between Continental Stock Transfer & Trust Company and the Registrant (incorporated by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 10.1 | Letter Agreement, dated May 19, 2016, by and among the Registrant, CF Capital Growth, LLC, Chinh E. Chu, William P. Foley, II, James A. Quella, Douglas B. Newton, David Ducommun and Richard N. Massey (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 10.2 | Investment Management Trust Agreement, dated May 19, 2016, by and between the Registrant and Continental Stock Transfer & Trust Company, as trustee (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 10.3 | Registration Rights Agreement, dated May 19, 2016, by and among the Registrant, CF Capital Growth, LLC and the Holders signatory thereto (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 10.4 | Administrative Services Agreement, dated May 19, 2016, by and between the Registrant and CF Capital Growth, LLC (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 10.5 | Private Placement Warrants Purchase Agreement, dated May 19, 2016, by and between the Registrant and CF Capital Growth, LLC (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 10.6 | Promissory Note, dated as of February 29, 2016, issued to CF Capital Growth, LLC (f/k/a CF Capital Partners, LLC) (incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1 (File No. 333-210854), filed with the SEC on April 21, 2016). |
| 10.7 | Securities Subscription Agreement, dated February 29, 2016, between CF Capital Growth, LLC (f/k/a CF Capital Partners, LLC) and CF Corporation (incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1 (File No. 333-210854), filed with the SEC on April 21, 2016). |

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|---|---|
| 10.8 | Form of Administrative Services Agreement between the Registrant and CF Capital Growth, LLC (incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1 (File No. 333-210854), filed with the SEC on April 21, 2016). |
| 10.9 | Form of Forward Purchase Agreement among the Registrant, the investor listed as the purchaser on the signature page thereof and CF Capital Growth, LLC, as amended (incorporated by reference to Exhibit 10.9 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1 (File No. 333-210854), filed with the SEC on May 3, 2016). |
| 10.10 | Forward Purchase Agreement, dated as of April 18, 2016, among the Registrant, CFS Holdings (Cayman), L.P. and CF Capital Growth, LLC, as amended (incorporated by reference to Exhibit 10.10 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1 (File No. 333-210854), filed with the SEC on May 3, 2016) |
| 10.11 | Indemnity Agreement, dated May 19, 2016, between the Registrant and Chinh E. Chu (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 10.12 | Indemnity Agreement, dated May 19, 2016, between the Registrant and William P. Foley, II (incorporated by reference to Exhibit 10.7 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 10.13 | Indemnity Agreement, dated May 19, 2016, between the Registrant and Douglas B. Newton (incorporated by reference to Exhibit 10.8 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 10.14 | Indemnity Agreement, dated May 19, 2016, between the Registrant and James A. Quella (incorporated by reference to Exhibit 10.9 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 10.15 | Indemnity Agreement, dated May 19, 2016, between the Registrant and Richard N. Massey (incorporated by reference to Exhibit 10.10 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 10.16 | Indemnity Agreement, dated May 19, 2016, between the Registrant and David Ducommun (incorporated by reference to Exhibit 10.11 to the Registrant's Current Report on Form 8-K (File No. 001-37779), filed with the SEC on May 25, 2016). |
| 14.1 | Code of Ethics (incorporated by reference to Exhibit 14 to the Registrant's Registration Statement on Form S-1 (File No. 333-210854), filed with the SEC on April 21, 2016). |
| 24.1 | Power of Attorney (included on the signature pages herein). |
| 31.1 | Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

101.INS XBRL Instance Document

101.SCH XBRL Taxonomy Extension Schema Document

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

101.LAB XBRL Taxonomy Extension Label Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

EXHIBIT 14-B

# FIDELITY NATIONAL FINANCIAL, INC.

## FORM 10-K
(Annual Report)

Filed 02/27/17 for the Period Ending 12/31/16

| | |
|---|---|
| Address | 601 RIVERSIDE AVENUE |
| | , |
| | JACKSONVILLE, FL 32204 |
| Telephone | 904-854-8100 |
| CIK | 0001331875 |
| Symbol | FNF |
| SIC Code | 6361 - Title Insurance |
| Industry | Property & Casualty Insurance |
| Sector | Financials |
| Fiscal Year | 12/31 |

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# Form 10-K

**(Mark One)**

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the Fiscal Year Ended December 31, 2016**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File No. 1-32630**

# Fidelity National Financial, Inc.

*(Exact name of registrant as specified in its charter)*

| | |
|---|---|
| **Delaware** | **16-1725106** |
| *(State or other jurisdiction of incorporation or organization)* | *(I.R.S. Employer Identification No.)* |
| **601 Riverside Avenue**<br>**Jacksonville, Florida 32204**<br>*(Address of principal executive offices, including zip code)* | **(904) 854-8100**<br>*(Registrant's telephone number, including area code)* |

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|
| FNF Group Common Stock, $0.0001 par value | New York Stock Exchange |
| FNFV Group Common Stock, $0.0001 par value | New York Stock Exchange |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

| | | | |
|---|---|---|---|
| Large accelerated filer ☑ | Accelerated filer ☐ | Non-accelerated filer ☐<br>(Do not check if a smaller reporting company) | Smaller reporting company ☐ |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the shares of the FNF Group and FNFV Group common stock held by non-affiliates of the registrant as of June 30, 2016 was $9,755,504,475 and $728,715,733 , respectively, based on the closing price of $37.50 and $11.47, respectively, as reported by The New York Stock Exchange.

As of January 31, 2017 there were 272,212,935 of FNF Group common stock outstanding and 66,416,822 shares of FNFV Group common stock outstanding.

The information in Part III hereof for the fiscal year ended December 31, 2016 , will be filed within 120 days after the close of the fiscal year that is the subject of this Report.

**FIDELITY NATIONAL FINANCIAL, INC.**
**FORM 10-K**
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# PART I

## Item 1. *Business*

### *Introductory Note*

The following describes the business of Fidelity National Financial, Inc. and its subsidiaries. Except where otherwise noted, all references to “we,” “us,” “our,” or “FNF” are to Fidelity National Financial, Inc. and its subsidiaries, taken together.

### *Overview*

We have organized our business into two groups, FNF Group and FNF Ventures ("FNFV").

Through FNF Group, we are a leading provider of (i) title insurance, escrow and other title-related services, including trust activities, trustee sales guarantees, recordings and reconveyances and home warranty products and (ii) technology and transaction services to the real estate and mortgage industries. FNF Group is the nation’s largest title insurance company operating through its title insurance underwriters - Fidelity National Title Insurance Company, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Alamo Title Insurance and National Title Insurance of New York Inc. - which collectively issue more title insurance policies than any other title company in the United States. Through our subsidiary ServiceLink Holdings, LLC ("ServiceLink"), we provide mortgage transaction services including title-related services and facilitation of production and management of mortgage loans. FNF Group also provides industry-leading mortgage technology solutions, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiary, Black Knight Financial Services, Inc. ("Black Knight"). On December 7, 2016, we announced that our Board of Directors has approved a tax-free plan whereby we intend to distribute all 83.3 million shares of Black Knight common stock that we currently own to holders of our FNF Group common stock. See further discussion in Item 7 *Management Discussion and Analysis* .

Through FNFV group, our diversified investment holding company, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), Ceridian HCM, Inc. ("Ceridian"), and Digital Insurance, Inc. ("OneDigital"). On December 7, 2016, we announced that our Board of Directors has approved a tax-free plan whereby we intend to redeem all outstanding shares of our FNFV Group common stock in exchange for shares of common stock of FNFV. Following the distribution, FNF and FNFV will each be independent, fully-distributed, publicly-traded common stocks, with FNF and FNFV no longer being tracking stocks. See further discussion in Item 7 *Management Discussion and Analysis* .

As of December 31, 2016 , we had the following reporting segments:

FNF Group

- *Title.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title-related services including trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty products. This segment also includes our transaction services business, which includes other title-related services used in the production and management of mortgage loans, including mortgage loans that experience default.
- *Black Knight.* This segment consists of the operations of Black Knight, which, through leading software systems and information solutions, provides mission critical technology and data and analytics services that facilitate and automate many of the business processes across the life cycle of a mortgage.
- *FNF Group Corporate and Other.* This segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other real estate operations.

FNFV

- *Restaurant Group.* This segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH and its affiliates are the owners and operators of the O'Charley's, Ninety Nine Restaurants, Village Inn, Bakers Square, and Legendary Baking restaurant and food service concepts. This segment also included the results of operations of J. Alexander's, Inc. ("J. Alexander's") through the date which it was distributed to FNFV shareholders, September 28, 2015, and the Max & Erma's concept, which was sold pursuant to an Asset Purchase Agreement on January 25, 2016.
- *FNFV Corporate and Other.* This segment primarily consists of our share in the operations of certain equity investments, including Ceridian, as well as consolidated investments, including OneDigital, in which we own 96% , and other smaller investments which are not title-related.

### C ompetitive Strengths

We believe that our competitive strengths include the following:

*Corporate principles.* A cornerstone of our management philosophy and operating success is the six fundamental precepts upon which we were founded, which are:

- Autonomy and entrepreneurship;
- Bias for action;
- Customer-oriented and motivated;
- Minimize bureaucracy;
- Employee ownership; and
- Highest standard of conduct.

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

*Competitive cost structure.* We have been able to maintain competitive operating margins in part by monitoring our businesses in a disciplined manner through continual evaluation of title order activity and management of our cost structure. When compared to our industry competitors, we also believe that our structure is more efficiently designed, which allows us to operate with lower overhead costs.

We believe that our competitive strengths position us well to take advantage of future changes to the real estate market.

#### Title

*Leading title insurance company.* We are the largest title insurance company in the United States and a leading provider of title insurance and escrow and other title-related services for real estate transactions. Through the third quarter of 2016 , our insurance companies had a 33.3% share of the U.S. title insurance market, according to the American Land Title Association ("ALTA").

*Established relationships with our customers.* We have strong relationships with the customers who use our title services. Our distribution network, which includes approximately 1,300 direct residential title offices and more than 5,000 agents , is among the largest in the United States. We also benefit from strong brand recognition in our multiple 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 brands.

*Strong value proposition for our customers.* We provide our customers with title insurance and escrow and other title-related 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.

*Commercial title insurance.* While residential title insurance comprises the majority of our business, we are also a significant 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 that require the underwriting and issuing of larger commercial title policies.

#### Black Knight

*Market leadership with comprehensive and integrated solutions* . Black Knight is a leading provider of comprehensive and integrated solutions to the mortgage industry. One or more of Black Knight's solutions are utilized by 23 of the top 25 servicers and 22 of the top 25 originators in the United States according to Inside Mortgage Finance as of December 31, 2016. Its solutions are utilized to service approximately 61% of all U.S. first lien mortgages as of December 31, 2016, according to the Black Knight Mortgage Monitor Report, and to operate one of the industry’s largest exchanges connecting originators, agents, settlement services providers and investors. We believe Black Knight's leadership position is, in part, the result of its unique expertise and insight developed from over 50 years serving the needs of customers in the mortgage industry. Black Knight has used this insight to develop an integrated and comprehensive suite of proprietary technology, data and analytics solutions to automate many of the mission-critical business processes across the entire mortgage loan life cycle. These integrated solutions are designed to reduce manual processes, assist in improving organizational compliance and mitigating risk, and to ultimately deliver significant cost savings to our clients.

*Broad and deep client relationships with significant recurring revenues* . Black Knight has long-standing relationships with its largest clients. Black Knight frequently enters into long-term contracts with its mortgage servicing and loan origination clients that contain volume minimums and provide for annual increases. Its products are typically embedded within its clients' mission-critical workflow and decision making processes across various parts of their organizations.

*Extensive data assets and analytics capabilities* . Black Knight develops and maintains large, accurate and comprehensive data sets on the mortgage and housing industry that we believe are competitively differentiated. Its unique data sets provide a combination of public and proprietary data in real-time and each of Black Knight's data records features a large number of attributes. Black Knight's data scientists utilize its data sets, subject to any applicable use restrictions, and comprehensive analytical capabilities to create highly customized reports, including models of customer behavior for originators and servicers, portfolio analytics for capital markets and government agencies and proprietary market insights for real estate agencies. Black Knight's data and analytics capabilities are also embedded into its technology platform and workflow products, providing its clients with integrated and comprehensive solutions.

*Scalable and cost-effective operating model* . We believe Black Knight has a highly attractive and scalable operating model derived from its market leadership, hosted technology platforms and the large number of clients it serves across the mortgage industry. Black Knight's scalable operating model provides it with significant benefits. Black Knight's scale and operating leverage allows it to add incremental clients to its existing platforms with limited incremental cost. As a result, Black Knight's operating model drives attractive margins and generates significant cash flow. Also, by leveraging its scale and leading market position, Black Knight is able to make cost-effective investments in its technology platform to meet evolving regulatory and compliance requirements, further increasing its value proposition to clients.

*World class management team with depth of experience and track record of success* . Black Knight's management team has an average of over 20 years of experience in the banking technology and mortgage processing industries and a proven track record of strong execution capabilities. Following our acquisition of Lender Processing Services, Inc. ("LPS") in 2014, Black Knight has significantly improved its operations and enhanced its go-to-market strategy, further integrated its technology platforms, expanded its data and analytics capabilities and introduced several new innovative products. Black Knight has executed all of these projects while delivering attractive revenues growth and strong profitability.

***FNFV***

*Proven management team.* Our executive management team has a proven track record of investment identification and management. Our executive management's breadth of knowledge of capital markets allows us to identify companies and strategic assets with attractive value propositions, to structure investments to maximize their value, and to return the value created to shareholders.

***Strategy***

***Title***

Our strategy in the title 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 do the following:

- *Continue to operate multiple title brands independently* . We believe that in order to maintain and strengthen our title insurance customer base, we must operate our strongest brands in a given marketplace independently of each other. Our national and regional brands include Fidelity National Title, Chicago Title, Commonwealth Land Title, Lawyers Title, Ticor Title, Alamo Title, and National Title of New York. In our largest markets, we operate multiple brands. This approach allows us to continue to attract customers who identify with a particular brand 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 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 industry 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. We continue to monitor, evaluate and execute upon the consolidation of administrative functions, legal entity structure, and office consolidation, as necessary, to respond to the continually changing marketplace. We maintain shorter durations on our investment portfolio to mitigate our interest rate risk. A more detailed discussion of our investment strategies is included in "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 continuing to deploy new information system technologies to our direct and agency operations. We expect to improve the process of ordering title and escrow services and improve the delivery of our products to our customers.
- *Maintain values supporting our strategy.* We believe that our continued focus on and support of our long-established corporate culture will reinforce and support our business strategy. Our goal is to foster and support a corporate culture where our employees and agents seek to operate independently and maintain profitability 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 support 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.

***Black Knight***

Black Knight's comprehensive and integrated technology platforms, robust data and analytic capabilities, differentiated business model, broad and deep client relationships and other competitive strengths enable us to pursue multiple growth opportunities. Black Knight intends to continue to expand its business and grow through the following key strategies:

- *Further penetration of its solutions with existing clients* . We believe Black Knight's established client base presents a substantial opportunity for growth. Black Knight seeks to capitalize on the trend of standardization and increased adoption of leading third party solutions and increase the number of solutions provided to its existing client base. Black Knight intends to broaden and deepen its client relationships by cross-selling its suite of end-to-end technology solutions, as well as its robust data and analytics. By helping its clients understand the full extent of its comprehensive solutions and the value of leveraging the multiple solutions Black Knight offers, we believe Black Knight can expand its existing relationships by allowing its clients to focus on their core businesses and their customers.
- *Win new clients in existing markets* . Black Knight intends to attract new clients by leveraging the value proposition provided by its technology platform and comprehensive solutions offering. In particular, we believe there is a significant opportunity to penetrate the mid-tier mortgage originators and servicers market. We believe these institutions can benefit from Black Knight's proven solutions suite in order to address complex regulatory requirements and compete more effectively in the evolving mortgage market. Black Knight intends to continue to pursue this channel and benefit from the low incremental cost of adding new customers to its scaled technology infrastructure.
- *Continue to innovate and introduce new solutions* . Black Knight's long-term vision is to be the industry-leading provider for participants of the mortgage industry for their platform, data and analytic needs. Black Knight intends to enhance what we believe is a leadership position in the industry by continuing to innovate its solutions and refine the insight Black Knight provides to its clients. Black Knight has a strong track record of introducing and developing new solutions that span the mortgage loan life cycle, are tailored to specific industry trends and enhance its clients' core operating functions. By working in partnership with key clients, Black Knight has been able to develop and market new and advanced solutions to its client base that meet the evolving demands of the mortgage industry. In addition, Black Knight will continue to develop and leverage insights from its large public and proprietary data assets to further improve its customer value proposition.
- *Selectively pursue strategic acquisitions* . The core focus of its strategy is to grow organically. However, Black Knight may selectively evaluate strategic acquisition opportunities that would allow it to expand its footprint, broaden its client base and deepen its product and service offerings. We believe that there are meaningful synergies that result from acquiring small companies that provide best-of-breed single point solutions. Integrating and cross-selling these point solutions into Black Knight's broader client base and integrating acquisitions into its efficient operating environment would potentially result in revenue and cost synergies.

***FNFV***

Through FNFV we actively manage a group of companies and investments with a net asset value of approximately $ 916 million as of December 31, 2016 . The businesses within FNFV primarily consist of our majority ownership positions in ABRH and OneDigital and our 33% minority investment in Ceridian. Our strategy for the Group is to continue our activities with respect to such business investments to achieve superior financial performance, maximize and ultimately monetize the value of those assets and to continue to pursue similar investments in businesses and to grow and achieve superior financial performance with respect to such newly acquired businesses.

*Restaurant Group*

Our restaurant operations are focused in the family dining and casual dining segments. The Restaurant Group's strategy is to achieve long-term profit growth and drive increases in same store sales and guest counts. We have a highly experienced management team that is focused on enhancing the guest experience at our restaurants and building team member engagement. We also utilize a shared service platform that takes advantage of the combined back-office synergies of our operating companies. We expect to continue to maintain a strong balance sheet for our Restaurant Group to provide stability in all operating environments.

***Acquisitions, Dispositions, Minority Owned Operating Subsidiaries and Financings***

Acquisitions have been an important part of our growth strategy. D ispositions have been an important aspect of our strategy of returning value to shareholders. On an ongoing basis, with assistance from our advisors, we actively evaluate possible transactions, such as acquisitions and dispositions of business units and operating assets and business combination transactions.

In the future, we may seek to sell certain investments or other assets to increase our liquidity. Further, our management has stated that we may make acquisitions in lines of business that are not directly tied to, or synergistic with, our core operating segments. In the past we have obtained majority and minority investments in entities and securities where we see the potential to achieve above market returns. Fundamentally our goal is to acquire quality companies that are well-positioned in their respective industries, run by best in class management teams in industries that have attractive organic and acquired growth opportunities. We leverage our operational expertise and track record of growing industry leading companies and also our active interaction with the acquired company's management directly or through our board of directors, to ultimately provide value for our shareholders.

There can be no assurance that any suitable opportunities will arise or that any particular transaction will be completed. We have made a number of acquisitions and dispositions over the past several years to strengthen and expand our service offerings and customer base in our various businesses, to expand into other businesses or where we otherwise saw value, and to monetize investments in assets and businesses.

**Title Insurance**

*Market for title insurance.* According to Demotech Performance of Title Insurance Companies 2016 Edition, an annual compilation of financial information from the title insurance industry that is published by Demotech Inc., an independent firm ("Demotech"), total operating income for the entire U.S. title insurance industry has increased over the last five years from approximately $ 10.3 billion in 2011 to $ 13.7 billion in 2015, which is a $ 1.5 billion increase from 2014. The size of the industry is closely tied to various macroeconomic factors, including, but not limited to, growth in the gross domestic product, inflation, unemployment, the availability of credit, consumer confidence, interest rates, and sales volumes and prices for new and existing homes, as well as the volume of 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 the 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 or depreciation in the overall value of the real estate market are major factors in total industry revenues. Industry revenues are also driven by factors affecting the volume of real estate closings, such as the state of the economy, the availability of mortgage funding, and 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 four title insurance groups accounted for 87 % of net premiums written in 2015 . Approximately 32 independent title insurance companies accounted for the remaining 13 % of net premiums written in 2015 . 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.

Our Title segment revenue is closely related to the level of real estate activity which includes sales, mortgage financing and mortgage refinancing. For further discussion of current trends in real estate activity in the United States, see discussion under the *Business Trends and Conditions* included in Item 7 of Part II of this Report, which is incorporated by reference into this Part I, Item 1.

*Title Insurance Policies.* Generally, real estate buyers and mortgage lenders purchase title insurance to insure good and marketable title to real estate and priority of lien. 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 real estate transactions 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. In 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 are a percentage of) either the amount of the mortgage loan or the purchase price of the property insured. Applicable state insurance regulations or regulatory practices may limit the maximum, or in some cases the minimum, premium that can be charged on a policy. Title insurance premiums are due in full at the closing of the real estate transaction. A 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. 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 payments on the mortgage loan. A title insurer also generally does not know when a property has been sold or refinanced except when it issues the replacement coverage. 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 affiliated title agencies, or 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 insurance company typically performs or directs the title 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 title 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 insurance 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 insurance company is obligated to pay title claims in accordance with the terms of its policies, regardless of whether the title insurance 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 title searches and examinations. A title insurance company's predominant expense relates to such searches and examinations, the preparation of preliminary title reports, policies or commitments, the maintenance of "title plants," which are indexed compilations of public records, maps and other relevant historical documents, and the facilitation and closing of real estate transactions. Claim losses generally result from errors made in the title search and examination process, from hidden defects such as fraud, forgery, incapacity, or missing heirs of the property, and from closing related errors.

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. Residential real estate transaction volume is primarily affected by macroeconomic and seasonal factors while commercial real estate transaction volume is affected primarily by fluctuations in local supply and demand conditions for commercial space.

*Direct and Agency Operations.* 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 our 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 1,300 offices throughout the U.S. primarily providing residential real estate title insurance. We continuously monitor the number of direct offices to make sure that it remains in line with our strategy and the current economic environment. 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 Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, New York, Philadelphia, Phoenix, Seattle and Washington D.C.

*Agency Operations.* In our agency operations, the search and examination function is performed by an independent agent or the agent may purchase the search product 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, and in some states are fixed by insurance regulatory requirements. 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 and strategically manage the number of agents with which we transact business in an effort to reduce future expenses and manage risks. As of December 31, 2016 , we transact business with more than 5,000 agents.

*Fees and Premiums.* One method of analyzing our business is to examine 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:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2016 | | 2015 | | 2014 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Direct | $ 2,097 | 44.4% | $ 2,009 | 46.9% | $ 1,727 | 47.0% |
| Agency | 2,626 | 55.6 | 2,277 | 53.1 | 1,944 | 53.0 |
| Total title insurance premiums | $ 4,723 | 100.0% | $ 4,286 | 100.0% | $ 3,671 | 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.

*Escrow, Title-Related and Other Fees.* 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 collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty products. The escrow and other services provided by us include all of those typically required in connection with residential and commercial real estate purchases and refinance activities. Escrow, title-related and other fees included in our Title segment represented approximately 30.5%, 31.2% , and 32.8% of total title segment revenues in 2016 , 2015 , and 2014 , respectively.

*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 are an 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 the ability of service providers to meet their information systems requirements for electronic product delivery.

*Claims.* An important part of our operations is the handling of title and escrow claims. We employ a large staff of attorneys in our claims department. Our claims processing centers are located in Omaha, Nebraska and Jacksonville, Florida. In-house claims counsel are also located in other parts of the country.

Claims result from a wide range of causes. These causes generally include, but are not limited to, search and exam errors, forgeries, incorrect legal descriptions, signature and notary errors, unrecorded liens, mechanics' liens, the failure to pay off existing liens, mortgage lending fraud, mishandling or theft of settlement funds (including independent agency theft), and mistakes in the escrow process. Under our policies, we are required to defend insureds when covered claims are filed against their interest in the property. Some claimants seek damages in excess of policy limits. Those claims are based on various legal theories, including in some cases allegations of negligence or an intentional tort. We occasionally incur losses in excess of policy limits. Experience shows that most policy claims and claim payments are made in the first five years after the policy has been issued, although claims may also be reported and paid many years later.

Title losses due to independent agency defalcations typically occur when the independent agency misappropriates funds from escrow accounts under its control. Such losses are usually discovered when the independent agency fails to pay off an outstanding mortgage loan at closing (or immediately thereafter) from the proceeds of the new loan. Once the previous lender determines that its loan has not been paid off timely, it will file a claim against the title insurer.

Claims can be complex, vary greatly in dollar amounts and are affected by economic and market conditions and the legal environment existing at the time claims are processed. In our commercial title business, we may issue polices with face amounts well in excess of $100 million, and from time to time claims are submitted with respect to large policies. We believe we are appropriately reserved with respect to all claims (large and small) that we currently face. Occasionally we experience large losses from title policies that have been issued or from our escrow operations, or overall worsening loss payment experience, which require us to increase our title loss reserves. These events are unpredictable and adversely affect our earnings. Claims can result in litigation in which we may represent our insured and/or ourselves. We consider this type of litigation to be an ordinary course aspect of the conduct of our business.

*Reinsurance and Coinsurance.* We limit our maximum loss exposure by reinsuring risks with other insurers under excess of loss and case-by-case ("facultative") reinsurance agreements. Reinsurance agreements generally provide 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 to the insured whether or not the reinsurer is able to meet its contractual obligations. Facultative reinsurance agreements are entered into with other title insurers when the transaction to be insured will exceed state statutory or self-imposed limits. Excess of loss reinsurance coverage protects us from a large loss from a single loss occurrence. Our excess of loss reinsurance coverage is split into two contracts. The first excess of loss reinsurance contract provides coverage for residential and commercial transactions up to $100 million per loss occurrence, subject to a $20 million retention per loss occurrence. The second excess of loss reinsurance contract provides additional coverage for commercial transactions in excess of $100 million of loss per occurrence up to $300 million per loss occurrence, with the Company participating at approximately 5%.

In addition to reinsurance, we carry errors and omissions insurance and fidelity bond coverage, each of which can provide protection to us in the event of certain types of losses that can occur in our businesses.

Our policy is to be selective in choosing our reinsurers, seeking only those companies that we consider to be financially stable and adequately capitalized. In an effort to minimize exposure to the insolvency of a reinsurer, we periodically review the financial condition of our reinsurers.

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 assume.

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.

*Competition.* 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 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 First American Financial Corporation, Old Republic International Corporation and Stewart Information Services Corporation, as well as numerous smaller title insurance companies, underwritten title companies and independent agency operations at the regional and local level. The addition or removal of regulatory barriers might result in changes to competition in the title insurance business. 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.

*Regulation.* Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, are subject to extensive regulation under applicable state laws. Each of the insurers is subject to a holding company act in its state of domicile, which regulates, among other matters, the ability to pay dividends and enter into transactions with affiliates. 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. The process of state regulation of changes in rates ranges from states which set rates, to states where individual companies or associations of companies prepare rate filings which are submitted for approval, to a few states in which rate changes do not need to be filed for approval.

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

Pursuant to statutory accounting requirements of the various states in which our title insurers are domiciled, these insurers must defer a portion of premiums as an unearned premium reserve for the protection of policyholders (in addition to their reserves for known claims) 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 a 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, 2016 , the combined statutory unearned premium reserve required and reported for our title insurers was $ 1,750 million. In addition to statutory unearned premium reserves and reserves for known claims, each of our insurers maintains surplus funds for policyholder protection and business operations.

Each of our insurance subsidiaries is regulated by the insurance regulatory authority in its respective state of domicile, as well as that of each state in which it is licensed. The insurance commissioners of their respective states of domicile are the primary regulators of our insurance subsidiaries. Each of the insurers is subject to periodic regulatory financial examination by regulatory authorities.

Under the statutes governing insurance holding companies in most states, insurers may not enter into certain transactions, including sales, reinsurance agreements and service or management contracts, with their affiliates unless the regulatory authority 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 to, or has approved, the transaction within the 30-day period.

In addition to state-level regulation, segments of our FNF Group businesses are subject to regulation by federal agencies, including the Consumer Financial Protection Bureau ("CFPB"). The CFPB was established under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank") which also included regulation over financial services and other lending related businesses including Black Knight. The CFPB has broad authority to regulate, among other areas, the mortgage and real estate markets in matters pertaining to consumers. This authority includes the enforcement of the Truth-in-Lending Act ("TILA") and the Real Estate Settlement Procedures Act (individually, "RESPA", and together, "TILA-RESPA Integrated Disclosure" or "TRID") formerly placed with the Department of Housing and Urban Development.

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, and to pay any dividends to our shareholders. The payment of dividends or other distributions to us by our insurers 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 to or has approved the payment within the 30-day period. In general, an "extraordinary" dividend or distribution is statutorily defined as a dividend or distribution that, together with other dividends and distributions made within the preceding 12 months, exceeds the greater of:

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

The laws and regulations of some jurisdictions also prohibit an insurer from declaring or paying a dividend except out of its earned surplus or require the insurer to obtain prior regulatory approval. During 2017 , our directly owned title insurers can pay dividends or make distributions to us of approximately $ 372 million; h owever, insurance regulators have the authority to prohibit the payment of ordinary dividends or other payments by our title insurers to us (such as a payment under a tax sharing agreement or for other services) if they determine that such payment could be adverse to our policyholders. There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders.

Three of the Company's title insurance underwriters, Fidelity National Title Insurance Company, Chicago Title Insurance Company and Commonwealth Land Title Insurance Company, have filed applications to redomesticate from their existing states of domicile to a new state of domicile. The anticipated redomestications are subject to prior regulatory approval, which may be received in 1Q 2017. If the anticipated redomestications are approved, the Company may receive a special dividend from the title insurance underwriters in 2017 related to such redomestication. This special dividend would be due in part to differences in the laws among the states of domicile.

The combined statutory capital and surplus of our title insurers was approximately $ 1,469 million and $ 1,412 million as of December 31, 2016 and 2015 , respectively. The combined statutory earnings of our title insurers were $ 541 million, $ 381 million, and $ 276 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively.

As a condition to continued authority to underwrite policies in the states in which our insurers 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 insurers are domiciled, such insurers must maintain certain levels of minimum capital and surplus. Required levels of minimum capital and surplus are not significant to the insurers individually or in the aggregate. Each of our insurers has complied with the minimum statutory requirements as of December 31, 2016 .

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 requirements for each underwritten title company is less than $1 million. These companies were in compliance with their respective minimum net worth requirements at December 31, 2016 .

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions. For further discussion, see item 3, Legal Proceedings.

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 in which the 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 acquirer’s plans for the insurer’s Board of Directors and executive officers, the acquirer’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 insurers, the insurance change of control laws would likely apply to such a transaction.

The National Association of Insurance Commissioners ("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 insurers are domiciled require adherence to NAIC filing procedures, each such insurer, unless it qualifies for an exemption, must file an actuarial opinion with respect to the adequacy of its reserves.

*Title Insurance Ratings*

Our title insurance underwriters are regularly assigned ratings by independent agencies designed to indicate their financial condition and/or claims paying ability. The rating agencies determine ratings by quantitatively and qualitatively analyzing financial data and other information. Our title subsidiaries include Alamo Title, Chicago Title, Commonwealth Land Title, Fidelity National Title and National Title of New York. Standard & Poor’s Ratings Group (“S&P”) and Moody’s Investors Service (“Moody’s”) provide ratings for the entire FNF family of companies as a whole as follows:

| | S&P | Moody’s |
|---|---|---|
| FNF family of companies | A | A3 |

The relative position of each of our ratings among the ratings scale assigned by each rating agency is as follows:

- An S&P "A" rating is the third highest rating of 10 ratings for S&P. According to S&P, an “A” rating represents an investment grade company that, in its opinion, has strong capacity to meet financial commitments, but is somewhat susceptible to adverse economic conditions.
- A Moody's "A3" rating is the third highest rating of 9 ratings for Moody's. Moody's states that companies rated “A3” are judged to be upper-medium grade and are subject to low credit risk.

Demotech provides financial strength/stability ratings for each of our principal title insurance underwriters individually, as follows:

| | |
|---|---|
| Alamo Title Insurance | A' |
| Chicago Title Insurance Company | A" |
| Commonwealth Land Title Insurance Company | A' |
| Fidelity National Title Insurance Company | A' |
| National Title Insurance of New York | A' |

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" and A' ratings are the two highest ratings of Demotech's six ratings.

The ratings of S&P, Moody's, and Demotech described above are not designed to be, and do not serve as, measures of protection or valuation offered to investors. These financial strength ratings should not be relied on with respect to making an investment in our securities. See "Item 1A. *Risk Factors* — If the rating agencies downgrade our Company, our results of operations and competitive position in the title insurance industry may suffer" for further information.

**Black Knight**

Black Knight's business is organized into technology and data and analytics divisions. Through its technology division, Black Knight offers software and hosting solutions that support loan servicing, loan origination and settlement services. Through is data and analytics division, Black Knight offers data and analytics solutions to the mortgage, real estate and capital markets industries. These solutions include property ownership data, lien data, servicing data, automated valuation models, collateral risk scores, prepayment and default models, lead generation and other data solutions.

The U.S. mortgage market has seen significant change over the past few years and is expected to continue to evolve going forward. Key regulatory actions arising from the recent financial crisis, such as the Dodd-Frank Act and the establishment of the CFPB impose new and evolving standards for market participants. These regulatory changes have spurred lenders and servicers to seek technology solutions that facilitate the meeting of compliance obligations in the face of a changing regulatory environment while remaining efficient and profitable.

Current trends in the mortgage industry affecting our Black Knight segment include:

- *Evolving regulation* . Most U.S. mortgage market participants have become subject to increasing regulatory oversight and regulatory requirements as federal and state governments have enacted various new laws, rules and regulations. One example of such legislation is the Dodd-Frank Act, which contains broad changes for many sectors of the financial services and lending industries and established the CFPB, a new federal regulatory agency responsible for regulating consumer financial protection within the United States. It is Black Knight's experience that mortgage lenders have become more focused on minimizing the risk of non-compliance with these evolving regulations and are looking toward technologies and solutions that help them to comply with the increased regulatory oversight and requirements.
- *Lenders increasingly focused on core operations* . As a result of greater regulatory scrutiny and the higher cost of doing business, we believe lenders have become more focused on their core operations and customers. We believe lenders are increasingly shifting from in-house technologies to solutions with third-party providers who can provide better technology and services more efficiently. Lenders require these vendors to provide best-in-class technology and deep domain expertise and to assist them in maintaining regulatory compliance.
- *Growing role of technology in the U.S. mortgage industry* . Banks and other lenders and servicers have become increasingly focused on technology automation and workflow management to operate more efficiently and meet their regulatory guidelines. We believe vendors must be able to support the complexity of the market, display extensive industry knowledge and possess the financial resources to make the necessary investments in technology to support lenders.
- *Increased demand for enhanced transparency and analytic insight* . As U.S. mortgage market participants work to minimize the risk in lending, servicing and capital markets, they rely on the integration of data and analytics with technologies that enhance the decision making process. These industry participants rely on large comprehensive third party databases coupled with enhanced analytics to achieve these goals.

**FNF Ventures**

*Restaurant Industry* . The restaurant industry is highly competitive and is often affected by changes in consumer tastes and discretionary spending patterns; changes in general economic conditions; public safety conditions or concerns; demographic trends; weather conditions; the cost of food products, labor, energy and other operating costs; and governmental regulations. The restaurant industry is also characterized by high capital investments for new restaurants and relatively high fixed or semi-variable restaurant operating expenses. Because of the high fixed and semi-variable expenses, changes in sales in existing restaurants are generally expected to significantly affect restaurant profitability because many restaurant costs and expenses are not expected to change at the same rate as sales. Restaurant profitability can also be negatively affected by inflationary and regulatory increases in operating costs and other factors. The most significant commodities that may affect our cost of food and beverage are beef, seafood, poultry, and dairy, which accounted for approximately half of our overall cost of food and beverage in the past. Generally, temporary increases in these costs are not passed on to guests; however, in the past, we have adjusted menu prices to compensate for increased costs of a more permanent nature.

**Intellectual Property**

We rely on a combination of contractual restrictions, internal security practices, and copyright and trade secret law to establish and protect our software, technology, and expertise across our businesses. Further, we have developed a number of brands that have accumulated substantial goodwill in the marketplace, and we rely on trademark law to protect our rights in that area. We intend to continue our policy of taking all measures we deem necessary to protect our copyright, trade secret, and trademark rights. These legal protections and arrangements afford only limited protection of our proprietary rights, and there is no assurance that our competitors will not independently develop or license products, services, or capabilities that are substantially equivalent or superior to ours.

**Technology and Research and Development**

*Title*

As a national provider of real estate transaction products and services, we participate in an industry that is subject to significant regulatory requirements, frequent new product and service introductions, and evolving industry standards. We believe that our future success depends in part on our ability to anticipate industry changes and offer products and services that meet evolving industry standards. In connection with our title segment service offerings, we are continuing to deploy new information system technologies to our direct and agency operations. We continue to improve the process of ordering title and escrow services and improve the delivery of our products to our customers. In order to meet new regulatory requirements, we also continue to expand our data collection and reporting abilities.

*Black Knight*

Black Knight's research and development activities relate primarily to the design, development and enhancement of its processing systems and related software applications. Black Knight expects to continue its practice of investing an appropriate level of resources to maintain, enhance and extend the functionality of its proprietary systems and existing software applications, to develop new and innovative software applications and systems in response to the needs of its clients and to enhance the capabilities surrounding its infrastructure. Black Knight works with its clients to determine the appropriate timing and approach to introducing technology or infrastructure changes to our applications and services.

**Investment Policies and Investment Portfolio**

Our investment policy is designed to maximize total return through investment income and capital appreciation consistent with moderate risk of principal, while providing adequate liquidity. Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, are subject to extensive regulation under applicable state laws. The various states in which we operate our underwriters regulate the types of assets that qualify for purposes of capital, surplus, and statutory unearned premium reserves. Our investment policy specifically limits duration and non-investment grade allocations in the FNF core fixed-income portfolio. Maintaining shorter durations on the investment portfolio allows for the mitigation of interest rate risk. Equity securities and preferred stock are utilized to take advantage of perceived value or for strategic purposes. Due to the magnitude of the investment portfolio in relation to our claims loss reserves, durations of investments are not specifically matched to the cash outflows required to pay claims.

As of December 31, 2016 and 2015 , the carrying amount of total investments, which approximates the fair value, excluding investments in unconsolidated affiliates, was $ 3.7 billion and $ 4.3 billion, respectively.

We purchase investment grade fixed maturity securities, selected non-investment grade fixed maturity securities, preferred stock 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 securities and preferred stock portfolio at December 31, 2016 and 2015 :

| | December 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2016 | | | | 2015 | | | |
| Rating(1) | Amortized Cost | % of Total | Fair Value | % of Total | Amortized Cost | % of Total | Fair Value | % of Total |
| | (Dollars in millions) | | | | | | | |
| Aaa/AAA | $ 418 | 15.3% | $ 412 | 15.0% | $ 439 | 15.4% | $ 430 | 15.1% |
| Aa/AA | 519 | 19.0 | 525 | 19.1 | 553 | 19.4 | 565 | 19.9 |
| A | 849 | 31.1 | 856 | 31.2 | 930 | 32.6 | 943 | 33.1 |
| Baa/BBB | 723 | 26.4 | 728 | 26.5 | 744 | 26.1 | 744 | 26.1 |
| Ba/BB/B | 98 | 3.6 | 97 | 3.5 | 84 | 3.0 | 80 | 2.8 |
| Lower | 53 | 1.9 | 55 | 2.0 | 58 | 2.0 | 39 | 1.4 |
| Other (2) | 73 | 2.7 | 74 | 2.7 | 44 | 1.5 | 46 | 1.6 |
| | $ 2,733 | 100.0% | $ 2,747 | 100.0% | $ 2,852 | 100.0% | $ 2,847 | 100.0% |

(1) Ratings as assigned by Moody's Investors Service or Standard & Poor's Ratings Group if a Moody's rating is unavailable.
(2) This category is composed of unrated securities.

The following table presents certain information regarding contractual maturities of our fixed maturity securities:

| | December 31, 2016 | | | |
|---|---|---|---|---|
| Maturity | Amortized Cost | % of Total | Fair Value | % of Total |
| | (Dollars in millions) | | | |
| One year or less | $ 663 | 27.4% | $ 661 | 27.2% |
| After one year through five years | 1,524 | 63.0 | 1,533 | 63.0 |
| After five years through ten years | 158 | 6.5 | 160 | 6.6 |
| After ten years | 20 | 0.8 | 20 | 0.8 |
| Mortgage-backed/asset-backed securities | 56 | 2.3 | 58 | 2.4 |
| | $ 2,421 | 100% | $ 2,432 | 100% |

At December 31, 2016 , all of our mortgage-backed and asset-backed securities are rated Aaa by Moody's. The mortgage-backed and asset-backed securities are made up of $ 37 million of agency-backed mortgage-backed securities, $ 7 million of agency-backed collateralized mortgage obligations, and $ 14 million in asset-backed securities.

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. Because of the potential for prepayment on mortgage-backed and asset-backed securities, they are not categorized by contractual maturity.

Our equity securities at December 31, 2016 and 2015 consisted of investments with a cost basis of $ 323 million and $ 276 million , respectively, and fair value of $ 438 million and $ 345 million , respectively.

At December 31, 2016 and 2015 , we also held $ 558 million and $ 521 million, respectively, in investments that are accounted for using the equity method of accounting, principally our ownership interests in Ceridian.

As of December 31, 2016 and 2015 , other long-term investments were $54 million and $106 million , respectively. Other long term investments include investments accounted for using the cost method of accounting, land held for investment accounted for at cost and company-owned life insurance policies carried at cash surrender value.

Short-term investments, which consist primarily of 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, 2016 and 2015 , short-term investments amounted to $ 487 million and $ 1,034 million, respectively.

Our investment results for the years ended December 31, 2016 , 2015 and 2014 were as follows:

| | December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | (Dollars in millions) | | |
| Net investment income (1) | $ 141 | $ 137 | $ 139 |
| Average invested assets | $ 3,936 | $ 4,020 | $ 3,819 |
| Effective return on average invested assets | 3.6% | 3.4% | 3.6% |

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

### Loss Reserves

For information about our loss reserves, see Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* — Critical Accounting Estimates.

### Geographic Operations

Our direct title operations are divided into approximately 180 profit centers. 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 more than 5,000 agents, primarily in those areas in which agents are the more prevalent title insurance provider. Substantially all of our revenues are generated in the United States.

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

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2016 | | 2015 | | 2014 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| California | $ 690 | 14.6% | $ 649 | 15.1% | $ 552 | 15.0% |
| Texas | 670 | 14.2 | 616 | 14.4 | 567 | 15.4 |
| New York | 336 | 7.1 | 349 | 8.1 | 289 | 7.9 |
| Florida | 364 | 7.7 | 349 | 8.1 | 286 | 7.8 |
| Illinois | 267 | 5.7 | 243 | 5.7 | 214 | 5.8 |
| All others | 2,396 | 50.7 | 2,080 | 48.6 | 1,763 | 48.1 |
| Totals | $ 4,723 | 100.0% | $ 4,286 | 100.0% | $ 3,671 | 100.0% |

Our Restaurant Group operates and franchises restaurants in 40 states throughout the United States. Substantially all of our Restaurant Group's revenues are generated in those states.

### Employees

As of January 20, 2017, we had 55,219 full-time equivalent employees, which includes 23,382 in our Title segment, 26,119 in our Restaurant Group segment, 4,240 in the Black Knight segment and 1,478 in our remaining businesses. We monitor our staffing levels based on current economic activity. None of our employees are subject to collective bargaining agreements. We believe that our relations with employees are generally good.

### Financial Information by Operating Segment

For financial information by operating segment, see Note R of the Notes to Consolidated Financial Statements.

### Statement Regarding Forward-Looking Information

The statements contained in this Form 10-K or in our other documents or in oral presentations or other statements made by our management that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding our expectations, hopes, intentions, or strategies regarding the future. These statements relate to, among other things, future financial and operating results of the Company. In many cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," or "continue," or the negative of these terms and other comparable terminology. Actual results could differ materially from those anticipated in these statements as a result of a number of factors, including, but not limited to the following:

- changes in general economic, business, and political conditions, including changes in the financial markets;
- the severity of our title insurance claims;
- downgrade of our credit rating by rating agencies;
- adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding, increased mortgage defaults, or a weak U.S. economy;
- compliance with extensive government regulation of our operating subsidiaries and adverse changes in applicable laws or regulations or in their application by regulators;
- regulatory investigations of the title insurance industry;
- loss of key personnel that could negatively affect our financial results and impair our operating abilities;
- our business concentration in the States of California and Texas are the source of approximately 14.6% and 14.2% , respectively, of our title insurance premiums;
- our potential inability to find suitable acquisition candidates, as well as the risks associated with acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus, or difficulties integrating acquisitions;
- our dependence on distributions from our title insurance underwriters as our main source of cash flow;
- competition from other title insurance companies;
- our ability to successfully redomesticate our insurance underwriters to a new state of domicile;
- our ability to successfully execute the proposed plan to distribute shares of Black Knight and redeem all FNFV tracking stock; and
- other risks detailed in "Risk Factors" below and elsewhere in this document and in our other filings with the SEC.

We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider the possibility that actual results may differ materially from our forward-looking statements.

**Additional Information**

Our website address is www.fnf.com. We make available free of charge on or through our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. However, the information found on our website is not part of this or any other report.

## Item 1A. *Risk Factors*

In addition to the normal risks of business, we are subject to significant risks and uncertainties, including those listed below and others described elsewhere in this Annual Report on Form 10-K. Any of the risks described herein could result in a significant or material adverse effect on our results of operations or financial condition.

### General

***We have recorded goodwill as a result of prior acquisitions, and an economic downturn could cause these balances to become impaired, requiring write-downs that would reduce our operating income.***

Goodwill aggregated approximately $ 5,065 million, or 35.0% of our total assets, as of December 31, 2016 . Current accounting rules require that goodwill be assessed for impairment at least annually or whenever changes in circumstances indicate that the carrying amount may not be recoverable from estimated future cash flows. Factors that may be considered a change in circumstance indicating the carrying value of our intangible assets, including goodwill, may not be recoverable include, but are not limited to, significant underperformance relative to historical or projected future operating results, a significant decline in our stock price and market capitalization, and negative industry or economic trends. No goodwill impairment charge was recorded in the years ended December 31, 2016 , 2015, or 2014. However, if there is an economic downturn in the future, the carrying amount of our goodwill may no longer be recoverable, and we may be required to record an impairment charge, which would have a negative impact on our results of operations and financial condition. We will continue to monitor our market capitalization and the impact of the economy to determine if there is an impairment of goodwill in future periods.

***Our management has articulated a willingness to seek growth through acquisitions, both in our current lines of business as well as in lines of business outside of our traditional areas of focus or geographic areas. This expansion of our business subjects us to associated risks, such as risks and uncertainties associated with new companies, the diversion of management's attention and lack of experience in operating unrelated businesses, and may affect our credit and ability to repay our debt.***

Our management has stated that we may make acquisitions, both in our current lines of business, as well as lines of business that are not directly tied to or synergistic with our core operations. Accordingly, we have in the past acquired, and may in the future acquire, businesses in industries or geographic areas with which management is less familiar than we are with our core businesses.

These activities involve risks that could adversely affect our operating results, due to uncertainties involved with new companies, diversion of management's attention and lack of substantial experience in operating such businesses. There can be no guarantee that we will not enter into transactions or make acquisitions that will cause us to incur additional debt, increase our exposure to market and other risks and cause our credit or financial strength ratings to decline.

***We are a holding company and depend on distributions from our subsidiaries for cash.***

We are a holding company whose primary assets are the securities of our operating subsidiaries. Our ability to pay interest on our outstanding debt and our other obligations and to pay dividends is dependent on the ability of our subsidiaries to pay dividends or make other distributions or payments to us. If our operating subsidiaries are not able to pay dividends to us, we may not be able to meet our obligations or pay dividends on our common stock.

Our title insurance subsidiaries must comply with state 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 2017 , our title insurers may pay dividends or make distributions to us of approximately $ 372 million; however, insurance regulators have the authority to prohibit the payment of ordinary dividends or other payments by our title insurers to us if they determine that such payment could be adverse to our policyholders.

Three of the Company's title insurance underwriters, Fidelity National Title Insurance Company, Chicago Title Insurance Company and Commonwealth Land Title Insurance Company, have filed applications to redomesticate from their existing states of domicile to a new state of domicile. The anticipated redomestications are subject to prior regulatory approval, which may be received in the first quarter of 2017. If the anticipated redomestications are approved, the Company may receive a special dividend from the title insurance underwriters in 2017 related to such redomestication. This special dividend would be due in part to differences in the laws among the states of domicile.

The maximum dividend permitted by law is not necessarily indicative of an insurer's actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer's ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in interpretation of statutory accounting requirements by regulators.

***The loss of key personnel could negatively affect our financial results and impair our operating abilities.***

Our success substantially depends on our ability to attract and retain key members of our senior management team and officers. If we lose one or more of these key employees, our operating results and in turn the value of our common stock could be materially adversely affected. Although we have employment agreements with many of our officers, there can be no assurance that the entire term of the employment agreement will be served or that the employment agreement will be renewed upon expiration.

***Failure of our information security systems or processes could result in a loss or disclosure of confidential information, damage to our reputation, monetary losses, additional costs and impairment of our ability to conduct business effectively.***

Our operations are highly dependent upon the effective operation of our computer systems. We use our computer systems to receive, process, store and transmit sensitive personal consumer data (such as names and addresses, social security numbers, driver's license numbers, credit cards and bank account information) and important business information of our customers. We also electronically manage substantial cash, investment asset and escrow account balances on behalf of ourselves and our customers, as well as financial information about our businesses generally. The integrity of our computer systems and the protection of the information that resides on such systems are important to our successful operation. If we fail to maintain an adequate security infrastructure, adapt to emerging security threats or follow our internal business processes with respect to security, the information or assets we hold could be compromised. Further, even if we, or third parties to which we outsource certain information technology services, maintain a reasonable, industry-standard information security infrastructure to mitigate these risks, the inherent risk that unauthorized access to information or assets remains. This risk is increased by transmittal of information over the internet and the increased threat and sophistication of cyber criminals. While, to date, we believe that we have not experienced a material breach of our computer systems, the occurrence or scope of such events is not always apparent. If additional information regarding an event previously considered immaterial is discovered, or a new event were to occur, it could potentially have a material adverse effect on our operations or financial condition. In addition, some laws and certain of our contracts require notification of various parties, including regulators, consumers or customers, in the event that confidential or personal information has or may have been taken or accessed by unauthorized parties. Such notifications can potentially result, among other things, in adverse publicity, diversion of management and other resources, the attention of regulatory authorities, the imposition of fines, and disruptions in business operations, the effects of which may be material. Any inability to prevent security or privacy breaches, or the perception that such breaches may occur, could inhibit our ability to retain or attract new clients and/or result in financial losses, litigation, increased costs, negative publicity, or other adverse consequences to our business.

Further, our financial institution clients have obligations to safeguard their information technology systems and the confidentiality of consumer customer information. In certain of our businesses, we are bound contractually and/or by regulation to comply with the same requirements. If we fail to comply with these regulations and requirements, we could be exposed to suits for breach of contract, governmental proceedings or the imposition of fines. In addition, future adoption of more restrictive privacy laws, rules or industry security requirements by federal or state regulatory bodies or by a specific industry in which we do business could have an adverse impact on us through increased costs or restrictions on business processes.

***If economic and credit market conditions deteriorate, it could have a material adverse impact on our investment portfolio.***

Our investment portfolio is exposed to economic and financial market risks, including changes in interest rates, credit markets and prices of marketable equity and fixed-income securities. Our investment policy is designed to maximize total return through investment income and capital appreciation consistent with moderate risk of principal, while providing adequate liquidity and complying with internal and regulatory guidelines. To achieve this objective, our marketable debt investments are primarily investment grade, liquid, fixed-income securities and money market instruments denominated in U.S. dollars. We make investments in certain equity securities and preferred stock in order to take advantage of perceived value and for strategic purposes. In the past, economic and credit market conditions have adversely affected the ability of some issuers of investment securities to repay their obligations and have affected the values of investment securities. If the carrying value of our investments exceeds the fair value, and the decline in fair value is deemed to be other-than-temporary, we will be required to write down the value of our investments, which could have a material negative impact on our results of operations and financial condition.

***Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under our indebtedness.***

As of December 31, 2016, our outstanding debt was $2,746 million , including $1,338 million in variable rate debt. Our high degree of leverage could have important consequences, including the following: (i) a substantial portion of our cash flow from operations is dedicated to the payment of principal and interest on indebtedness, thereby reducing the funds available for operations, future business opportunities and capital expenditures; (ii) our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate purposes in the future may be limited; (iii) certain of the borrowings are at variable rates of interest, which will increase our vulnerability to increases in interest rates; (iv) we may be unable to adjust rapidly to changing market conditions; (v) the debt service requirements of our other indebtedness could make it more difficult for us to satisfy our financial obligations; and (vi) we may be vulnerable in a downturn in general economic conditions or in our business and we may be unable to carry out activities that are important to our growth.

Our ability to make scheduled payments of the principal of, or to pay interest on, or to refinance indebtedness depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control. If we are unable to generate sufficient cash flow to service our debt or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, which could cause us to default on our obligations and impair our liquidity. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more stringent covenants that could further restrict our business operations. We from time to time may increase the amount of our indebtedness, modify the terms of our financing arrangements, issue dividends, make capital expenditures and take other actions that may substantially increase our leverage.

***Failure of our enterprise-wide risk management processes could result in unexpected monetary losses, damage to our reputation, additional costs or impairment of our ability to conduct business effectively.***

As a large insurance entity and a publicly traded company, the Company has always had risk management functions, policies and procedures throughout its operations and management. These functions include but are not limited to departments dedicated to enterprise risk management and information technology risk management, information security, business continuity, lender strategy and development, and vendor risk management. These policies and procedures have evolved over the years as we continually reassess our processes both internally and to comply with changes in the regulatory environment. Due to limitations inherent in any internal process, if the Company's risk management processes prove unsuccessful at identifying and responding to risks, we could incur unexpected monetary losses, damage to our reputation, additional costs or impairment of our ability to conduct business effectively.

***We are the subject of various legal proceedings that could have a material adverse effect on our results of operations.***

We are involved from time to time in various legal proceedings, including in some cases class-action lawsuits and regulatory inquiries, investigations or other proceedings. If we are unsuccessful in our defense of litigation matters or regulatory proceedings, we may be forced to pay damages, fines or penalties and/or change our business practices, any of which could have a material adverse effect on our business and results of operations. See Note M to the Consolidated Financial Statements included in Item 8 of this Report for further discussion of pending litigation and regulatory matters and our related accrual.

***Our proposed plan to distribute shares of Black Knight Financial Services and redeem all FNFV tracking stock is subject to inherent risks.***

Under the Plan, (1) we intend to distribute all 83.3 million shares of Black Knight Financial Services, Inc. common stock that we currently own to FNF Group shareholders and (2) we intend to redeem all FNFV tracking stock shares in exchange for shares of common stock of FNFV. The Plan is subject to the receipt of private letter rulings from the Internal Revenue Service approving the distribution of Black Knight and FNFV shares, filing and acceptance of a registration statement for both the Black Knight and FNFV transactions with the Securities and Exchange Commission, the refinancing of Black Knight's senior notes, which are subject to the FNF guarantee, on reasonable terms, Black Knight and FNFV shareholder approvals and other customary closing conditions. No assurance can be given that any of the foregoing conditions will be met. The Plan is subject to inherent risks and uncertainties including, among others: risks that the Plan as a whole will not be consummated or that either of the Black Knight distribution or the redemption of the FNFV tracking stock shares will not be consummated; increased demands on our management team to accomplish the Plan; and significant transaction costs and risks from changes in the results of operations of our reportable segments. In addition, no assurance can be given that we will realize the potential strategic and financial benefits from the Plan in the near term or at all, and no assurance can be given that the market will react favorably to the Plan or any of the transactions contemplated thereby.

**Title**

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

Title insurance revenue is closely related to the level of real estate activity which includes sales, mortgage financing 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, including high unemployment levels.

Declines in the level of real estate activity or the average price of real estate sales are likely to adversely affect our title insurance revenues. The Mortgage Bankers Association's ("MBA") Mortgage Finance Forecast as of February 15, 2017 estimates an approximately $ 1.6 trillion mortgage origination market for 2017 , which would be a decrease of 15.8% from 2016 . The MBA forecasts that the 15.8% decrease will result from a decrease in refinance activity, offset by a slight increase in forecast purchase transactions. Our revenues in future periods will continue to be subject to these and other factors which are beyond our control and, as a result, are likely to fluctuate.

***If financial institutions at which we hold escrow funds fail, it could have a material adverse impact on our company.***

We hold customers' assets in escrow at various financial institutions, pending completion of real estate transactions. These assets are maintained in segregated bank accounts and have not been included in the accompanying Consolidated Balance Sheets. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to $ 14 billion at December 31, 2016 . Failure of one or more of these financial institutions may lead us to become liable for the funds owed to third parties and there is no guarantee that we would recover the funds deposited, whether through Federal Deposit Insurance Corporation coverage or otherwise.

***If we experience changes in the rate or severity of title insurance claims, it may be necessary for us to record additional charges to our claim loss reserve. This may result in lower net earnings and the potential for earnings volatility.***

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. From time to time, we experience large losses or an overall worsening of our loss payment experience in regard to the frequency or severity of claims that require us to record additional charges to our claims loss reserve. There are currently pending several large claims which we believe can be defended successfully without material loss payments. However, if unanticipated material payments are required to settle these claims, it could result in or contribute to additional charges to our claim loss reserves. These loss events are unpredictable and adversely affect our earnings.

At each quarter end, our recorded reserve for claim losses is initially the result of taking the prior recorded reserve for claim losses, adding the current provision to that balance and subtracting actual paid claims from that balance, resulting in an amount that management then compares to our actuary's central estimate provided in the actuarial calculation. Due to the uncertainty and judgment used by both management and our actuary, our ultimate liability may be greater or less than our current reserves and/or our actuary’s calculation. If the recorded amount is within a reasonable range of the actuary’s central estimate, but not at the central estimate, management assesses other factors in order to determine our best estimate. These factors, which are both qualitative and quantitative, can change from period to period and include items such as current trends in the real estate industry (which management can assess, but for which there is a time lag in the development of the data used by our actuary), any adjustments from the actuarial estimates needed for the effects of unusually large or small claims, improvements in our claims management processes, and other cost saving measures. Depending upon our assessment of these factors, we may or may not adjust the recorded reserve. If the recorded amount is not within a reasonable range of the actuary's central estimate, we would record a charge or credit and reassess the provision rate on a go forward basis.

***Our subsidiaries must comply with extensive regulations. These regulations may increase our costs or impede or impose burdensome conditions on actions that we might seek to take to increase the revenues of those subsidiaries.***

Our insurance businesses are subject to extensive regulation by state insurance authorities in each state in which they 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;
- disclosure requirements on key terms of mortgage loans;
- 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. In addition, we may incur significant costs in the course of complying with regulatory requirements. Further, various state legislatures have in the past considered offering a public alternative to the title industry in their states, as a means to increase state government revenues. Although we think this situation is unlikely, if one or more such takeovers were to occur they could adversely affect our business. We cannot be assured that future legislative or regulatory changes will not adversely affect our business operations. See "Item 1. *Business* — Regulation" for further discussion of the current regulatory environment.

Our ServiceLink subsidiary provides mortgage transaction services including title-related services and facilitation of production and management of mortgage loans. Certain of these businesses are subject federal and state regulatory oversight. For example, ServiceLink's LoanCare business services and subservices mortgage loans secured primarily by residential real estate throughout the United States. LoanCare is subject to extensive federal, state and local regulatory oversight, including federal and state regulatory examinations, information gathering requests, inquiries, and investigations by governmental and regulatory agencies, including the CFPB. In connection with formal and informal inquiries by those agencies, LoanCare receives numerous requests, subpoenas, and orders for documents, testimony and information in connection with various aspects of its or its clients' regulated activities. The ongoing implementation of the Dodd Frank Act, including the implementation of the originations and servicing rules by the CFPB and the CFPB's continuing examinations of our business, could increase our regulatory compliance burden and associated costs and place restrictions on our ability to operate the LoanCare business.

LoanCare is also required to maintain a variety of licenses, both federal and state. License requirements are in a frequent state of renewal and reexamination as regulations change or are reinterpreted. In addition, federal and state statutes establish specific guidelines and procedures that debt collectors must follow when collecting consumer accounts. LoanCare's failure to comply with any of these laws, should the states take an opposing interpretation, could have an adverse effect on LoanCare in the event and to the extent that they apply to some or all of its servicing activities.

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

Our title insurance subsidiaries are subject to extensive rate regulation by the applicable state agencies in the jurisdictions in which they operate. Title insurance rates are regulated differently in various states, with some states requiring the subsidiaries to file and receive approval of rates before such rates become effective and some states promulgating the rates that can be charged. In general, premium rates are determined on the basis of historical data for claim frequency and severity as well as related production costs and other expenses. In all states in which our title subsidiaries operate, our rates must not be excessive, inadequate or unfairly discriminatory. Premium rates are likely to prove insufficient when ultimate claims and expenses exceed historically projected levels. Premium rate inadequacy may not become evident quickly and may take time to correct, and could adversely affect the Company's business operating results and financial conditions.

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

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

***Because we are dependent upon California and Texas for approximately 14.6% and 14.2% and of our title insurance premiums, respectively, our business may be adversely affected by regulatory conditions in Texas and/or California.***

California and Texas are the two largest sources of revenue for our title segment and, in 2016 , California-based premiums accounted for 29.2% of premiums earned by our direct operations and 0.7% of our agency premium revenues. Texas-based premiums accounted for 17.8% of premiums earned by our direct operations and 10.8% of our agency premium revenues. In the aggregate, California and Texas accounted for approximately 14.6% and 14.2% , respectively, of our total title insurance premiums for 2016 . A significant part of our revenues and profitability are therefore subject to our operations in California and Texas and to the prevailing regulatory conditions in California and Texas. Adverse regulatory developments in Texas and 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 Texas and California title insurance regulatory framework, could have a material adverse effect on our results of operations and financial condition.

***If the rating agencies downgrade our insurance companies, our results of operations and competitive position in the title insurance industry may suffer.***

Ratings have always been an important factor in establishing the competitive position of insurance companies. Our title insurance subsidiaries are rated by S&P, Moody's, and Demotech. Ratings reflect the opinion of a rating agency with regard to an insurance company's or insurance holding company's financial strength, operating performance and ability to meet its obligations to policyholders and are not evaluations directed to investors. Our ratings are subject to continued periodic review by rating agencies 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.

***If the Company's claim loss prevention procedures fail, we could incur significant claim losses.***

In the ordinary course of our title insurance business, we assume risks related to insuring clear title to residential and commercial properties. The Company has established procedures to mitigate the risk of loss from title claims, including extensive underwriting and risk assessment procedures. We also mitigate the risk of large claim losses by reinsuring risks with other insurers under excess of loss and case-by-case ("facultative") reinsurance agreements. Reinsurance agreements generally provide 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 to the insured whether or not the reinsurer is able to meet its contractual obligations. If inherent limitations cause our claim loss risk mitigation procedures to fail, we could incur substantial losses having an adverse effect on our results of operations or financial condition.

***The Company's use of independent agents for a significant amount of our title insurance policies could adversely impact the frequency and severity of title claims.***

In the Company's agency operations, an independent agent performs the search and examination function or the agent may purchase a search product from the Company. In either case, the agent is responsible for ensuring 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. The Company's relationship with each agent is governed by an agency agreement defining how the agent issues a title insurance policy on the Company's behalf. The agency agreement also sets forth the agent's liability to the Company for policy losses attributable to the agent's errors. For each agent with whom the Company enters into an agency agreement, financial and loss experience records are maintained. Periodic audits of our agents are also conducted and the number of agents with which the Company transacts business is strategically managed in an effort to reduce future expenses and manage risks. Despite efforts to monitor the independent agents with which we transact business, there is no guarantee that an agent will comply with their contractual obligations to the Company. Furthermore, we cannot be certain that, due to changes in the regulatory environment and litigation trends, the Company will not be held liable for errors and omissions by agents. Accordingly, our use of independent agents could adversely impact the frequency and severity of title claims.

**Black Knight**

***Black Knight's clients and Black Knight are subject to various governmental regulations, and a failure to comply with government regulations or changes in these regulations, including changes that may result from changes in the political landscape, could result in penalties, restrict or limit it or its clients' operations or make it more burdensome to conduct such operations, any of which could have a material adverse effect on its business, financial condition and results of operations.***

Many of Black Knight's clients' and its businesses are subject to various federal, state, local and foreign laws and regulations. Black Knight's failure to comply with applicable laws and regulations could restrict its ability to provide certain services or result in imposition of civil fines and criminal penalties, substantial regulatory and compliance costs, litigation expense, adverse publicity and loss of revenues.

As a provider of electronic data processing to financial institutions, such as banks and credit unions, Black Knight is subject to regulatory oversight and examination by the FFIEC. Black Knight also may be subject to possible review by state agencies that regulate banks in each state in which it conducts our electronic processing activities.

In addition, Black Knight's businesses are subject to an increased degree of compliance oversight by regulators and by its clients. Specifically, the CFPB has authority to write rules affecting the business of, supervise, conduct examinations of, and enforce compliance as to federal consumer financial protection laws and regulations with respect to certain "non-depository covered persons" determined by the CFPB to be "larger participants" that offer consumer financial products and services. The CFPB and the prudential financial institution regulators such as the OCC also have the authority to examine Black Knight in its role as a service provider to large financial institutions, although it is yet unclear how broadly they will apply this authority going forward. In addition, we believe some of Black Knight's largest bank clients' regulators are requiring the banks to exercise greater oversight and perform more rigorous audits of their key vendors such as Black Knight.

The RESPA and related regulations generally prohibit the payment or receipt of fees or any other item of value for the referral of real estate-related settlement services. RESPA also prohibits fee shares or splits or unearned fees in connection with the provision of residential real estate settlement services, such as mortgage brokerage and real estate brokerage. Notwithstanding these prohibitions, RESPA permits payments for goods furnished or for services actually performed, so long as those payments bear a reasonable relationship to the market value of the goods or services provided. RESPA and related regulations may to some extent restrict our real estate-related businesses from entering into certain preferred alliance arrangements. The CFPB is responsible for enforcing RESPA.

Changes to laws and regulations and regulatory oversight of our clients and us, including those that may result from changes in the political landscape, may cause us to increase our prices in certain situations or decrease our prices in other situations, may restrict our ability to implement price increases or otherwise limit the manner in which we conduct our business. We may also incur additional expense in keeping our technology services up to date as laws and regulations change, and we may not be able to pass those additional costs on to our clients. In addition, in response to increased regulatory oversight, participants in the mortgage lending industry may develop policies pursuant to which they limit the extent to which they can rely on any one vendor or service provider. Conversely, in an environment with less stringent regulatory oversight, prospective clients may choose to retain their in-house platforms, or current service providers, or seek alternative service providers who provide services that are less compliance and quality oriented at a lower price point. If we are unable to adapt our products and services to conform to the new laws and regulations, or if these laws and regulations have a negative affect on our clients, we may experience client losses or increased operating costs, which could have a material adverse effect on our business, financial condition and results of operations.

***Black Knight relies on its top clients for a significant portion of its revenue and profit, which makes it susceptible to the same macro-economic and regulatory factors that impact its clients. If these clients are negatively impacted by current economic or regulatory conditions or otherwise experience financial hardship or stress, or if the terms of its relationships with these clients change, it could have a material adverse effect on its business, financial condition and results of operations.***

Black Knight operates in a consolidated industry and as a result, a small number of its clients have accounted for a significant portion of its revenues. We expect that a limited number of Black Knight's clients will continue to represent a significant portion of its revenues for the foreseeable future. The significant portion of our revenues that a limited number of our clients currently represent may increase in the future. During the year ended December 31, 2016, Black Knight's largest client, Wells Fargo, N.A., or Wells Fargo, accounted for approximately 12% of its consolidated revenues. During the year ended December 31, 2016, Black Knight's five largest clients accounted for approximately 36% of its consolidated revenues.

Black Knight's clients face continued pressure in the current economic and regulatory climate. Many of Black Knight's relationships with these clients are long-standing and are important to its business and results of operations, but there is no guarantee that Black Knight will be able to retain or renew existing agreements or maintain its relationships on acceptable terms or at all. Additionally, Black Knight relies on cross-selling its products and services to its existing clients as a source of growth. The deterioration in or termination of any of these relationships could significantly reduce its revenue and could have a material adverse effect on its business, financial condition and results of operations. As a result, Black Knight may be disproportionately affected by declining revenue from, or loss of, a significant Black Knight client. In addition, by virtue of their significant relationships with us, these clients may be able to exert pressure on Black Knight with respect to the pricing of their services.

***There may be consolidation in Black Knight's end client market, which would reduce the use of its services by its clients and could have a material adverse effect on its business, financial condition and results of operations.***

Mergers or consolidations among existing or potential clients could reduce the number of Black Knight's clients and potential clients. If Black Knight's clients merge with or are acquired by other entities that are not Black Knight's clients, or that use fewer of Black Knight's services, they may discontinue or reduce their use of Black Knight's services. In addition, if potential clients merge, Black Knight's ability to increase its client base may be adversely affected and the ability of Black Knight's customers to exert pressure on Black Knight's pricing may increase. Any of these developments could have a material adverse effect on Black Knight's business, financial condition and results of operations.

***If Black Knight fails to adapt its solutions to technological changes or evolving industry standards, or if Black Knight's ongoing efforts to upgrade its technology are not successful, Black Knight could lose clients and have difficulty attracting new clients for its solutions, which could have a material adverse effect on its business, financial condition and results of operations.***

The markets for Black Knight's solutions are characterized by constant technological changes, frequent introductions of new products and services and evolving industry standards. Black Knight's future success will be significantly affected by Black Knight's ability to successfully enhance Black Knight's current solutions, and develop and introduce new solutions and services that address the increasingly sophisticated needs of Black Knight's clients and their customers. These initiatives carry the risks associated with any new product or service development effort, including cost overruns, delays in delivery and performance issues. There can be no assurance that Black Knight will be successful in developing, marketing and selling new solutions and services that meet these changing demands, that Black Knight will not experience difficulties that could delay or prevent the successful development, introduction, and marketing of these solutions and services, or that Black Knight's new solutions and services and their enhancements will adequately meet the demands of the marketplace and achieve market acceptance. If Black Knight's efforts are unsuccessful, it could have a material adverse effect on Black Knight's business, financial condition and results of operations.

***Black Knight operates in a competitive business environment and, if Black Knight is unable to compete effectively, it could have a material adverse effect on its business, financial condition and results of operations.***

The markets for Black Knight's solutions are intensely competitive. Black Knight's competitors vary in size and in the scope and breadth of the services they offer. Some of Black Knight's competitors have substantial resources. In addition, Black Knight expects that the markets in which Black Knight competes will continue to attract new competitors and new technologies. There can be no assurance that Black Knight will be able to compete successfully against current or future competitors or that competitive pressures Black Knight faces in the markets in which Black Knight operates will not have a material adverse effect on its business, financial condition and results of operations.

Further, because many of Black Knight's larger potential clients have historically developed their key processing applications in-house and therefore view their system requirements from a make-versus-buy perspective, Black Knight often competes against Black Knight's potential clients' in-house capacities. There can be no assurance that Black Knight's strategies for overcoming potential clients' reluctance to change will be successful, and if Black Knight is unsuccessful, it could have a material adverse effect on Black Knight's business, financial condition and results of operations.

***Black Knight relies on proprietary technology and information rights, and if Black Knight is unable to protect its rights, it could have a material adverse effect on Black Knight's business, financial condition and results of operations.***

Black Knight's success depends, in part, upon its intellectual property rights. Black Knight relies primarily on a combination of patents, copyrights, trade secrets, and trademark laws and nondisclosure and other contractual restrictions on copying, distribution and creation of derivative products to protect Black Knight's proprietary technology and information. This protection is limited, and Black Knight's intellectual property could be used by others without their consent. In addition, patents may not be issued with respect to Black Knight's pending or future patent applications, and Black Knight's patents may not be upheld as valid or may not prevent the development of competitive products. Any infringement, disclosure, loss, invalidity of, or failure to protect Black Knight's intellectual property could have a material adverse effect on its business, financial condition and results of operations. Moreover, litigation may be necessary to enforce or protect its intellectual property rights, to protect its trade secrets, or to determine the validity and scope of the proprietary rights of others. Such litigation could be time-consuming, result in substantial costs and diversion of resources and could have a material adverse effect on its business, financial condition and results of operations.

***Because Black Knight's revenue from clients in the mortgage lending industry is affected by the strength of the economy and the housing market generally, including the volume of real estate transactions, a change in any of these conditions could have a material adverse effect on its business, financial condition and results of operations.***

Black Knight's revenue is primarily generated from technology, data and analytics Black Knight provides to the mortgage lending industry and, as a result, a weak economy or housing market may have a material adverse effect on Black Knight's business, financial condition and results of operations. The volume of mortgage origination and residential real estate transactions is highly variable and reductions in these transaction volumes could have a direct impact on the revenues Black Knight generates.

The revenues Black Knight generates from its servicing technology depend upon the total number of mortgage loans processed on its MSP platform, which tends to be comparatively consistent regardless of economic conditions. However, in the event that a difficult economy or other factors lead to a decline in levels of home ownership and a reduction in the number of mortgage loans outstanding and Black Knight is not able to counter the impact of those events with increased market share or higher fees, Black Knight's mortgage processing revenues could be adversely affected. Moreover, negative economic conditions, including increased unemployment or interest rates or a downturn in other general economic factors, among other things, could adversely affect the performance and financial condition of some of Black Knight's clients in many of its businesses, which may have a material adverse effect on its business, financial condition and results of operations if these clients exit certain businesses.

A weaker economy and housing market tend to increase the volume of consumer mortgage defaults, which can increase revenues from Black Knight's applications focused on supporting default management functions. However, government regulation of the mortgage industry in general, and the default and foreclosure process in particular, has greatly slowed the processing of defaulted mortgages in recent years and has changed the way many of its clients address mortgage loans in default. A downturn in the origination market and a concurrent slowdown or change in the way mortgage loans in default are addressed could have a material adverse effect on its business, financial condition and results of operations.

**FNFV**

***Our financial condition or results of operations could be adversely affected by the results of our acquired companies due to the risks inherent to those businesses.***

Our acquired restaurant companies face certain risks that could negatively impact their results of operations. These risks include such things as the risks of unfavorable economic conditions, changing consumer preferences, unfavorable publicity, increasing food and labor costs, effectiveness of marketing campaigns, and the ability to compete successfully with other restaurants. In addition, risks related to supply chain, food quality, and protecting guests' personal information are inherent to the restaurant business. These companies are also subject to compliance with extensive government laws and regulations related to employment practices and policies and the manufacture, preparation, and sale of food and alcohol. If our restaurant companies are not able to respond effectively to one or more of these risks, it could have a material adverse impact on the results of operations of those businesses.

W e own a minority interest in Ceridian, a leading provider of global human capital management and payment solutions. If the fair value of this company were to decline below book value, we would be required to write down the value of our investment, which could have a material negative impact on our results of operations and financial condition. If Ceridian were to experience significant negative volatility in its results of operations it would have a material adverse effect on our own results of operations due to our inclusion of our portion of its earnings in our results of operations.

**Risks Relating to the Ownership of Our FNFV Group Common Stock due to our Tracking Stock Capitalization**

***Holders of FNF Group common stock and FNFV Group common stock are common shareholders of FNF and are, therefore, subject to risks associated with an investment in FNF as a whole, even if a holder does not own shares of common stock of both of our groups.***

Even though we have attributed, for financial reporting purposes, all of our consolidated assets, liabilities, revenue and expenses to either the FNF Group or the FNFV Group in order to prepare separate financial results for each of these groups included herein, we retain legal title to all of our assets and our capitalization does not limit our legal responsibility, or that of our subsidiaries, for the liabilities included in any disclosed financial results. Holders of FNF Group common stock and FNFV Group common stock do not have any legal rights related to specific assets attributed to the FNF Group or the FNFV Group and, in any liquidation, holders of FNF Group common stock and holders of FNFV Group common stock will be entitled to receive a pro rata share of our available net assets based on their respective numbers of liquidation units as specified in our certificate of incorporation (our "Corporate Charter").

***Our Board of Directors' ability to reattribute businesses, assets and expenses between tracking stock groups may make it difficult to assess the future prospects of either tracking stock group based on its past performance.***

Our Board of Directors is vested with discretion to reattribute businesses, assets and liabilities that are attributed to one tracking stock group to the other tracking stock group, without the approval of any of our shareholders, in accordance with our management and allocation policies and our Corporate Charter. Any such reattribution made by our Board of Directors, as well as the existence of the right in and of itself to effect a reattribution, may impact the ability of investors to assess the future prospects of either tracking stock group, including its liquidity and capital resource needs, based on its past performance. Shareholders may also have difficulty evaluating the liquidity and capital resources of each group based on past performance, as our Board of Directors may use one group's liquidity to fund the other group's liquidity and capital expenditure requirements through the use of inter-group loans and inter-group interests.

***We could be required to use assets attributed to one group to pay liabilities attributed to the other group.***

The assets attributed to one group are potentially subject to the liabilities attributed to the other group, even if those liabilities arise from lawsuits, contracts or indebtedness that are attributed to such other group. While our current management and allocation policies provide that reattributions of assets between groups will result in the creation of an inter-group loan or an inter-group interest or an offsetting reattribution of cash or other assets, no provision of our Corporate Charter prevents us from satisfying liabilities of one group with assets of the other group, and our creditors will not in any way be limited by our tracking stock capitalization from proceeding against any assets they could have proceeded against if we did not have a tracking stock capitalization.

***The market price of FNF Group common stock and FNFV Group common stock may not reflect the performance of the FNF Group and the FNFV Group, respectively, as we intend.***

We cannot assure you that the market price of the common stock of a group will, in fact, reflect the performance of the group of businesses, assets and liabilities attributed to that group. Holders of FNF Group common stock and FNFV Group common stock are common shareholders of FNF as a whole and, as such, will be subject to all risks associated with an investment in FNF and all of our businesses, assets and liabilities. As a result, the market price of each class of stock of a group may simply reflect the performance of FNF as a whole or may more independently reflect the performance of some or all of the group of assets attributed to such group. In addition, investors may discount the value of the stock of a group because it is part of a common enterprise rather than a stand-alone entity.

***The market price of FNF Group common stock and FNFV Group common stock may be volatile, could fluctuate substantially and could be affected by factors that do not affect traditional common stock.***

To the extent the market prices of FNF Group common stock and FNFV Group common stock track the performance of more focused groups of businesses, assets and liabilities than the historic FNF Class A common stock did, the market prices of these new tracking stocks may be more volatile than the market price of FNF Class A common stock was historically. The market prices of FNF Group common stock and FNFV Group common stock may be materially affected by, among other things:

- actual or anticipated fluctuations in a group’s operating results or in the operating results of particular companies attributable to such group;
- potential acquisition activity by FNF or the companies in which we invest;
- issuances of debt or equity securities to raise capital by FNF or the companies in which we invest and the manner in which that debt or the proceeds of an equity issuance are attributed to each of the groups;
- changes in financial estimates by securities analysts regarding FNF Group common stock or FNFV Group common stock or the companies attributable to either of our tracking stock groups;
- the complex nature and the potential difficulties investors may have in understanding the terms of both of our tracking stocks, as well as concerns regarding the possible effect of certain of those terms on an investment in our stock; and
- general market conditions.

***The market value of FNF Group common stock and FNFV Group common stock could be adversely affected by events involving the assets and businesses attributed to either of the groups.***

Because we are the issuer of FNF Group common stock and FNFV Group common stock, an adverse market reaction to events relating to the assets and businesses attributed to either of our groups, such as earnings announcements or announcements of new products or services, acquisitions or dispositions that the market does not view favorably, may cause an adverse reaction to the common stock of the other group. This could occur even if the triggering event is not material to us as a whole. A certain triggering event may also have a greater impact on one group than the same triggering event would have on the other group due to the asset composition of the affected group. In addition, the incurrence of significant indebtedness by us or any of our subsidiaries on behalf of one group, including indebtedness incurred or assumed in connection with acquisitions of or investments in businesses, could affect our credit rating and that of our subsidiaries and, therefore, could increase the borrowing costs of businesses attributable to our other group or the borrowing costs of FNF as a whole.

***We may not pay dividends equally or at all on FNF Group common stock or FNFV Group common stock.***

FNF has historically paid quarterly dividends to its shareholders. We have the right to pay dividends on the shares of common stock of each group in equal or unequal amounts, and we may pay dividends on the shares of common stock of one group and not pay dividends on shares of common stock of the other group. In addition, any dividends or distributions on, or repurchases of, shares relating to either group will reduce our assets legally available to be paid as dividends on the shares relating to the other group.

***Our tracking stock capital structure could create conflicts of interest, and our Board of Directors may make decisions that could adversely affect only some holders of our common stock.***

Our tracking stock capital structure could give rise to occasions when the interests of holders of stock of one group might diverge or appear to diverge from the interests of holders of stock of the other group. In addition, given the nature of their businesses, there may be inherent conflicts of interests between the FNF Group and the FNFV Group. Our tracking stock groups are not separate entities and thus holders of FNF Group common stock and FNFV Group common stock do not have the right to elect separate Boards of Directors. As a result, our officers and directors owe fiduciary duties to FNF as a whole and all of our shareholders as opposed to only holders of a particular group. Decisions deemed to be in the best interest of our Company and all of our shareholders may not be in the best interest of a particular group when considered independently. Examples include:

- decisions as to the terms of any business relationships that may be created between the FNF Group and the FNFV Group or the terms of any reattributions of assets between the groups;
- decisions as to the allocation of consideration among the holders of FNF Group common stock and FNFV Group common stock to be received in connection with a merger involving FNF;
- decisions as to the allocation of corporate opportunities between the groups, especially where the opportunities might meet the strategic business objectives of both groups;
- decisions as to operational and financial matters that could be considered detrimental to one group but beneficial to the other;
- decisions as to the conversion of shares of common stock of one group into shares of common stock of the other, which the Board of Directors may make in its sole discretion, so long as the shares are converted (other than in connection with the disposition of all or substantially all of a group's assets) at a ratio that provides the shareholders of the converted stock with a premium based on the following requirements:
  (i) a 10% premium to such stock's market price for the first year following the recapitalization,
  (ii) an 8% premium to such stock's market price for the second year following the recapitalization,
  (iii) a 6% premium to such stock's market price for the third year following the recapitalization,
  (iv) a 4% premium to such stock's market price for fourth year following the recapitalization,
  (v) a 2% premium to such stock's market price for the fifth year following the recapitalization, and
  (vi) no premium to such stock's market price thereafter, with such premium to be based on, in each case, the market price of such stock over the 10 day trading period preceding the date on the which the Board of Directors determines to effect any such conversion; no conversion premium is available for a conversion in connection with the disposition of all or substantially all of the assets of either group;
- decisions regarding the creation of, and, if created, the subsequent increase or decrease of any intergroup interest that one group may own in the other group;
- decisions as to the internal or external financing attributable to businesses or assets attributed to either of our groups;
- decisions as to the dispositions of assets of either of our groups; and
- decisions as to the payment of dividends on the stock relating to either of our groups.

***Our directors' or officers' ownership of FNF Group common stock and FNFV Group common stock may create or appear to create conflicts of interest.***

If directors or officers own disproportionate interests (in percentage or value terms) in FNF Group common stock or FNFV Group common stock, that disparity could create or appear to create conflicts of interest when they are faced with decisions that could have different implications for the holders of FNF Group common stock or FNFV Group common stock.

***We have not adopted any specific procedures for consideration of matters involving a divergence of interests among holders of shares of stock relating to our two groups.***

Rather than develop additional specific procedures in advance, our Board of Directors intends to exercise its judgment from time to time, depending on the circumstances, as to how best to:

- obtain information regarding the divergence (or potential divergence) of interests;
- determine under what circumstances to seek the assistance of outside advisers;
- determine whether a committee of our Board of Directors should be appointed to address a specific matter and the appropriate members of that committee; and
- assess what is in our best interest and the best interest of all of our shareholders.

Our Board of Directors believes the advantage of retaining flexibility in determining how to fulfill its responsibilities in any such circumstances as they may arise outweighs any perceived advantages of adopting additional specific procedures in advance.

***Our Board of Directors may change the management and allocation policies following their implementation to the detriment of either group without shareholder approval.***

Our Board of Directors intends to adopt certain management and allocation policies as guidelines in making decisions regarding the relationships between the FNF Group and the FNFV Group with respect to matters such as tax liabilities and benefits, inter-group loans, inter-group interests, attribution of assets, financing alternatives, corporate opportunities and similar items. These policies also set forth the initial focuses and strategies of these groups and the initial attribution of our businesses, assets and liabilities between them. Our Board of Directors may at any time change or make exceptions to these policies. Because these policies relate to matters concerning the day-to-day management of FNF as opposed to significant corporate actions, such as a merger involving FNF or a sale of substantially all of our assets, no shareholder approval is required with respect to policy adoption or amendment. A decision to change, or make exceptions to, these policies or adopt additional policies could disadvantage one group while advantaging the other.

***Holders of shares of stock relating to a particular group may not have any remedies if any action by our directors or officers has an adverse effect on only that stock.***

Principles of Delaware law and the provisions of our Corporate Charter may protect decisions of our Board of Directors that have a disparate impact upon holders of shares of stock relating to a particular group. Under Delaware law, the Board of Directors has a duty to act with due care and in the best interests of all shareholders, regardless of the stock held. Principles of Delaware law established in cases involving differing treatment of multiple classes or series of stock provide that a Board of Directors owes an equal duty to all shareholders and does not have separate or additional duties to any subset of shareholders. Judicial opinions in Delaware involving tracking stocks have established that decisions by directors or officers involving differing treatment of holders of tracking stocks may be judged under the business judgment rule. In some circumstances, our directors or officers may be required to make a decision that is viewed as adverse to the holders of shares relating to a particular group. Under the principles of Delaware law and the business judgment rule referred to above, you may not be able to successfully challenge decisions that you believe have a disparate impact upon the shareholders of one of our groups if a majority of our Board of Directors is disinterested and independent with respect to the action taken, is adequately informed with respect to the action taken and acts in good faith and in the honest belief that the Board of Directors is acting in the best interest of FNF and our shareholders as a whole.

***Shareholders will not vote on how to attribute consideration received in connection with a merger involving FNF among holders of FNF Group common stock and FNFV Group common stock.***

Our Corporate Charter does not contain any provisions governing how consideration received in connection with a merger or consolidation involving FNF is to be attributed to the holders of FNF Group common stock and holders of FNFV Group common stock, and none of the holders of FNF Group common stock or FNFV Group common stock will have a separate class vote in the event of such a merger or consolidation. Consistent with applicable principles of Delaware law, our Board of Directors will seek to divide the type and amount of consideration received in a merger or consolidation involving FNF among holders of FNF Group common stock and FNFV Group common stock in a fair manner. As the different ways our Board of Directors may divide the consideration between holders of stock relating to the different groups might have materially different results, the consideration to be received by holders of FNF Group common stock and FNFV Group common stock in any such merger or consolidation may be materially less valuable than the consideration they would have received if they had a separate class vote on such merger or consolidation.

***We may dispose of assets of the FNF Group or the FNFV Group without your approval.***

Delaware law requires shareholder approval only for a sale or other disposition of all or substantially all of the assets of FNF taken as a whole, and our Corporate Charter does not require a separate class vote in the case of a sale of a significant amount of assets of any of our groups. As long as the assets attributed to the FNF Group or the FNFV Group proposed to be disposed of represent less than substantially all of our assets, we may approve sales and other dispositions of any amount of the assets of such group without any shareholder approval. If we dispose of all or substantially all of the assets attributed to any group (which means, for this purpose, assets representing 80% of the fair market value of the total assets of the disposing group, as determined by our Board of Directors), we would be required, if the disposition is not an exempt disposition under the terms of our Corporate Charter, to choose one or more of the following three alternatives:

- declare and pay a dividend on the disposing group’s common stock;
- redeem shares of the disposing group’s common stock in exchange for cash, securities or other property; and/or
- convert all or a portion of the disposing group’s outstanding common stock into common stock of the other group.

In this type of a transaction, holders of the disposing group’s common stock may receive less value than the value that a third-party buyer might pay for all or substantially all of the assets of the disposing group. Our Board of Directors will decide, in its sole discretion, how to proceed and is not required to select the option that would result in the highest value to holders of any group of our common stock.

***Holders of FNF Group common stock or FNFV Group common stock may receive less consideration upon a sale of the assets attributed to that group than if that group were a separate company.***

If the FNF Group or the FNFV Group were a separate, independent company and its shares were acquired by another person, certain costs of that sale, including corporate level taxes, might not be payable in connection with that acquisition. As a result, shareholders of a separate, independent company with the same assets might receive a greater amount of proceeds than the holders of FNF Group common stock or FNFV Group common stock would receive upon a sale of all or substantially all of the assets of the group to which their shares relate. In addition, we cannot assure you that in the event of such a sale the per share consideration to be paid to holders of FNF Group common stock or FNFV Group common stock, as the case may be, will be equal to or more than the per share value of that share of stock prior to or after the announcement of a sale of all or substantially all of the assets of the applicable group. Further, there is no requirement that the consideration paid be tax-free to the holders of the shares of common stock of that group. Accordingly, if we sell all or substantially all of the assets attributed to the FNF Group or the FNFV Group, our shareholders could suffer a loss in the value of their investment in FNF.

***In the event of a liquidation of FNF, holders of FNF Group common stock and FNFV Group common stock will not have a priority with respect to the assets attributed to the related tracking stock group remaining for distribution to shareholders.***

Under the Corporate Charter, upon FNF's liquidation, dissolution or winding up, holders of the FNF Group common stock and the FNFV Group common stock will be entitled to receive, in respect of their shares of such stock, their proportionate interest in all of FNF's assets, if any, remaining for distribution to holders of common stock in proportion to their respective number of "liquidation units" per share. Relative liquidation units will be based on the volume weighted average prices of the FNF Group common stock and the FNFV Group common stock over the 10 trading day period commencing shortly after the initial filing of the Corporate Charter. Hence, the assets to be distributed to a holder of either tracking stock upon a liquidation, dissolution or winding up of FNF will have nothing to do with the value of the assets attributed to the related tracking stock group or to changes in the relative value of the FNF Group common stock and the FNFV Group common stock over time.

***Our Board of Directors may in its sole discretion elect to convert the common stock relating to one group into common stock relating to the other group, thereby changing the nature of your investment and possibly diluting your economic interest in FNF, which could result in a loss in value to you.***

Our Corporate Charter permits our Board of Directors, in its sole discretion, to convert all of the outstanding shares of common stock relating to either of our groups into shares of common stock of the other group so long as the shares are converted at a ratio that provides the shareholders of the converted stock with the applicable Conversion Premium (if any) to which they are entitled. A conversion would preclude the holders of stock in each group involved in such conversion from retaining their investment in a security that is intended to reflect separately the performance of the relevant group. We cannot predict the impact on the market value of our stock of (1) our Board of Directors' ability to effect any such conversion or (2) the exercise of this conversion right by FNF. In addition, our Board of Directors may effect such a conversion at a time when the market value of our stock could cause the shareholders of one group to be disadvantaged.

***Holders of FNF Group common stock and FNFV Group common stock vote together and have limited separate voting rights.***

Holders of FNF Group common stock and FNFV Group common stock vote together as a single class, except in certain limited circumstances prescribed by our Corporate Charter and under Delaware law. Each share of common stock of each group has one vote per share. When holders of FNF Group common stock and FNFV Group common stock vote together as a single class, holders having a majority of the votes are in a position to control the outcome of the vote even if the matter involves a conflict of interest among our shareholders or has a greater impact on one group than the other.

***Our capital structure, as well as the fact that the FNF Group and the FNFV Group are not independent companies may inhibit or prevent acquisition bids for the FNF Group or the FNFV Group and may make it difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders.***

If the FNF Group and the FNFV Group were separate independent companies, any person interested in acquiring the FNF Group or the FNFV Group without negotiating with management could seek control of that group by obtaining control of its outstanding voting stock, by means of a tender offer, or by means of a proxy contest. Although we intend FNF Group common stock and FNFV Group common stock to reflect the separate economic performance of the FNF Group and the FNFV Group, respectively, those groups are not separate entities and a person interested in acquiring only one group without negotiation with our management could obtain control of that group only by obtaining control of a majority in voting power of all of the outstanding shares of common stock of FNF. The existence of shares of common stock relating to different groups could present complexities and in certain circumstances pose obstacles, financial and otherwise, to an acquiring person that are not present in companies that do not have capital structures similar to ours. Certain provisions of our Corporate Charter and bylaws may discourage, delay or prevent a change in control of FNF that a shareholder may consider favorable. These provisions include:

- classifying our Board of Directors with staggered three-year terms, which may lengthen the time required to gain control of our Board of Directors;

- limiting who may call special meetings of shareholders;
- establishing advance notice requirements for nominations of candidates for election to our board of directors; and
- the existence of authorized and unissued stock, including “blank check” preferred stock, which could be issued by our Board of Directors to persons friendly to our then current management, thereby protecting the continuity of our management, or which could be used to dilute the stock ownership of persons seeking to obtain control of FNF.

**Item 1B.** ***Unresolved Staff Comments***

None.

**Item 2.** ***Properties***

Our corporate headquarters are on our campus in Jacksonville, Florida in owned facilities.

*Title*

The majority of our branch offices are leased from third parties. See Note M to the Notes to Consolidated Financial Statements included in Item 8 of Part II of this report for further information on our outstanding leases. Our subsidiaries conduct their business operations primarily in leased office space in 44 states, Washington, DC, Puerto Rico, Canada and India.

*Black Knight*

Black Knight is headquartered in Jacksonville, Florida in an owned facility. It also owns one facility in Sharon, Pennsylvania, and leases office space in 15 states and India.

*Restaurant Group*

The Restaurant Group's headquarters are located in Nashville, Tennessee with other office locations in Woburn, Massachusetts and Denver, Colorado. The majority of the restaurants are leased from third parties, and are located in 40 states and Guam.

**Item 3.** ***Legal Proceedings***

For a description of our legal proceedings see discussion of *Legal and Regulatory Contingencies* in Note M to the Consolidated Financial Statements included in Item 8 of Part II of this Report, which is incorporated by reference into this Part I, Item 3.

## PART II

**Item 5.** ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Both FNF Group and FNFV Group classes of our stock trade on the New York Stock Exchange under the trading symbols "FNF" and "FNFV", respectively. The following tables provide the high and low closing sales prices of each class of our common stock and cash dividends declared per share of common stock for each quarter during 2016 and 2015.

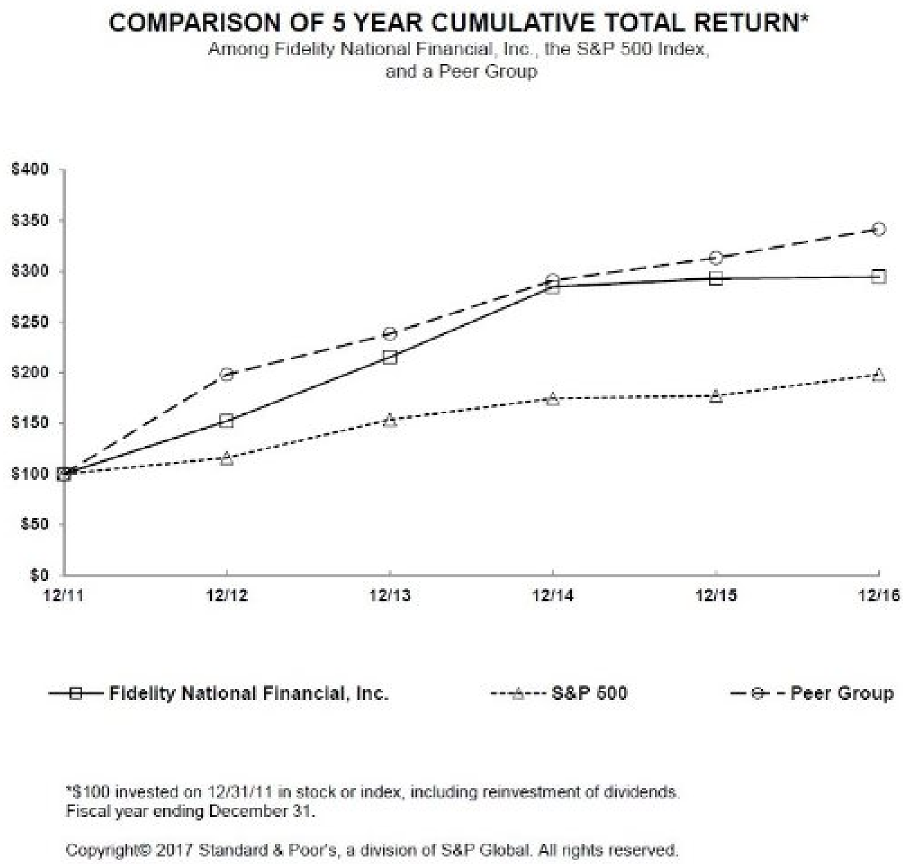
| FNF Group | Stock Price High | Stock Price Low | Cash Dividends Declared |
|---|---|---|---|
| Year ended December 31, 2016 | | | |
| First quarter | $ 33.73 | $ 29.04 | $ 0.21 |
| Second quarter | 37.29 | 31.37 | 0.21 |
| Third quarter | 38.22 | 36.07 | 0.21 |
| Fourth quarter | 36.77 | 31.56 | 0.25 |
| | | | |
| Year ended December 31, 2015 | | | |
| First quarter | $ 38.41 | $ 34.29 | $ 0.19 |
| Second quarter | 38.50 | 35.91 | 0.19 |
| Third quarter | 39.99 | 34.75 | 0.21 |
| Fourth quarter | 36.99 | 32.49 | 0.21 |

| FNFV Group | Stock Price High | Stock Price Low | Cash Dividends Declared |
|---|---|---|---|
| Year ended December 31, 2016 | | | |
| First quarter | $ 11.60 | $ 8.59 | $ — |
| Second quarter | 12.35 | 10.07 | — |
| Third quarter | 13.24 | 11.38 | — |
| Fourth quarter | 14.40 | 11.05 | — |
| | | | |
| Year ended December 31, 2015 | | | |
| First quarter | $ 15.04 | $ 11.61 | $ — |
| Second quarter | 15.80 | 14.17 | — |
| Third quarter | 15.62 | 11.66 | — |
| Fourth quarter | 12.06 | 9.88 | — |

Information concerning securities authorized for issuance under our equity compensation plans will be included in Item 12 of Part III of this report.

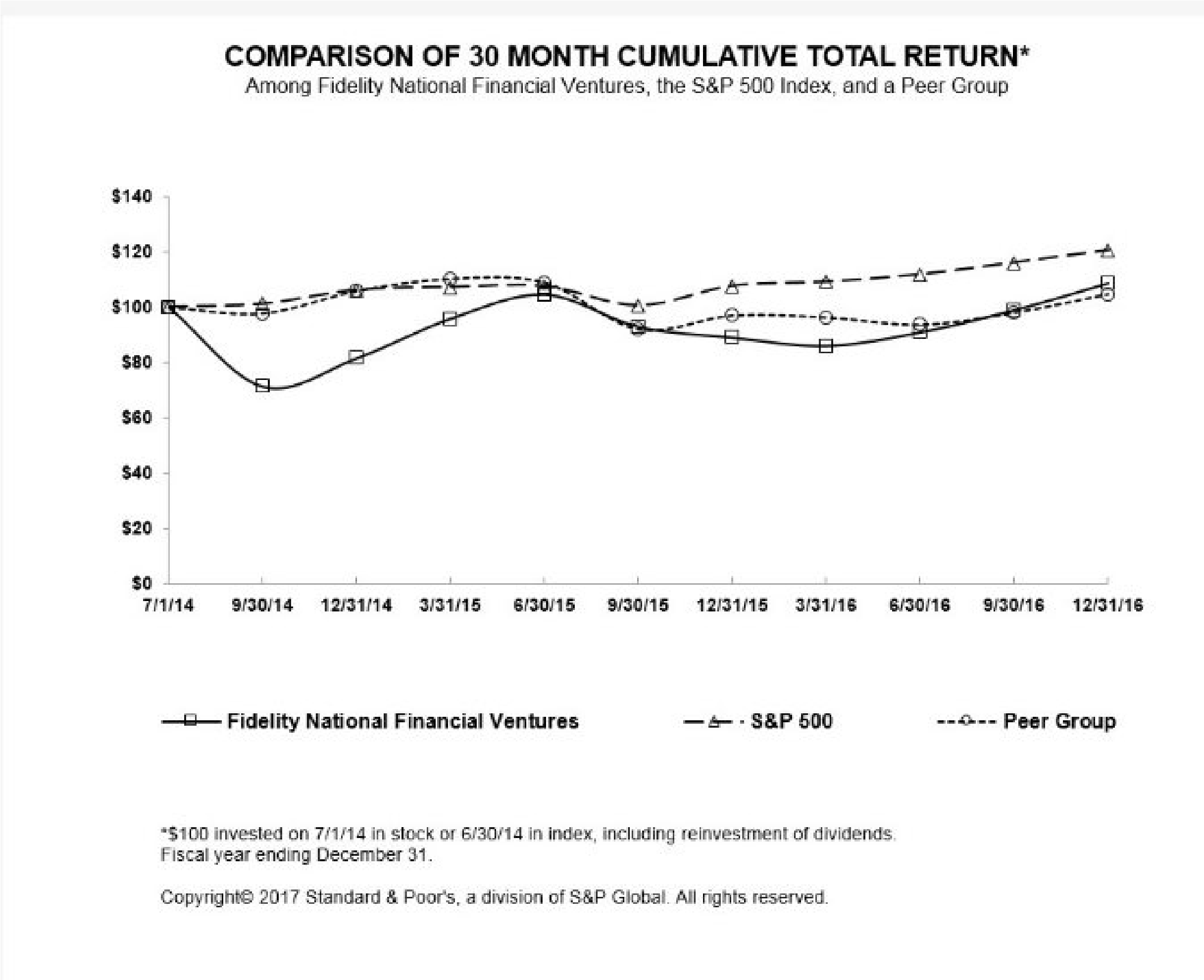
**PERFORMANCE GRAPH**

Set forth below is a graph comparing cumulative total shareholder return on our FNF Group common stock against the cumulative total return on the S&P 500 Index and against the cumulative total return of a peer group index consisting of certain companies in the primary industry in which we compete (SIC code 6361 — Title Insurance) for the period ending December 31, 2016 . This peer group consists of the following companies: First American Financial Corporation and Stewart Information Services Corp. The peer group comparison has been weighted based on their stock market capitalization. The graph assumes an initial investment of $100.00 on December 31, 2011, with dividends reinvested over the periods indicated.




| | 12/31/2011 | 12/31/2012 | 12/31/2013 | 12/31/2014 | 12/31/2015 | 12/31/2016 |
|---|---|---|---|---|---|---|
| Fidelity National Financial, Inc. | 100.00 | 152.20 | 215.20 | 284.56 | 292.87 | 294.35 |
| S&P 500 | 100.00 | 116.00 | 153.58 | 174.60 | 177.01 | 198.18 |
| Peer Group | 100.00 | 198.06 | 238.14 | 290.80 | 313.07 | 341.58 |

Set forth below is a graph comparing cumulative total shareholder return on our FNFV Group common stock against the cumulative total return on the S&P 500 Index and against the cumulative total return of a peer group index consisting of certain companies against which we compete for the period ending December 31, 2016 . The peer group comparison has been weighted based on their stock market capitalization . The graph assumes an initial investment of $100.00 on July 1, 2014, the date which FNFV began trading.




| | 7/1/2014 | 12/31/2014 | 12/31/2015 | 12/31/2016 |
|---|---|---|---|---|
| **Fidelity National Financial Ventures** | **100.00** | **81.60** | **89.06** | **108.64** |
| **S&P 500** | **100.00** | **106.12** | **107.58** | **120.45** |
| **Peer Group (1)** | **100.00** | **105.86** | **97.08** | **104.74** |

(1) This peer group consists of the following companies: American Capital, Ltd., Apollo Global Management, LLC, BlackRock, Inc., The Blackstone Group L.P., The Carlyle Group, Compass Diversified Holdings, Fortress Investment Group, LLC, KKR & Co. L.P., Leucadia National Corporation, Liberty Interactive Corporation, and Liberty Media Corporation.

On January 31, 2017, the last reported sale price of our FNF Group common stock and FNFV Group common stock on the New York Stock Exchange was $35.36 and $13.00 per share, respectively. We had approximately 7,100 shareholders of record of FNF Group common stock and 5,400 shareholders of record of FNFV Group common stock.

On February 1, 2017 , our Board of Directors formally declared a $0.25 per FNF Group share cash dividend that is payable on March 31, 2017 to FNF Group shareholders of record as of March 17, 2017 .

No dividends were declared on our FNFV Group common stock.

Our current FNF Group dividend policy anticipates the payment of quarterly dividends in the future. The declaration and payment of dividends will be at the discretion of our Board of Directors and will be dependent upon our future earnings, financial condition and capital requirements. There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders, although there are limits on the ability of certain subsidiaries to pay dividends to us, as described below. Our ability to declare dividends is subject to restrictions under our existing credit agreement. We do not believe the restrictions contained in our credit agreement will, in the foreseeable future, adversely affect our ability to pay cash dividends at the current dividend rate.

Since we are a holding company, our ability to pay dividends will depend largely on the ability of our subsidiaries to pay dividends to us, and the ability of our title insurance subsidiaries to do so is subject to, among other factors, their compliance with applicable insurance regulations. As of December 31, 2016 , $ 2,149 million of our net assets are restricted from dividend payments without prior approval from the Departments of Insurance in the states where our title insurance subsidiaries are domiciled. During 2017 , our directly owned title insurance subsidiaries can pay dividends or make distributions to us of approximately $ 372 million without prior approval. The limits placed on such subsidiaries' abilities to pay dividends affect our ab ility to pay dividends.

Three of the Company's title insurance underwriters, Fidelity National Title Insurance Company, Chicago Title Insurance Company and Commonwealth Land Title Insurance Company, have filed applications to redomesticate from their existing states of domicile to a new state of domicile. The anticipated redomestications are subject to prior regulatory approval, which may be received in the first quarter of 2017. If the anticipated redomestications are approved, the Company may receive a special dividend from the title insurance underwriters in 2017 related to such redomestication. This special dividend would be due in part to differences in the laws among the states of domicile.

We have not paid any dividends on our FNFV Group common stock, and our current FNFV Group dividend policy does not presently anticipate the payment of dividends. Payment of dividends, if any, in the future will be determined by our Board of Directors in light of our earnings, financial condition and other relevant considerations.

On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We exhausted all available repurchases under this program during February 2016. On February 18, 2016, our Board of Directors approved a new FNFV Group three-year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock through February 28, 2019. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2016 , we repurchased a total of 5,651,518 shares for $62 million , or an average of $10.94 per share under these programs. Since the original commencement of the plan adopted February 18, 2016, we have repurchased a total of 3,955,000 shares for $45 million , or an average of $11.40 per share, and there are 11,045,000 shares available to be repurchased under this program.

On July 20, 2015, our Board of Directors approved a new three-year stock repurchase program under which we can purchase up to 25 million shares of our FNF Group common stock through July 30, 2018. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2016 , we repurchased a total of 6,014,000 FNF Group shares under this program for $206 million , or an average price of $34.26 per share. Since the original commencement of the plan, we have repurchased a total of 10,589,000 FNF Group common shares for $372 million , or an average of $35.10 per share, and there are 14,411,000 shares available to be repurchased under this program.

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The following table summarizes repurchases of equity securities by FNF Group during the year ending December 31, 2016 :

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2) |
|---|---|---|---|---|
| 1/1/2016 - 1/31/2016 | 250,000 | $ 33.56 | 250,000 | 20,175,000 |
| 2/1/2016 - 2/29/2016 | 550,000 | 32.86 | 550,000 | 19,625,000 |
| 3/1/2016 - 3/31/2016 | 1,100,000 | 32.43 | 1,100,000 | 18,525,000 |
| 4/1/2016 - 4/30/2016 | 300,000 | 33.27 | 300,000 | 18,225,000 |
| 5/1/2016 - 5/31/2016 | 1,064,000 | 33.57 | 1,064,000 | 17,161,000 |
| 6/1/2016 - 6/30/2016 | 1,100,000 | 35.22 | 1,100,000 | 16,061,000 |
| 7/1/2016 - 7/31/2016 | 150,000 | 37.02 | 150,000 | 15,911,000 |
| 8/1/2016 - 8/31/2016 | 425,000 | 37.03 | 425,000 | 15,486,000 |
| 9/1/2016 - 9/30/2016 | 525,000 | 37.42 | 525,000 | 14,961,000 |
| 10/1/2016 - 10/31/2016 | 75,000 | 36.78 | 75,000 | 14,886,000 |
| 11/1/2016 - 11/30/2016 | 450,000 | 33.21 | 450,000 | 14,436,000 |
| 12/1/2016 - 12/31/2016 | 25,000 | 31.92 | 25,000 | 14,411,000 |
| Total | 6,014,000 | $ 34.26 | 6,014,000 | |

(1) On July 20, 2015, our Board of Directors approved a three-year stock repurchase program. Under the stock repurchase program, we may repurchase up to 25 million shares of our FNF Group common stock through July 30, 2018.

(2) As of the last day of the applicable month.

The following table summarizes repurchases of equity securities by FNFV during the year ending December 31, 2016 :

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2) |
|---|---|---|---|---|
| 1/1/2016 - 1/31/2016 | 375,000 | $ 10.52 | 375,000 | 1,321,518 |
| 2/1/2016 - 2/29/2016 | 1,321,518 | 9.70 | 1,321,518 | 15,000,000 |
| 3/1/2016 - 3/31/2016 | 1,505,000 | 10.79 | 1,505,000 | 13,495,000 |
| 4/1/2016 - 4/30/2016 | 300,000 | 10.60 | 300,000 | 13,195,000 |
| 5/1/2016 - 5/31/2016 | 925,000 | 11.65 | 925,000 | 12,270,000 |
| 6/1/2016 - 6/30/2016 | 550,000 | 11.79 | 550,000 | 11,720,000 |
| 7/1/2016 - 7/31/2016 | 75,000 | 11.53 | 75,000 | 11,645,000 |
| 8/1/2016 - 8/31/2016 | 170,000 | 12.48 | 170,000 | 11,475,000 |
| 9/1/2016 - 9/30/2016 | 210,000 | 12.76 | 210,000 | 11,265,000 |
| 10/1/2016 - 10/31/2016 | 30,000 | 12.55 | 30,000 | 11,235,000 |
| 11/1/2016 - 11/30/2016 | 180,000 | 12.38 | 180,000 | 11,055,000 |
| 12/1/2016 - 12/31/2016 | 10,000 | 13.25 | 10,000 | 11,045,000 |
| Total | 5,651,518 | $ 10.94 | 5,651,518 | |

(1) On February 18, 2016, our Board of Directors approved a new FNFV Group three-year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock.

(2) As of the last day of the applicable month.

**Item 6.** ***Selected Financial Data***

The information set forth below should be read in conjunction with the consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Form 10-K. Certain reclassifications have been made to the prior year amounts to conform with the 2016 presentation.

On September 28, 2015 , we completed the distribution of J. Alexander's to FNFV shareholders. The results of J. Alexander's operations are included through the distribution date.

On December 31, 2014, we completed the distribution of Remy International, Inc. to our FNFV shareholders. The operations of Remy are included in discontinued operations for the years ended December 31, 2014, 2013, and 2012.

On January 2, 2014, we completed the purchase of LPS and consolidated the operations of LPS beginning on January 3, 2014.

On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's Inc. We have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55%. We have consolidated the operations of ABRH with the O'Charley's group of companies, beginning on May 11, 2012.

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | **2016** | **2015** | **2014** | **2013** | **2012** |
| | (Dollars in millions, except share data) | | | | |
| **Operating Data:** | | | | | |
| Revenue | $ 9,554 | $ 9,132 | $ 8,024 | $ 7,440 | $ 6,668 |
| Expenses: | | | | | |
| Personnel costs | 2,832 | 2,671 | 2,540 | 2,061 | 1,834 |
| Agent commissions | 1,998 | 1,731 | 1,471 | 1,789 | 1,600 |
| Other operating expenses | 1,944 | 1,881 | 1,643 | 1,273 | 1,269 |
| Cost of restaurant revenues | 984 | 1,195 | 1,220 | 1,204 | 773 |
| Depreciation and amortization | 431 | 410 | 403 | 133 | 103 |
| Provision for title claim losses | 157 | 246 | 228 | 291 | 279 |
| Interest expense | 136 | 131 | 127 | 73 | 64 |
| | 8,482 | 8,265 | 7,632 | 6,824 | 5,922 |
| Earnings before income taxes, equity in (loss) earnings of unconsolidated affiliates, and noncontrolling interest | 1,072 | 867 | 392 | 616 | 746 |
| Income tax expense | 372 | 290 | 312 | 195 | 242 |
| Earnings before equity in (loss) earnings of unconsolidated affiliates | 700 | 577 | 80 | 421 | 504 |
| Equity in (loss) earnings of unconsolidated affiliates | (8) | (16) | 432 | (26) | 10 |
| Earnings from continuing operations, net of tax | 692 | 561 | 512 | 395 | 514 |
| Earnings from discontinued operations, net of tax | — | — | 7 | 16 | 98 |
| Net earnings | 692 | 561 | 519 | 411 | 612 |
| Less: net earnings (loss) attributable to noncontrolling interests | 42 | 34 | (64) | 17 | 5 |
| Net earnings attributable to FNF common shareholders | $ 650 | $ 527 | $ 583 | $ 394 | $ 607 |

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| | (Dollars in millions, except share data) | | | | |
| **Per Share Data:** | | | | | |
| Basic net earnings per share attributable to Old FNF common shareholders | | | $ 0.33 | $ 1.71 | $ 2.75 |
| Basic net earnings per share attributable to FNF Group common shareholders | $ 2.40 | $ 1.95 | $ 0.77 | | |
| Basic net (loss) earnings per share attributable to FNFV Group common shareholders | $ (0.06) | $ (0.16) | $ 3.04 | | |
| Weighted average shares outstanding Old FNF, basic basis (1) | | | 138 | 230 | 221 |
| Weighted average shares outstanding FNF Group, basic basis (1) | 272 | 277 | 138 | | |
| Weighted average shares outstanding FNFV Group, basic basis (1) | 67 | 79 | 46 | | |
| Diluted net earnings per share attributable to Old FNF common shareholders | | | $ 0.32 | $ 1.68 | $ 2.69 |
| Diluted net earnings per share attributable to FNF Group common shareholders | $ 2.34 | $ 1.89 | $ 0.75 | | |
| Diluted net (loss) earnings per share attributable to FNFV Group common shareholders | $ (0.06) | $ (0.16) | $ 3.01 | | |
| Weighted average shares outstanding Old FNF, diluted basis (1) | | | 142 | 235 | 226 |
| Weighted average shares outstanding FNF Group, diluted basis (1) | 280 | 286 | 142 | | |
| Weighted average shares outstanding FNFV Group, diluted basis (1) | 70 | 82 | 47 | | |
| Dividends declared per share of Old FNF common stock | | | $ 0.36 | $ 0.66 | $ 0.58 |
| Dividends declared per share of FNF Group common stock | $ 0.88 | $ 0.80 | $ 0.37 | | |
| **Balance Sheet Data:** | | | | | |
| Investments (2) | $ 4,284 | $ 4,853 | $ 4,669 | $ 3,791 | $ 4,053 |
| Cash and cash equivalents (3) | 1,323 | 780 | 700 | 1,969 | 1,132 |
| Total assets | 14,463 | 13,931 | 13,845 | 10,508 | 9,886 |
| Notes payable | 2,746 | 2,793 | 2,803 | 1,303 | 1,327 |
| Reserve for title claim losses | 1,487 | 1,583 | 1,621 | 1,636 | 1,748 |
| Redeemable NCI | 344 | 344 | 715 | — | — |
| Equity | 6,898 | 6,588 | 6,073 | 5,535 | 4,749 |
| Book value per share Old FNF | | | | $ 22.14 | $ 20.78 |
| Book value per share FNF Group (4) | $ 22.81 | $ 21.21 | $ 18.87 | | |
| Book value per share FNFV Group (4) | $ 15.54 | $ 15.05 | $ 16.31 | | |
| **Other Data:** | | | | | |
| Orders opened by direct title operations (in 000's) | 2,184 | 2,092 | 1,914 | 2,181 | 2,702 |
| Orders closed by direct title operations (in 000's) | 1,575 | 1,472 | 1,319 | 1,708 | 1,867 |
| Provision for title insurance claim losses as a percent of title insurance premiums (5) | 3.3% | 5.7% | 6.2% | 7.0% | 7.0% |
| Title related revenue (6): | | | | | |
| Percentage direct operations | 68.2% | 70.1% | 70.0% | 60.1% | 61.9% |
| Percentage agency operations | 31.8% | 29.9% | 30.0% | 39.9% | 38.1% |

(1) Weighted average shares outstanding as of December 31, 2014 includes 25,920,078 FNF shares that were issued as part of the acquisition of LPS on January 2, 2014 and 91,711,237 FNFV shares that were issued as part of the recapitalization completed on June 30, 2014. Weighted average shares outstanding as of December 31, 2013 includes 19,837,500 shares that were issued as part of an equity offering by FNF on October 31, 2013.

(2) Investments as of December 31, 2016 , 2015 , 2014 , 2013 , and 2012 , include securities pledged to secured trust deposits of $544 million , $608 million , $499 million , $261 million , and $278 million , respectively.

(3) Cash and cash equivalents as of December 31, 2016 , 2015 , 2014 , 2013 , and 2012 include cash pledged to secured trust deposits of $331 million , $108 million , $136 million , $339 million , and $266 million , respectively.

(4) Book value per share is calculated as equity at December 31 of each year presented divided by actual shares outstanding at December 31 of each year presented.

(5) Includes the effects of the release of $97 million of excess reserves in the quarter ended December 31, 2016.

(6) Includes title insurance premiums and escrow, title-related and other fees.

**Selected Quarterly Financial Data (Unaudited)**

Selected quarterly financial data is as follows:

| | Quarter Ended | | | |
|---|---|---|---|---|
| | March 31, | June 30, | September 30, | December 31, |
| | (Dollars in millions, except per share data) | | | |
| **2016** | | | | |
| Revenue | $ 2,048 | $ 2,482 | $ 2,517 | $ 2,507 |
| Earnings from continuing operations before income taxes, equity in (loss) earnings of unconsolidated affiliates, and noncontrolling interest | 131 | 308 | 271 | 362 |
| Net earnings attributable to FNF Group common shareholders | 73 | 187 | 163 | 231 |
| Net earnings (loss) attributable to FNFV Group common shareholders | 1 | 10 | (7) | (8) |
| Basic earnings per share attributable to FNF Group common shareholders | 0.27 | 0.69 | 0.60 | 0.85 |
| Basic earnings (loss) per share attributable to FNFV Group common shareholders | 0.01 | 0.15 | (0.11) | (0.12) |
| Diluted earnings per share attributable to FNF Group common shareholders | 0.26 | 0.67 | 0.58 | 0.83 |
| Diluted earnings (loss) per share attributable to FNFV Group common shareholders | 0.01 | 0.14 | (0.11) | (0.12) |
| Dividends paid per share FNF Group common stock | 0.21 | 0.21 | 0.21 | 0.25 |
| **2015** | | | | |
| Revenue | $ 2,061 | $ 2,395 | $ 2,392 | $ 2,284 |
| Earnings from continuing operations before income taxes, equity in (loss) earnings of unconsolidated affiliates, and noncontrolling interest | 151 | 254 | 238 | 224 |
| Net earnings attributable to FNF Group common shareholders | 86 | 160 | 150 | 144 |
| Net earnings (loss) attributable to FNFV Group common shareholders | — | 10 | (18) | (5) |
| Basic earnings per share attributable to FNF Group common shareholders | 0.31 | 0.57 | 0.54 | 0.52 |
| Basic earnings (loss) per share attributable to FNFV Group common shareholders | — | 0.12 | (0.24) | (0.07) |
| Diluted earnings per share attributable to FNF Group common shareholders | 0.30 | 0.56 | 0.53 | 0.51 |
| Diluted earnings (loss) per share attributable to FNFV Group common shareholders | — | 0.12 | (0.24) | (0.07) |
| Dividends paid per share FNF Group common stock | 0.19 | 0.19 | 0.21 | 0.21 |

**Item 7.** ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with the Consolidated Financial Statements and the Notes thereto and Selected Financial Data included elsewhere in this Form 10-K.

**Overview**

For a description of our business, including descriptions of segments, see the discussion under Business in Item 1 of Part I of this Report, which is incorporated by reference into this Part II, Item 7 of this Report.

**Recent Developments**

On February 27, 2017, Black Knight announced that it has completed the repricing of its existing Term B Facility under its senior secured credit facility (the “Repricing”). The Term B Facility was repriced from 300 basis points to 225 basis points over LIBOR. The LIBOR floor remains at 75 basis points. The repriced loans continue to be due in full on May 27, 2022. See Note J to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report for further discussion of the terms of the Black Knight Term B Facility. In conjunction with the Repricing, Black Knight’s lenders consented to the previously announced tax-free distribution in which we intend to distribute all 83.3 million shares of Black Knight Financial Services, Inc. common stock that we currently own to FNF Group shareholders.

On February 1, 2017, our Board of Directors adopted a resolution to increase the size of the of our Board of Directors to twelve and elected Raymond R. Quirk to serve on our Board of Directors. Mr. Quirk is the Chief Executive Officer of FNF and has served in that capacity since December 2013. Previously, he served as the President of FNF beginning in April 2008. Since joining FNF in 1985, Mr. Quirk has served in numerous other executive and management positions, including Executive Vice President, Co-Chief Operating Officer, Division Manager and Regional Manager, with responsibilities for managing direct and agency title operations nationally.

On January 31, 2017, Black Knight's Board of Directors authorized a three-year share repurchase program, effective February 3, 2017, under which Black Knight may repurchase up to 10 million shares of its Class A common stock. The timing and volume of share repurchases will be determined by Black Knight's management based on its ongoing assessments of the capital needs of the business, the market price of its common stock and general market conditions. The repurchase program authorizes Black Knight to purchase its common stock from time to time through February 2, 2020, through open market purchases, negotiated transactions or other means, in accordance with applicable securities laws and other restrictions.

Effective January 1, 2017, Property Insight ("PI"), a Black Knight subsidiary that provides information used by title insurance underwriters, title agents and closing attorneys to source and underwrite title insurance for real property sales and transfers, realigned its commercial relationship with us. In connection with the realignment, responsibility for title plant posting and maintenance, as well as the related Property Insight employees, are now managed by us. Black Knight will continue to own the title plant technology and retain sales responsibility for third parties. The realignment will not have a material impact on our financial condition or results of operations.

On December 7, 2016, we announced that our Board of Directors approved a tax-free plan (the "Plan") whereby (1) we intend to distribute all 83.3 million shares of Black Knight Financial Services Inc. common stock that we currently own to FNF Group shareholders and (2) we intend to redeem all FNFV shares in exchange for shares of common stock of FNFV. Following the distributions, FNF, FNFV and Black Knight will each be independent, fully-distributed, publicly-traded common stocks, with FNF and FNFV no longer being tracking stocks. The Plan is subject to the receipt of private letter rulings from the Internal Revenue Service approving the distribution of Black Knight and FNFV shares, filing and acceptance of a registration statement for both the Black Knight and FNFV transactions with the Securities and Exchange Commission, the refinancing of Black Knight's senior notes, which are subject to the FNF guarantee, on reasonable terms, Black Knight and FNFV shareholder approvals and other customary closing conditions. The closing of the tax-free distributions of Black Knight and FNFV are not dependent on one another and will occur separately when the aforementioned closing conditions are met. The closing of the distributions is expected by the end of the third quarter of 2017.

On August 23, 2016, FNF Group completed its acquisition of Commissions, Inc. ("CINC"), a leading provider of web-based real estate marketing and customer relationship management software for elite Realtors® and agent teams across North America, for $229 million . CINC’s product offerings include software, marketing and services designed to enhance the productivity and sales results of elite Realtors® and agent teams through lead generation and proactive lead management. See discussion in *Acquisitions* in Note B to the Consolidated Financial Statements included in Part II, Item 8 of this Report for further discussion.

During the second quarter of 2016 we invested $30 million in CF Corporation (“CF Corp”, NYSE: CFCOU), a blank check company co-founded by William P. Foley, the Chairman of our Board of Directors. Mr. Foley also serves as the Co-Executive Chairman of CF Corp. As of December 31, 2016 , our investment in CF Corp has a fair value of $31 million and is included in Equity securities available for sale on the corresponding Condensed Consolidated Balance Sheet.

On May 16, 2016, Black Knight completed its acquisition of eLynx Holdings, Inc. ("eLynx"), a leading lending document and data delivery platform, for $115 million . eLynx helps clients in the financial services and real estate industries electronically capture and manage documents and associated data throughout the document lifecycle. This acquisition positions Black Knight to electronically support the full mortgage origination process. See discussion in *Acquisitions* in Note B to the Consolidated Financial Statements included in Part II, Item 8 of this Report for further discussion.

On May 2, 2016, we purchased certain shares of common and preferred stock of Ceridian Holding, LLC, the ultimate parent of Ceridian, from third-party minority interest holders for $17 million . As a result of this purchase, our ownership of Ceridian increased from 32% to 33% .

On April 29, 2016, pursuant to the terms of a certain “synthetic lease” agreement, dated as of June 29, 2004, as amended on June 27, 2011, we exercised our option to purchase the land and various real property improvements associated with our corporate campus and headquarters in Jacksonville, Florida from SunTrust Bank for $71 million .

On March 30, 2016, Ceridian HCM Holding, Inc., a wholly-owned subsidiary of Ceridian, completed its offering (the "Offering") of senior convertible preferred shares for aggregate proceeds of $150 million . As part of the Offering, FNF purchased a number of shares equal to its pro-rata ownership in Ceridian for $47 million . FNF's ownership percentage in Ceridian did not change as a result of the transaction.

On February 18, 2016, our Board of Directors approved a new FNFV Group three-year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through February 28, 2019.

***Discontinued Operations***

On December 31, 2014, we completed the distribution (the "Remy Spin-off") of all of the outstanding shares of common stock of our previously owned subsidiary Remy International, Inc. ("New Remy"), a manufacturer and distributer of auto parts, to FNFV shareholders. We've had no continuing involvement in New Remy since the Remy Spin-off. As a result of the Remy Spin-off, the results of New Remy are reflected in the Consolidated Statements of Earnings as discontinued operations for the year ended December 31, 2014. Total revenue included in discontinued operations was $1,173 million for the year ended December 31, 2014. Pre-tax earnings included in discontinued operations was $6 million for the year ended December 31, 2014.

**Business Trends and Conditions**

*Title*

Our Title segment revenue is closely related to the level of real estate activity which includes sales, mortgage financing and mortgage refinancing. Declines in the level of real estate activity or the average price of real estate sales will adversely affect our title insurance revenues.

We have found that residential real estate activity is generally dependent on the following factors:

- mortgage interest rates;
- mortgage funding supply; and
- strength of the United States economy, including employment levels.

As of February 15, 2017 , the Mortgage Banker's Association ("MBA") estimated the size of the U.S. mortgage originations market as shown in the following table for 2015 - 2019 in its "Mortgage Finance Forecast" (in trillions):

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| Purchase transactions | $ 1.2 | $ 1.2 | $ 1.1 | $ 1.0 | $ 0.9 |
| Refinance transactions | 0.4 | 0.4 | 0.5 | 0.9 | 0.8 |
| Total U.S. mortgage originations | $ 1.6 | $ 1.6 | $ 1.6 | $ 1.9 | $ 1.7 |

In 2015 and 2016, total originations were reflective of a generally improving residential real estate market driven by increasing home prices and historically low mortgage interest rates. Over the same period, existing home sales increased and there was a decline in total housing inventory. In 2017 and beyond, increased mortgage interest rates driven by gradual increases in the target federal funds rate are expected to adversely impact mortgage originations. In a rising interest rate environment, refinance transactions are expected to decline. The MBA predicts overall mortgage originations in 2017 through 2019 will decrease compared to the 2015 and 2016 periods due to a decrease in refinance transactions, offset by a slight increase in purchase transactions. Purchase transactions involve the issuance of both a lender’s policy and an owner’s policy, resulting in higher fees, whereas refinance transactions only require a lender’s policy, resulting in lower fees.

While projected increases in mortgage interest rates present a potential headwind for mortgage originations, other economic indicators used to measure the health of the United States economy, including the unemployment rate and consumer confidence, have improved in recent years. According to the United States Department of Labor's Bureau of Labor, the unemployment rate has dropped from 7.4% in 2013 to 4.9% in 2016. Additionally, the Conference Board's monthly Consumer Confidence Index has risen sharply at the end of 2016 and into 2017. We believe that improvements in both of these economic indicators, among other indicators which support a generally improving United States economy, present potential tailwinds for mortgage originations and support recent home prices trends.

We cannot be certain how, if at all, the positive effects of a change in mix of purchase to refinance transactions and of a generally improving United States economy and the negative effects of projected decreases in overall originations will impact our future results of operations. We continually monitor origination trends and believe that, based on our ability to produce industry leading operating margins through all economic cycles, we are well positioned to adjust our operations for adverse changes in real estate activity.

Because commercial real estate transactions tend to be driven by supply and demand for commercial space and occupancy rates in a particular area rather than by interest rate fluctuations, we believe that our commercial real estate title insurance business is less dependent on the industry cycles discussed above than our residential real estate title business. Commercial real estate transaction volume is also often linked to the availability of financing. For several years through 2015, we experienced continual year-over-year increases in the fee per file of commercial transactions. In 2016, we experienced a slight decrease in the volume and fee per file of commercial transactions as compared to 2015. However, as 2015 was a record setting year for our commercial real estate title insurance business, our current year results continue to indicate strong commercial markets.

H istorically, real estate transactions have produced seasonal revenue fluctuations in the real estate industry including 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 third calendar quarter is typically the strongest quarter in terms of revenue, primarily due to a higher volume of home sales in the summer months. The fourth quarter is typically also strong due to the desire of commercial entities to complete transactions by year-end. We have noted short-term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates.

*Black Knight*

The U.S. mortgage market is large, and the loan life cycle is complex and consists of several stages. The mortgage loan life cycle includes origination, servicing and default. Mortgages are originated through home purchases or refinancings of existing mortgages. Once a mortgage is originated, it is serviced on a periodic basis by mortgage servicers, which may not be the lenders that originated the mortgage. Furthermore, if a mortgage experiences default, it triggers a set of multifaceted processes with an assortment of potential outcomes depending on a mix of variables.

Underlying the three major components of the mortgage loan life cycle is the technology, data and analytics support behind each process, which has become increasingly critical to industry participants due to the complexity of regulatory requirements. As the industry has grown in complexity, participants have responded by outsourcing to large scale specialty providers, automating manual processes and seeking end-to-end solutions that support the processes required to manage the entire mortgage loan life cycle.

Black Knight's various businesses are affected differently by the level of mortgage originations, including refinancing transactions. Black Knight's mortgage servicing platform is less affected by varying levels of mortgage originations because it earns revenues based on the total number of mortgage loans it processes, which tend to stay more constant than the market for originations. Black Knight's origination technology and some of its data businesses are directly affected by the volume of real estate transactions and mortgage originations, but many of Black Knight's client contracts for origination technology contain minimum charges.

Black Knight's various businesses are also affected by general economic conditions. For example, in the event that a difficult economy or other factors lead to a decline in levels of home ownership and a reduction in the number of mortgage loans outstanding and we are not able to counter the effect of those events with increased market share or higher fees, it could have a material adverse effect on Black Knight's mortgage processing revenues. In contrast, we believe that a weaker economy tends to increase the volume of consumer mortgage defaults, which can increase the revenues in Black Knight's specialty servicing technology business that is used to service residential mortgage loans in default. Also, interest rates tend to decline in a weaker economy driving higher than normal refinance transactions that provide potential volume increases to Black Knight's origination technology offerings, most specifically its Exchange platform.

*FNFV*

*Restaurant Group*

The restaurant industry is highly competitive and is often affected by changes in consumer tastes and discretionary spending patterns; changes in general economic conditions; public safety conditions or concerns; demographic trends; weather conditions; the cost of food products, labor, energy and other operating costs; and governmental regulations. The restaurant industry is also characterized by high capital investments for new restaurants and relatively high fixed or semi-variable restaurant operating expenses. Because of the high fixed and semi-variable expenses, changes in sales in existing restaurants are generally expected to significantly affect restaurant profitability because many restaurant costs and expenses are not expected to change at the same rate as sales. Restaurant profitability can also be negatively affected by inflationary and regulatory increases in operating costs and other factors. The most significant commodities that may affect our cost of food and beverage are beef, seafood, poultry, and dairy, which accounted for approximately half of our overall cost of food and beverage in the past. Generally, temporary increases in these costs are not passed on to guests; however, in the past, we have adjusted menu prices to compensate for increased costs of a more permanent nature.

Average weekly sales per restaurant are typically higher in the first and fourth quarters than in other quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

Our revenues in future periods will continue to be subject to these and other factors that are beyond our control and, as a result, are likely to fluctuate.

**Critical Accounting Estimates**

The accounting estimates described below are those we consider critical in preparing our Consolidated 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 Consolidated 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 Consolidated Financial Statements for additional description of the significant accounting policies that have been followed in preparing our Consolidated Financial Statements.

*Reserve for Title Claim Losses.* Title companies issue two types of policies, owner's and lender's policies, since both the new owner and the 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 buyer against such defects for as long as he or she owns the property (as well as against warranty claims arising out of the sale of the property by such owner). 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; however, occasionally we do incur losses in excess of policy limits. 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 for events that predate 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 title claim losses includes reserves for known claims as well as for losses that have been incurred but not yet reported to us (“IBNR”), net of recoupments. We reserve for each known claim based on our review of the estimated amount of the claim and the costs required to settle the claim. Reserves for IBNR claims 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 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 related to title insurance:

| | December 31, 2016 | % | December 31, 2015 | % |
|---|---|---|---|---|
| | (in millions) | | | |
| Known claims | $ 166 | 11.2% | $ 202 | 12.8% |
| IBNR | 1,321 | 88.8 | 1,381 | 87.2 |
| Total Reserve for Title Claim Losses | $ 1,487 | 100.0% | $ 1,583 | 100.0% |

Although claims against title insurance policies can be reported relatively soon after the policy has been issued, claims may be reported many years later. Historically, approximately 60% of claims are paid within approximately five years of the policy being written. By their nature, claims are often complex, vary greatly in dollar amounts and are affected by economic and market conditions, as well as 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.

Our process for recording our reserves for title claim losses begins with analysis of our loss provision rate. We forecast ultimate losses for each policy year based upon historical policy year loss emergence and development patterns and adjust these to reflect policy year and policy type differences which affect the timing, frequency and severity of claims. We also use a technique that relies on historical loss emergence and on a premium-based exposure measurement. The latter technique is particularly applicable to the most recent policy years, which have few reported claims relative to an expected ultimate claim volume. After considering historical claim losses, reporting patterns and current market information, and analyzing quantitative and qualitative data provided by our legal, claims and underwriting departments, we determine a loss provision rate, which is recorded as a percentage of current title premiums. This loss provision rate is set to provide for losses on current year policies, but due to development of prior years and our long claim duration, it periodically includes amounts of estimated adverse or positive development on prior years' policies. Any significant adjustments to strengthen or release loss reserves resulting from the comparison with our actuarial analysis are made in addition to this loss provision rate. At each quarter end, our recorded reserve for claim losses is initially the result of taking the prior recorded reserve for claim losses, adding the current provision and subtracting actual paid claims, resulting in an amount that management then compares to the range of reasonable estimates provided by the actuarial calculation. We recorded our loss provision rate at 5.5% for the nine months ended September 30, 2016 and at 5.0% for the three months ended December 31, 2016 . Together with a $97 million adjustment to reduce our prior claims reserves, our average loss provision rate was 3.3% for the year-ended December 31, 2016. Our average loss provision rate was 5.7% and 6.2% for the years ended December 31, 2015 and 2014 , respectively. Of such annual amounts, 5.0%, 5.2% and 5.5% related to losses on policies written in the current year, and the remainder related to developments on prior year policies. The decrease in the loss provision rate during 2015 and 2016 was primarily driven by continued positive development in the more recent policy years. In 2016 , favorable development of prior year losses of $79 million or 1.7% was accounted for in the provision rate. In 2015 and 2014 adverse development of prior year losses of $22 million or 0.5% of 2015 premium and $26 million or 0.7% of 2014 premium was accounted for in the loss provision rate. See Note L to the Consolidated Financial Statements included in Item 8, Part II of this report for further discussion of the adjustment for prior year loss development made in the current year.

Due to the uncertainty inherent in the process and due to the judgment used by both management and our actuary, our ultimate liability may be greater or less than our carried reserves. If the recorded amount is within the actuarial range but not at the central estimate, we assess the position within the actuarial range by analysis of other factors in order to determine that the recorded amount is our best estimate. These factors, which are both qualitative and quantitative, can change from period to period, and include items such as current trends in the real estate industry (which we can assess, but for which there is a time lag in the development of the data), any adjustments from the actuarial estimates needed for the effects of unusually large or small claims, improvements in our claims management processes, and other cost saving measures. If the recorded amount is not within a reasonable range of our actuary's central estimate, we may have to record a charge or credit and reassess the loss provision rate on a go forward basis. We will continue to reassess the provision to be recorded in future periods consistent with this methodology.

During the quarter ended December 31, 2016, we released excess title reserves of $97 million in addition to reducing the current quarter to a 5.0% provision for claims losses. The release of excess reserves was due to analysis of historical ultimate loss ratios, the reduced volatility of development of those historical ultimate loss ratios and lower policy year loss ratios in recent years. Due to the recent reduction in volatility of prior year ultimate loss ratios, we felt that actual results were more in line with our actuarial analysis and released excess reserves to bring our recorded position in line with current actuarial projections.

The table below presents our title insurance loss development experience for the past three years:

| | 2016 | 2015 | 2014 |
|---|---|---|---|
| | | (In millions) | |
| Beginning balance | $ 1,583 | $ 1,621 | $ 1,636 |
| Reserve assumed, net (1) | — | — | 52 |
| Change in reinsurance recoverable | (8) | 1 | 7 |
| Claims loss provision related to: | | | |
| Current year | 236 | 224 | 202 |
| Prior years (2) | (79) | 22 | 26 |
| Total title claims loss provision | 157 | 246 | 228 |
| Claims paid, net of recoupments related to: | | | |
| Current year | (10) | (7) | (5) |
| Prior years | (235) | (278) | (297) |
| Total title claims paid, net of recoupments | (245) | (285) | (302) |
| Ending balance | $ 1,487 | $ 1,583 | $ 1,621 |
| Title premiums | $ 4,723 | $ 4,286 | $ 3,671 |

(1) Reserve of $54 million was recorded as part of the acquisition of LPS on January 2, 2014, and a reserve of $2 million was released as part of the sale of a small title operation.

(2) Reserve of $97 million released in 2016 related to improving development on prior year claim trends.

| | 2016 | 2015 | 2014 |
|---|---|---|---|
| Provision for claim losses as a percentage of title insurance premiums: | | | |
| Current year | 5.0 % | 5.2% | 5.5% |
| Prior years | (1.7) | 0.5 | 0.7 |
| Total provision | 3.3 % | 5.7% | 6.2% |

Actual claims payments are made up of loss payments and claims management expenses offset by recoupments and were as follows (in millions):

| | Loss Payments | Claims Management Expenses | Recoupments | Net Loss Payments |
|---|---|---|---|---|
| Year ended December 31, 2016 | $ 179 | $ 121 | $ (55) | $ 245 |
| Year ended December 31, 2015 | 211 | 137 | (63) | 285 |
| Year ended December 31, 2014 | 207 | 151 | (56) | 302 |

As of December 31, 2016 and 2015 , our recorded reserves were $ 1,487 million and $ 1,583 million , respectively, which we determined were reasonable and represented our best estimate and these recorded amounts were within a reasonable range of the central estimates provided by our actuaries. Our recorded reserves were equal to the mid-point of the provided range of our actuarial estimates of $1.3 billion and $1.7 billion as of December 31, 2016 . Our recorded reserves were $86 million above the mid-point of the range of our actuarial estimates as of December 31, 2015 .

During 2016 and 2015, payment patterns were consistent with our actuaries' and management's expectations. Also, compared to prior years we have seen a leveling off of the ultimate loss ratios in more mature policy years, particularly 2005-2008. While we still see claims opened on these policy years, the proportion of our claims inventory represented by these policy years has continued to decrease. Additionally, we continued to see positive development relating to the 2009 through 2015 policy years, which we believe is indicative of more stringent underwriting standards by us and the lending industry. Further, we have seen significant positive development in residential owner's policies due to increased payments on residential lender's policies which inherently limit the potential loss on the related owner's policy to the differential in coverage amount between the amount insured under the owner's policy and the amount paid under the residential lender's policy. Also, any residential lender 's policy claim paid relating to a property that is in foreclosure negates any potential loss under an owner's policy previously issued on the property as the owner has no equity in the property. Along with the positive development on claims management expenses, our ending open claim inventory decreased from approximately 17,000 claims at December 31, 2015 to approximately 15,000 claims at December 31, 2016 . If actual claims loss development varies from what is currently expected and is not offset by other factors, it is possible that our recorded reserves may fall outside a reasonable range of our actuaries' central estimate, which may require additional reserve adjustments in future periods.

An approximate $ 47 million increase (decrease) in our annualized provision for title claim losses would occur if our loss provision rate were 1% higher (lower), based on 2016 title premiums of $4,723 million . A 10% increase (decrease) in our reserve for title claim losses, as of December 31, 2016 , would result in an increase (decrease) in our provision for title claim losses of approximately $ 149 million.

*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 intent and need to sell the investment prior to 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 or by using other qualitative factors. Fixed maturity investments that have unrealized losses caused by interest rate movements are not at risk as we do not anticipate having the need or intent to sell prior to maturity. Unrealized losses on investments in equity securities, preferred stock 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 intent or 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 our monitoring and analysis has provided 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.

The fair value hierarchy established by the standard on fair value includes three levels, which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

In accordance with the standard on fair value, our financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

*Level 1.* Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

*Level 2.* Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3.* Financial assets and liabilities whose values are based on model inputs that are unobservable.

The following table presents our fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2016 and 2015 , respectively:

| | December 31, 2016 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Assets: | | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 117 | $ — | $ 117 |
| State and political subdivisions | — | 615 | — | 615 |
| Corporate debt securities | — | 1,533 | — | 1,533 |
| Foreign government bonds | — | 109 | — | 109 |
| Mortgage-backed/asset-backed securities | — | 58 | — | 58 |
| Preferred stock available for sale | 32 | 283 | — | 315 |
| Equity securities available for sale | 438 | — | — | 438 |
| Total assets | $ 470 | $ 2,715 | $ — | $ 3,185 |

| | December 31, 2015 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Assets: | | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 117 | $ — | $ 117 |
| State and political subdivisions | — | 768 | — | 768 |
| Corporate debt securities | — | 1,495 | — | 1,495 |
| Foreign government bonds | — | 107 | — | 107 |
| Mortgage-backed/asset-backed securities | — | 71 | — | 71 |
| Preferred stock available for sale | 42 | 247 | — | 289 |
| Equity securities available for sale | 334 | 11 | — | 345 |
| Total assets | $ 376 | $ 2,816 | $ — | $ 3,192 |

Our Level 2 fair value measures for fixed-maturities available for sale are provided by third-party pricing services. We utilize one firm for our taxable bond and preferred stock portfolios and another for our tax-exempt bond portfolio. These pricing services are leading global providers of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are as follows:

- U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.
- State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.
- Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, and any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.
- Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.
- Mortgage-backed/asset-backed securities: These securities are comprised of agency mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities. They are valued based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.
- Preferred stocks: Preferred stocks are valued by calculating the appropriate spread over a comparable U.S. Treasury security. Inputs include benchmark quotes and other relevant market data.
- Equity securities available for sale: This security is valued using a blending of two models, a discounted cash flow model and a comparable company model utilizing earnings and multiples of similar publicly-traded companies.

As of December 31, 2016 and December 31, 2015 we held no assets nor liabilities measured at fair value using Level 3 inputs.

During the years ended December 31, 2016 , 2015 and 2014 , we incurred impairment charges relating to investments that were determined to be other-than-temporarily impaired of $19 million , $14 million , and $6 million , respectively. Refer to Note D to the Consolidated Financial Statements included in Item 8, Part II of this Report for further discussion.

Included in our Investments as of December 31, 2016 are various holdings in foreign securities as follows (in millions):

| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Market Value |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Available for sale securities: | | | | | |
| Australia | $ 22 | $ 22 | — | $ — | $ 22 |
| Belgium | 41 | 40 | 1 | — | 41 |
| Canada | 46 | 50 | 1 | (5) | 46 |
| China | 8 | 8 | — | — | 8 |
| France | 19 | 19 | — | — | 19 |
| Germany | 46 | 46 | — | — | 46 |
| Ireland | 39 | 39 | — | — | 39 |
| Japan | 67 | 67 | — | — | 67 |
| South Korea | 8 | 8 | — | — | 8 |
| Netherlands | 5 | 5 | — | — | 5 |
| Norway | 10 | 10 | — | — | 10 |
| New Zealand | 74 | 78 | — | (4) | 74 |
| Switzerland | 9 | 9 | — | — | 9 |
| United Kingdom | 68 | 68 | — | — | 68 |
| Total | $ 462 | $ 469 | $ 2 | $ (9) | $ 462 |

We have reviewed all of these securities as of December 31, 2016 and do not believe that there is a risk of significant credit loss as these securities are in a gross unrealized gain position of $2 million and a gross unrealized loss position of $9 million . We held no European sovereign debt at December 31, 2016 .

*Goodwill.* We have made acquisitions that have resulted in a significant amount of goodwill. As of December 31, 2016 and 2015 , goodwill aggregated was $ 5,065 million and $ 4,756 million, respectively. The majority of our goodwill as of December 31, 2016 relates to goodwill recorded in connection with the LPS acquisition on January 2, 2014, as well as the Chicago Title merger in 2000. Refer to Note F to the Consolidated Financial Statements included in Item 8, Part II of this Report for a summary of recent changes in our Goodwill balance.

In evaluating the recoverability of goodwill, we perform a qualitative analysis to determine whether it is more likely than not that our fair value exceeds our carrying value. Based on the results of this analysis, an annual goodwill impairment test may be completed based on an analysis of the discounted future cash flows generated by the underlying assets. The process of determining whether or not goodwill is impaired or recoverable relies on projections of future cash flows, operating results and market conditions. Future cash flow estimates are based partly on projections of market conditions such as the volume and mix of refinance and purchase transactions and interest rates, which are beyond our control and are likely to fluctuate. 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 our impairment tests. 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 in the future.We have completed our annual goodwill impairment analysis in each of the past three years and as a result, no impairment charges were recorded to goodwill in 2016 , 2015 , or 2014 . As of December 31, 2016 , we have determined that our goodwill has a fair value which substantially exceeds our carrying value.

*Other Intangible Assets.* We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts and trademarks which are generally recorded in connection with acquisitions at their fair value. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method which takes into consideration expected customer attrition rates. Contractual relationships are generally amortized over their contractual life. Trademarks are generally considered intangible assets with indefinite lives and are reviewed for impairment at least annually.

We recorded $1 million and $11 million in impairment expense to other intangible assets during the years ended December 31, 2016 and 2014 . The impairment in 2016 was for customer relationships and tradenames at our real estate subsidiaries in our Core Corporate & Other segment.The impairment in 2014 was to tradenames in our Restaurant Group. We recorded no impairment expense related to other intangible assets in the year ended December 31, 2015 .

*Title Revenue Recognition.* Our direct title insurance premiums and escrow, title-related and other fees are recognized as revenue at the time of closing of the related transaction as the earnings process is then considered complete.

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. Historically, the time lag between the closing of these transactions by our agents and the reporting of these policies, or premiums, to us has been up to 15 months, with 86 - 91% reported within three months following closing, an additional 9 - 11% reported within the next three months and the remainder within seven to fifteen months. In addition to accruing these earned but unreported agency premiums, we also accrue agent commission expense, which was 76.1% , of agent premiums earned in 2016 , 76.0% of agent premiums earned in 2015 and 75.7% of agent premiums earned in 2014 . We also record a provision for claim losses at our average provision rate at the time we record the accrual for the premiums, which was 5.4% , excluding the release of excess reserves relating to prior years of $97 million, for 2016 , 5.7% for 2015 and 6.2% for 2014 , and accruals for premium taxes and other expenses relating to our premium accrual. The resulting impact to pretax earnings in any period is approximately 11% of the accrued premium amount. The impact of the change in the accrual for agency premiums and related expenses on our pretax earnings was an increase of $ 4 million for the year ended December 31, 2016 , a decrease of $ 5 million for the year ended 2015 and a decrease of $ 9 million for the year ended 2014 . The amount due from our agents relating to this accrual, i.e., the agent premium less their contractual retained commission, was approximately $ 53 million and $ 45 million at December 31, 2016 and 2015 , respectively, which represents agency premiums of approximately $ 267 million and $ 230 million at December 31, 2016 and 2015 , respectively, and agent commissions of $ 214 million and $ 185 million at December 31, 2016 and 2015 , respectively. We may have changes in our accrual for agency revenue in the future if additional relevant information becomes available.

*Black Knight Revenue Recognition.* In our Black Knight segment, we recognize revenues in accordance with Financial Accounting Standards Board ("FASB"), Accounting Standards Codification ("ASC") Topic 605, *Revenue Recognition* ("ASC 605"). Recording revenues requires judgment, including determining whether an arrangement includes multiple elements, whether any of the elements are essential to the functionality of any other elements and the allocation of the consideration based on each element’s relative selling price. Clients receive certain contract elements over time and changes to the elements in an arrangement or, in our determination, to the relative selling price for these elements, could materially affect the amount of earned and unearned revenues reflected in our financial statements.

The primary judgments relating to revenue recognition include determining whether (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the seller’s price to the buyer is fixed or determinable; and

(iv) collectability is reasonably assured. Judgment is also required to determine whether an arrangement involving more than one deliverable contains more than one unit of accounting and how the arrangement consideration should be measured and allocated to the separate units of accounting.

If the deliverables under a contract are software related, Black Knight determines the appropriate units of accounting and how the arrangement consideration should be measured and allocated to the separate units. This determination, as well as management’s ability to establish vendor specific objective evidence ("VSOE") of the fair value for the individual deliverables, can affect both the amount and the timing of revenue recognition under these agreements. The inability to establish VSOE of the fair value for each contract deliverable results in having to record deferred revenues and/or applying the residual method. For arrangements where we determine VSOE of the fair value for software maintenance using a stated renewal rate within the contract, Black Knight uses judgment to determine whether the renewal rate represents fair value for that element as if it had been sold on a stand-alone basis. For a small percentage of revenues, Black Knight uses contract accounting when the arrangement with the client includes significant customization, modification or production of software. For elements accounted for under contract accounting, revenues are recognized using the percentage-of-completion method since reasonably dependable estimates of revenues and contract hours applicable to various elements of a contract can be made.

Black Knight is often party to multiple concurrent contracts with the same client. These situations require judgment to determine whether the individual contracts should be aggregated or evaluated separately for purposes of revenue recognition. In making this determination Black Knight considers the timing of negotiating and executing the contracts, whether the different elements of the contracts are interdependent and whether any of the payment terms of the contracts are interrelated.

Due to the large number, broad nature and average size of individual contracts Black Knight is a party to, the effect of judgments and assumptions applied in recognizing revenues for any single contract is not likely to have a material effect on our Black Knight segment or our consolidated operations. However, the broader accounting policy assumptions that Black Knight applies across similar arrangements or classes of clients could significantly influence the timing and amount of revenues recognized in our results of operations.

*Accounting for Income Taxes.* As part of the process of preparing the consolidated financial statements, we are required to determine income taxes in each of the jurisdictions in which we operate. This process involves estimating actual current tax expense together with assessing temporary differences resulting from differing recognition of items for income tax and accounting purposes. These differences result in deferred income tax assets and liabilities, which are included within the Consolidated Balance Sheets. We must then assess the likelihood that deferred income tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not likely, establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must reflect this increase as expense within Income tax expense in the Consolidated Statement of Earnings. Determination of income tax expense requires estimates and can involve complex issues that may require an extended period to resolve. Further, the estimated level of annual pre-tax income can cause the overall effective income tax rate to vary from period to period. We believe that our tax positions comply with applicable tax law and that we adequately provide for any known tax contingencies. We believe the estimates and assumptions used to support our evaluation of tax benefit realization are reasonable. Final determination of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different than estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income or cash flows in the period that determination is made.

*Capitalized Software.* Capitalized software includes the fair value of software acquired in business combinations, purchased software and capitalized software development costs. Purchased software is recorded at cost and amortized using the straight-line method over its estimated useful life. Software acquired in business combinations is recorded at its fair value and amortized using straight-line or accelerated methods over its estimated useful life, ranging from 5 to 10 years. In our Black Knight segment we have significant internally developed software. These costs are amortized using the straight-line or an accelerated method over the estimated useful life. Useful lives of computer software range from 3 to 10 years. For software products to be sold, leased, or otherwise marketed, all costs incurred to establish the technological feasibility are research and development costs, and are expensed as they are incurred. Costs incurred subsequent to establishing technological feasibility, such as programmers' salaries and related payroll costs and costs of independent contractors, are capitalized and amortized on a product by product basis commencing on the date of general release to customers. We do not capitalize any costs once the product is available for general release to customers. For internal-use computer software products, internal and external costs incurred during the preliminary project stage are expensed as they are incurred. Internal and external costs incurred during the application development stage are capitalized and amortized on a product by product basis commencing on the date the software is ready for its intended use. We do not capitalize any costs once the software is ready for its intended use.

We also assess the recorded value of computer software for impairment on a regular basis by comparing the carrying value to the estimated future cash flows to be generated by the underlying software asset. There is an inherent uncertainty in determining the expected useful life of or cash flows to be generated from computer software. We did not record any impairments for software in the year ended December 31, 2016 . We recorded impairment charges of $1 million and $5 million in the years ended December 31, 2015 and 2014, respectively, for abandoned software development projects.

**Certain Factors Affecting Comparability**

*Year ended December 31, 2015.* On September 28, 2015 we distributed all of our shares of J. Alexander's to the holders of FNFV Group Common Stock. As a result of this distribution, the results of operations for the year ended December 31, 2015 include the results from J. Alexander's through the date of the distribution.

*Year ended December 31, 2014.* On January 2, 2014, we completed the purchase of LPS. As a result of this acquisition we began to consolidate the results of LPS effective January 3, 2014. On December 31, 2014, we distributed all of our shares in Remy to the holders of FNFV Group Common Stock. As a result of this distribution, the operations for Remy are presented as discontinued operations for all periods presented.

**Results of Operations**

***Consolidated Results of Operations***

*Net earnings.* The following table presents certain financial data for the years indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | (Dollars in millions) | | |
| Revenue: | | | |
| Direct title insurance premiums | $ 2,097 | $ 2,009 | $ 1,727 |
| Agency title insurance premiums | 2,626 | 2,277 | 1,944 |
| Escrow, title-related and other fees | 3,546 | 3,324 | 2,804 |
| Restaurant revenue | 1,158 | 1,412 | 1,436 |
| Interest and investment income | 129 | 123 | 126 |
| Realized gains and losses, net | (2) | (13) | (13) |
| Total revenue | 9,554 | 9,132 | 8,024 |
| Expenses: | | | |
| Personnel costs | 2,832 | 2,671 | 2,540 |
| Agent commissions | 1,998 | 1,731 | 1,471 |
| Other operating expenses | 1,944 | 1,881 | 1,643 |
| Cost of restaurant revenue | 984 | 1,195 | 1,220 |
| Depreciation and amortization | 431 | 410 | 403 |
| Provision for title claim losses | 157 | 246 | 228 |
| Interest expense | 136 | 131 | 127 |
| Total expenses | 8,482 | 8,265 | 7,632 |
| Earnings from continuing operations before income taxes and equity in (loss) earnings of unconsolidated affiliates | 1,072 | 867 | 392 |
| Income tax expense | 372 | 290 | 312 |
| Equity in (loss) earnings of unconsolidated affiliates | (8) | (16) | 432 |
| Net earnings from continuing operations | $ 692 | $ 561 | $ 512 |

*Revenues.*

Total revenue in 2016 increased $422 million compared to 2015 , primarily due to an increase in closed order volumes in our direct title business, increases in agent remittances, increased revenue in our Black Knight segment, and increased revenue associated with growth and acquisitions at OneDigital . Total revenue in 2015 increased $1,108 million compared to 2014 , primarily due to an increase in closed order volumes in our direct title business, increases in agent remittances, an increase in revenue in our Black Knight segment, and increases related to businesses acquired in 2015 and late 2014.

Total net earnings from continuing operations increased $131 million in the year ended December 31, 2016 , compared to the 2015 period. The increase consisted of a $138 million increase at FNF Group and a $7 million decrease at FNFV. Total net earnings from continuing operations increased $ 49 million in the year ended December 31, 2015 , compared to the 2014 period. The increase consisted of a $310 million increase at FNF Group and a $261 million decrease at FNFV.

The change in revenue and net earnings is discussed in further detail at the segment level below.

Interest and investmen t income levels are primarily a function of securities markets, interest rates and the amount of cash available for investment. Interest and investment income was $129 million , $123 million , and $126 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively. The increase in 2016 as compared to 2015 is primarily attributable to increased yield on our fixed maturity holdings and increased dividend income on our equity and preferred securities, offset by a decrease in average invested assets. The decrease in 2015 as compared to 2014 is due to decreased bond yields and a change in portfolio mix. The effective return on average invested assets, excluding realized gains and losses, was 3.6% , 3.4% , and 3.6% for the years ended December 31, 2016 , 2015 , and 2014 , respectively.

Net realized losses totaled $2 million , $13 million , and $13 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively. The net realized losses for the year ended December 31, 2016 included a realized gain of $15 million related to the disposition of an other long term investment, $12 million for gains on sales of available for sale investments, and a gain of $2 million related to the favorable outcome of litigation. The gains were more than offset by losses of $13 million on impairments of available for sale investments, $3 million for impairment of an equity method investment, losses of $6 million related to impairments of other assets at our Restaurant Group, $4 million for losses on disposal of fixed assets, a loss of $3 million on the impairment of an other long-term investment, a $1 million loss related to the impairment of an other intangible asset, and $1 million in realized losses related to other individually insignificant items. The net realized loss for the year ended December 31, 2015 included a net realized gain of $1 million on our investment portfolio, net realized gains of $16 million due to favorable settlement of litigation, net realized losses of $19 million due to impairment of long-lived assets at our Restaurant Group, net realized losses of $5 million on early redemption of Black Knight corporate bonds, and $6 million of miscellaneous other net realized losses. The net realized loss for the year ended December 31, 2014 includes net realized gains of $9 million on the sales of various investments and gains of $11 million on consolidation of previously owned minority interests. These gains were offset by a $6 million impairment write down on bonds, asset impairments of $25 million, and $2 million in losses on other individually insignificant items.

*Expenses.*

Our operating expenses consist primarily of personnel costs; other operating expenses, which in our title business are incurred as orders are received and processed and at Black Knight are incurred for data processing; agent commissions, which are incurred as revenue is recognized; and cost of restaurant revenue. Title insurance premiums, escrow and title-related fees are generally recognized as income at the time the underlying transaction closes or other service is provided. Direct title operations revenue often 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 historically 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 exists in reducing variable costs and certain fixed costs are incurred regardless of revenue levels.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. Personnel costs that are directly attributable to the operations of the Restaurant Group are included in Cost of restaurant revenue.

Agent commissions represent the portion of premiums retained by our third-party agents pursuant to the terms of their respective agency contracts.

Other operating expenses consist primarily of facilities expenses, title plant maintenance, premium taxes (which insurance underwriters are required to pay on title premiums in lieu of franchise and other state taxes), appraisal fees and other cost of sales on ServiceLink product offerings and other title related products, postage and courier services, computer services, professional services, travel expenses, general insurance, and bad debt expense on our trade and notes receivable.

Cost of restaurant revenue includes cost of food and beverage, primarily the costs of beef, groceries, produce, seafood, poultry and alcoholic and non-alcoholic beverages, net of vendor discounts and rebates, payroll and related costs and expenses directly relating to restaurant level activities, and restaurant operating costs including occupancy and other operating expenses at the restaurant level.

The provision for title claim losses includes an estimate of anticipated title and title-related claims, and escrow losses.

The change in expenses from the FNF Core segments and FNFV segments is discussed in further detail at the segment level below.

Income tax expense was $372 million , $290 million , and $312 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively. Income tax expense as a percentage of earnings from continuing operations before income taxes for the years ended December 31, 2016 , 2015 , and 2014 was 34.7% , 33.4% , and 79.6% , respectively. The increase in the effective tax rate in 2016 from 2015 is primarily related to lower tax exempt interest income, tax credits and an increase in non-deductible expenses. The decrease in the effective tax rate in 2015 from 2014 is primarily related to reduced taxes associated with the reduction in Equity in (loss) earnings of unconsolidated affiliates. The fluctuation in income tax expense as a percentage of earnings from continuing operations 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 the weighting of operating income versus investment income.

Equity in (loss) earnings of unconsolidated affiliates was $(8) million , $(16) million , and $432 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively, and consisted of our equity in the net (loss) earnings of Ceridian and other investments in unconsolidated affiliates. The decrease in equity in losses in 2016 from 2015 is primarily related to lower net losses at Ceridian and increased earnings for various other of our equity method investments. The decrease in equity in earnings in 2015 from in 2014 is primarily due to our $495 million portion of the Ceridian gain on the sale of Comdata to Fleetcor in 2014.

***Segment Results of Operations***

***FNF Core Operations***

Title

The following table presents the results of our Title segment for the years indicated:

| | Year Ended December 31, 2016 | 2015 | 2014 |
|---|---|---|---|
| | (In millions) | | |
| Revenues: | | | |
| Direct title insurance premiums | $ 2,097 | $ 2,009 | $ 1,727 |
| Agency title insurance premiums | 2,626 | 2,277 | 1,944 |
| Escrow, title-related and other fees | 2,128 | 2,005 | 1,855 |
| Interest and investment income | 127 | 123 | 122 |
| Realized gains and losses, net | — | 14 | (4) |
| Total revenue | 6,978 | 6,428 | 5,644 |
| Expenses: | | | |
| Personnel costs | 2,214 | 2,090 | 1,896 |
| Other operating expenses | 1,436 | 1,381 | 1,370 |
| Agent commissions | 1,998 | 1,731 | 1,471 |
| Depreciation and amortization | 148 | 144 | 145 |
| Provision for title claim losses | 157 | 246 | 228 |
| Total expenses | 5,953 | 5,592 | 5,110 |
| Earnings before income taxes | $ 1,025 | $ 836 | $ 534 |
| Orders opened by direct title operations (in 000's) | 2,184 | 2,092 | 1,914 |
| Orders closed by direct title operations (in 000's) | 1,575 | 1,472 | 1,319 |

Total revenues in 2016 increased $550 million or 9% compared to 2015 . Total revenues in 2015 increased $784 million or 14% compared to 2014 . The increase in the years ended December 31, 2016 and 2015 is primarily attributable to improvements in the overall real estate markets driving increases in closed order volumes, increased remittances from agents, and revenue associated with acquisitions.

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

| | Year Ended December 31, 2016 Amount | 2016 % | 2015 Amount | 2015 % | 2014 Amount | 2014 % |
|---|---|---|---|---|---|---|
| | (Dollars in millions) | | | | | |
| Title premiums from direct operations | $ 2,097 | 44.4% | $ 2,009 | 46.9% | $ 1,727 | 47.0% |
| Title premiums from agency operations | 2,626 | 55.6 | 2,277 | 53.1 | 1,944 | 53.0 |
| Total title premiums | $ 4,723 | 100.0% | $ 4,286 | 100.0% | $ 3,671 | 100.0% |

Title premiums increased 10% in the year ended December 31, 2016 as compared to the 2015 period. The increase was made up of an increase in premiums from direct operations of $88 million , or 4% and an increase in premiums from agency operations of $349 million , or 15% . Title premiums increased 16.8% in the year ended December 31, 2015 as compared to the 2014 period. The increase was made up of an increase in premiums from direct operations of $282 million or 16% , and an increase in premiums from agency operations of $333 million , or 17% .

The following table presents the percentages of opened and closed title insurance orders generated by purchase and refinance transactions by our direct operations:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| Opened title insurance orders from purchase transactions (1) | 53.5% | 54.0% | 57.4% |
| Opened title insurance orders from refinance transactions (1) | 46.5 | 46.0 | 42.6 |
| | 100.0% | 100.0% | 100.0% |
| | | | |
| Closed title insurance orders from purchase transactions (1) | 54.1% | 54.5% | 58.6% |
| Closed title insurance orders from refinance transactions (1) | 45.9 | 45.5 | 41.4 |
| | 100.0% | 100.0% | 100.0% |

(1) Percentages exclude consideration of an immaterial number of non-purchase and non-refinance orders.

Title premiums from direct operations increased in 2016 , primarily due to an increase in closed order volumes as compared to the prior year. Closed order volumes were 1,575,000 in the year ended December 31, 2016 compared with 1,472,000 in the year ended December 31, 2015 . This represented an increase of 7% . The increase in closed order volumes was primarily related to an increase in purchase and refinance transactions in the year ended December 31, 2016 compared to the 2015 period.

The average fee per file in our direct operations was $2,065 in both the years ended December 31, 2016 and 2015 . The flat average fee per file year over year reflects a stable average fee per file in both commercial and residential transactions driven by a consistent proportion of refinance to purchase transactions. The fee per file tends to change as the mix of refinance and purchase transactions changes, because purchase transactions involve the issuance of both a lender's policy and an owner's policy, resulting in higher fees, whereas refinance transactions only require a lender's policy, resulting in lower fees.

The increase in title premiums from agency operations is primarily the result of an increase in overall mortgage origination trends, an increase in remitted agency premiums due to strength in agency driven real estate markets and an increase in the number of independent agents with which we transacted business period over period.

Escrow, title related and other fees increased by $123 million , or 6% , in the year ended December 31, 2016 from the 2015 period. Escrow fees, which are more directly related to our direct operations, increased $102 million, or 15%, in the year ended December 31, 2016 compared to the 2015 period. The increase is primarily driven by the related increase in direct title premiums. Other fees in the Title segment, excluding escrow fees, increased $21 million, or 1%, in the year ended December 31, 2016 compared to the 2015 period. The increase in other fees was primarily attributable to revenue growth associated with our home warranty businesses as well as acquisitions made in the current year. Escrow, title related and other fees increased by $150 million , or 8% , in the year ended December 31, 2015 from the 2014 period. Escrow fees, which are more directly related to our direct operations, increased $111 million, or 19%, in the year ended December 31, 2015 compared to the 2014 period. The increase is consistent with the increase in direct title premiums. Other fees in the Title segment, excluding escrow fees, increased $39 million, or 3%, in the year ended December 31, 2015 compared to the 2014 period. The increase in other fees was primarily attributable to revenue associated with Buyers Protection Group, acquired in 2015.

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 increased $4 million in the year ended December 31, 2016 compared to the 2015 period and increased $1 million in the year ended December 31, 2015 compared to the 2014 period.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. The $124 million , or 6% increase in the year ended December 31, 2016 compared to the 2015 period is primarily related to additional expense associated with the increased order volumes and acquisitions in the current year. The $194 million , or 10% increase in the year ended December 31, 2015 compared to the 2014 period is primarily related to additional expense associated with the increased order volumes, acquisitions in the 2015 period, and increased costs associated with the implementation of TRID. Personnel costs as a percentage of total revenues from direct title premiums and escrow, title-related and other fees was 52% for both years ended December 31, 2016 and 2015 . Average employee count in the Title segment was 21,999 and 20,819 in the years ended December 31, 2016 and 2015 , respectively.

Other operating expenses increased $55 million , or 4% in the year ended December 31, 2016 from the 2015 period. Other operating expenses increased consistently with the increase in direct title premiums and escrow, title-related and other fee income offset by other miscellaneous cost reductions. Other operating expenses increased $11 million , or 1% in the year ended December 31, 2015 from the 2014 period. Other operating expenses increased consistently with the increase in direct title premiums and escrow, title-related and other fee income offset by other miscellaneous cost reductions.

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, | | | | | |
|---|---|---|---|---|---|---|
| | 2016 | | 2015 | | 2014 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Agent title premiums | $ 2,626 | 100.0% | $ 2,277 | 100.0% | $ 1,944 | 100.0% |
| Agent commissions | 1,998 | 76.1 | 1,731 | 76.0 | 1,471 | 75.7 |
| Net retained agent premiums | $ 628 | 23.9% | $ 546 | 24.0% | $ 473 | 24.3% |

Net margin from agency title insurance premiums retained as a percentage of total agency premiums in the year ended December 31, 2016 remained consistent with the 2015 and 2014 periods.

The provision for title claim losses includes an estimate of anticipated title and title-related claims and escrow losses. T he 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. Any significant adjustments to strengthen or release loss reserves resulting from the comparison with our actuarial analysis are made in addition to this loss provision rate. After considering historical claim losses, reporting patterns and current market information, and analyzing quantitative and qualitative data provided by our legal, claims and underwriting departments, we determine a loss provision rate, which is recorded as a percentage of current title premiums. This loss provision rate is set to provide for losses on current year policies, but due to development of prior years and our long claim duration, it periodically includes amounts of estimated adverse or positive development on prior years' policies. Effective July 1, 2015, we revised our loss provision rate to 5.5% from 6% and effective October 1, 2016, we revised our loss provision rate to 5.0% from 5.5% primarily due to favorable development on more recent policy year claims.

The claim loss provision for title insurance was $157 million , $246 million , and $228 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively. These amounts reflected average claim loss provision rates of 3.3% for 2016 , 5.7% for 2015 , and 6.2% of title premiums for 2014 . The decrease in the provision in 2016 reflects the release of excess title reserves of $97 million as well as a reduction in the loss provision rate from 5.5% to 5.0% in the fourth quarter of 2016. The release of excess reserves and change in provision rate was due to analysis of historical ultimate loss ratios, the reduced volatility of development of those historical ultimate loss ratios and lower policy year loss ratios in recent years. We will continue to monitor and evaluate our loss provision level, actual claims paid, and the loss reserve position each quarter.

*Black Knight*

The following table presents the results of our Black Knight segment for the years indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| Revenues: | | | |
| Escrow, title related and other fees | $ 1,026 | $ 931 | $ 852 |
| Realized gains and losses, net | — | (5) | — |
| Total revenues | 1,026 | 926 | 852 |
| Expenses: | | | |
| Personnel costs | 396 | 382 | 449 |
| Other operating expenses | 197 | 161 | 199 |
| Depreciation and amortization | 208 | 194 | 188 |
| Interest expense | 64 | 50 | 31 |
| Total expenses | 865 | 787 | 867 |
| Earnings (loss) from continuing operations before income taxes | $ 161 | $ 139 | $ (15) |

Total revenues for the Black Knight segment increased $100 million in the year ended December 31, 2016 compared to the 2015 period. The increase was primarily driven by higher average loan volumes on its mortgage servicing platform, price increases and new client wins in its servicing technology business; by prior year client implementations, higher transaction volumes, and the acquisition of eLynx, offset by lower professional services revenue in its origination technology business; and by current year acquisitions offset by lower upfront revenues from long-term strategic license deals in its data and analytics business. Total revenues for the Black Knight segment increased $74 million in the year ended 2015 compared to the 2014 period. The increase was driven by higher loan counts as well as increased usage and communication fees in its servicing technology business; by increased professional services and processing revenues from loan origination systems clients and revenues from Closing Insight clients in its origination technology business; and by additional revenue from long-term strategic license deals in its data and analytics segment.

Personnel costs increased by $14 million , or 4% in the year ended December 31, 2016 compared to the 2015 period. The increase was primarily driven by current period acquisitions and by higher compensation and employee-related costs as it expanded certain corporate functions in 2016 to support continued growth. Personnel costs decreased by $67 million , or 15% in the year ended December 31, 2015 compared to the 2014 period. The decrease was primarily driven by increased costs in the 2014 period associated with the acquisition and integration of LPS.

Other operating expenses increased by $36 million , or 22% , in the year ended December 31, 2016 compared to the 2015 period. The increase was primarily driven by current period acquisitions and lower capitalized software development and deferred implementation costs. Other operating expenses decreased by $38 million , or 19% , in the year ended December 31, 2015 compared to the 2014 period. The decrease was primarily driven by increased costs in the 2014 period associated with the acquisition and integration of LPS.

Depreciation and amortization increased by $14 million , or 7% , in the year ended December 31, 2016 compared to the 2015 period. The increase was primarily driven by the amortization of deferred contract costs relating to client implementations, including accelerated amortization related to certain deferred implementation costs, the amortization from new software development, offset by lower amortization of customer relationship assets.

Interest expense increased $14 million in the year ended December 31, 2016 compared to the 2015 period. Interest expense increased $19 million in the year ended December 31, 2015 compared to the 2014 period. The increase in both periods is attributable to new third party debt issued in connection with Black Knight's initial public offering in May 2015.

Earnings from continuing operations before income taxes increased $22 million in the year ended December 31, 2016 compared to the 2015 period. The increase is primarily attributable to the increased revenue discussed above. Earnings from continuing operations before income taxes increased $154 million in the year ended December 31, 2015 compared to the 2014 period. The increase is primarily attributable to the increased revenue and decreased expenses discussed above.

*FNF Core Corporate and Other*

The FNF Core Corporate and Other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other real estate operations. This segment also includes the operations of CINC acquired in the third quarter of 2016. Also included in this segment are eliminations of revenues and expenses between our other core segments.

The FNF Core Corporate and Other segment generated revenues of $215 million , $180 million and $(6) million for the years ended December 31, 2016 , 2015 and 2014 , respectively. The increase in the year ended December 31, 2016 is primarily driven by growth at our real estate companies and current period acquisitions. The increase in the year ended December 31, 2015 from the 2014 period was primarily driven by revenue of $183 million from Pacific Union, a luxury real estate broker based in California in which we acquired a controlling stake in December 2014.

Other operating expenses in the FNF Core Corporate and Other segment were $204 million , $172 million and $(12) million for the years ended December 31, 2016 , 2015 and 2014 , respectively. The increase in the 2016 period from 2015 is due to growth of our real estate subsidiaries and current period acquisitions. The increase in the 2015 period from 2014 is primarily due to expenses of $162 million from Pacific Union.

Interest expense was $62 million , $72 million and $91 million for the years ended December 31, 2016 , 2015 and 2014 , respectively. The decrease in all periods is attributable to the payoff of the the FNF term loan in May 2015 upon the initial public offering of Black Knight.

This segment generated pretax losses of $122 million , $113 million and $113 million for the years ended December 31, 2016 , 2015 and 2014 , respectively.

***FNFV***

*Restaurant Group*

The results of operations for the Restaurant Group for the year ended December 31, 2015 include the results of J. Alexander's through September 28, 2015, the date it was distributed to common shareholders of FNFV and of the Max & Erma's concept, which was sold pursuant to an Asset Purchase Agreement on January 25, 2016.

The following table presents the results from operations of our Restaurant Group segment:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | (In millions) | | |
| Revenues: | | | |
| Restaurant revenue | $ 1,158 | $ 1,412 | $ 1,436 |
| Realized gains and losses, net | (6) | (19) | (13) |
| Total revenues | 1,152 | 1,393 | 1,423 |
| Expenses: | | | |
| Personnel costs | 53 | 65 | 69 |
| Cost of restaurant revenue | 984 | 1,195 | 1,220 |
| Other operating expenses | 67 | 71 | 61 |
| Depreciation and amortization | 42 | 49 | 52 |
| Interest expense | 5 | 6 | 8 |
| Total expenses | 1,151 | 1,386 | 1,410 |
| Earnings from continuing operations before income taxes | $ 1 | $ 7 | $ 13 |

Total revenues for the Restaurant group segment decreased $241 million , or 17% in the year ended December 31, 2016 from the 2015 period and are primarily attributable to our distribution of J. Alexander's to shareholders in September 2015 and the sale of Max and Erma's in January 2016. Total revenues for the Restaurant group segment decreased $30 million , or 2% in the year ended December 31, 2015 from the 2014 period primarily due to the inclusion of the results of J. Alexander's through September 28, 2015 compared to the full calendar year 2014.

Cost of restaurant revenue decreased $211 million or 18% in the year ended December 31, 2016 from the 2015 period. Cost of restaurant revenue decreased $25 million or 2% in the year ended December 31, 2015 from the 2014 period. The change in both periods is consistent with the change in total revenue.

Earnings from continuing operations before income taxes decreased $6 million in the year ended December 31, 2016 from the 2015 period and in the year ended December 31, 2015 from the 2014 period.

*FNFV Corporate and Other*

The FNFV Corporate and Other segment consists of the operations of the parent holding company including OneDigital, operations of our unconsolidated investment in Ceridian, certain other unallocated corporate overhead expenses, and other smaller investments.

The FNFV Corporate and Other segment generated revenues of $183 million , $205 million , and $111 million f or the years ended December 31, 2016 , 2015 , and 2014 , respectively. Revenues decreased $22 million in 2016 compared to 2015 primarily due the inclusion of revenue related to the sale of Cascade Timberlands in the 2015, offset by revenue growth at OneDigital and acquisitions in 2016. Revenues increased in the 2015 period compared to 2014 primarily due to $85 million of revenue recorded related to the sale of Cascade Timberlands in January 2015 and increased revenue at OneDigital resulting from 2015 acquisitions.

Personnel costs were $111 million , $92 million , and $101 million in the years ended December 31, 2016 , 2015 , and 2014 , respectively. The increase in the 2016 period of $19 million is primarily attributable to acquisitions and growth at OneDigital. The decrease of $9 million in the 2015 period from 2014 is primarily due to the inclusion of $19 million of expense related to our Investment Success Incentive Program in the 2014 period, offset by increased costs related to 2015 acquisitions.

Other operating expenses for the FNFV Corporate and Other segment were $40 million, $96 million, and $25 million in the years ended December 31, 2016, 2015, and 2014, respectively. The decrease in the 2016 period from 2015 and the increase in the 2015 period from 2014 is primarily attributable to $73 million in expense recorded in 2015 related to the sale of Cascade Timberlands. The decrease in the 2016 period was offset by increased expenses related to current period acquisitions.

This segment generated pretax earnings (losses) of $7 million , $(2) million , and $(27) million for the years ended December 31, 2016 , 2015 , and 2014 , respectively. The increase each period is attributable to the aforementioned changes in revenues and other operating expenses.

**Liquidity and Capital Resources**

*Cash Requirements.* Our current cash requirements include personnel costs, operating expenses, claim payments, taxes, payments of interest and principal on our debt, capital expenditures, business acquisitions, stock repurchases and dividends on our common stock. We paid dividends of $ 0.88 per share during 2016 , or approximately $ 239 million. On February 1, 2017 , our Board of Directors formally declared a $0.25 per share cash dividend that is payable on March 31, 2017 to FNF Group shareholders of record as of March 17, 2017 . There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders, although there are limits on the ability of certain subsidiaries to pay dividends to us, as described below. The declaration of any future dividends is at the discretion of our Board of Directors. Additional uses of cash flow are expected to include stock repurchases, acquisitions, and debt repayments.

We continually assess our capital allocation strategy, including decisions relating to the amount of our dividend, reducing debt, repurchasing our stock, and/or conserving cash. 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, potential sales of non-strategic assets, and borrowings on 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 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 such forecasts.

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 claims 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 receive cash from our subsidiaries in the form of dividends and as reimbursement for operating and other administrative expenses we incur. The reimbursements are paid within the guidelines of management agreements 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 distributions. As of December 31, 2016 , $2,149 million of our net assets were restricted from dividend payments without prior approval from the relevant departments of insurance. During 2017 , our title insurance subsidiaries can pay or make distributions to us of approximately $372 million. Our underwritten title companies and non-ti tle insurance subsidiaries collect revenue and pay operating expenses. However, they are not regulated to the same extent as our insurance subsidiaries.

Three of the Company's title insurance underwriters, Fidelity National Title Insurance Company, Chicago Title Insurance Company and Commonwealth Land Title Insurance Company, have filed applications to redomesticate from their existing states of domicile to a new state of domicile. The anticipated redomestications are subject to prior regulatory approval, which may be received in the first quarter of 2017. If the anticipated redomestications are approved, the Company may receive a special dividend from the title insurance underwriters in 2017 related to such redomestication. This special dividend would be due in part to differences in the laws among the states of domicile.

The maximum dividend permitted by law is not necessarily indicative of an insurer's actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer's ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in interpretation of statutory accounting requirements by regulators.

Cash flow from FNF's core operations is expected to be used for general corporate purposes including to reinvest in core operations, repay debt, pay dividends, repurchase stock, other strategic initiatives or conserving cash.

We are focused on evaluating our FNFV assets and investments as potential vehicles for creating liquidity. Our intent is to use that liquidity for general corporate purposes, including potentially reducing debt, repurchasing shares of our stock, other strategic initiatives and/or conserving cash.

Our cash flows provided by oper ations for the years ended December 31, 2016 , 2015 , and 2014 were $1,162 million , $951 million and $594 million , respectively. The increase in cash provided by operations of $211 million from 2016 to 2015 is primarily attributable to increased earnings from operations before equity in earnings of unconsolidated affiliates of $123 million , lower claims payments of $40 million, and lower payments in the 2016 period under our executive investment success bonus program of $27 million, offset by increased payments for income taxes in 2016 compared to 2015 of $118 million. The remaining change in the 2016 period from the 2015 period is attributable to timing of receivables and payables. The change in 2015 from 2014 is primarily due to increased earnings from operations before equity in earnings of unconsolidated affiliates of $497 million and lower claims payments of $17 million, offset by increased payments for income taxes in 2015 compared to 2014 of $175 million. The remaining change in the 2015 period from the 2014 period is attributable to timing of receivables and payables.

*Capital Expenditures.* Total capital expenditures for property and equipment and capitalized software were $290 million , $241 million and $210 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively. The 2016 period consists of capital expenditures of $147 million in our Title segment, $80 million in our Black Knight segment, $50 million in our Restaurant Group segment, and $13 million in other FNFV Group expenditures. The increase in the 2016 period from the 2015 period is primarily due to the purchase of our corporate headquarters for $71 million in the second quarter of 2016, offset by miscellaneous reductions in spending on capital expenditures in our Title and Black Knight segments. The increase in the 2015 period from the 2014 period is primarily attributable to increased investments in property and equipment in our Title segment and increased expenditures on property and equipment and software at Black Knight.

*Financing.* For a description of our financing arrangements see Note J to the Consolidated Financial Statements included in Item 8 of Part II of this Report, which is incorporated by reference into this Part II, Item 7.

*Seasonality.* H istorically, real estate transactions have produced seasonal revenue levels for the real estate industry including 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 third calendar quarter has been typically the strongest in terms of revenue primarily due to a higher volume of home sales in the summer months and the fourth quarter is usually also strong due to commercial entities desiring to complete transactions by year-end. We have noted short term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates.

In our Restaurant Group, average weekly sales per restaurant are typically higher in the first and fourth quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

*Contractual Obligations.* Our long term contractual obligations generally include our loss reserves, our credit agreements and other debt facilities, operating lease payments on certain of our premises and equipment and purchase obligations of the Restaurant Group.

As of December 31, 2016 , our required annual payments relating to these contractual obligations were as follows:

| | 2017 | 2018 | 2019 | 2020 | 2021 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| | | | | (In millions) | | | |
| Notes payable | $ 377 | $ 392 | $ 180 | $ 686 | $ 4 | $ 1,127 | $ 2,766 |
| Operating lease payments | 206 | 175 | 144 | 110 | 78 | 209 | 922 |
| Pension and other benefit payments | 18 | 17 | 16 | 15 | 14 | 100 | 180 |
| Title claim losses | 221 | 212 | 173 | 147 | 95 | 639 | 1,487 |
| Unconditional purchase obligations | 228 | 78 | 17 | 9 | 1 | — | 333 |
| Interest on fixed rate notes payable | 64 | 53 | 45 | 45 | 45 | 44 | 296 |
| Total | $ 1,114 | $ 927 | $ 575 | $ 1,012 | $ 237 | $ 2,119 | $ 5,984 |

As of December 31, 2016 , we had title insurance reserves of $1,487 million . The amounts and timing of these obligations are estimated and are not set contractually. 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, escrow theft, multiple property title defects, foreclosure rates and individual large loss events that can substantially and unexpectedly cause increases in both the amount and timing of estimated title insurance loss payments; and
- 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.

Based on historical title insurance claim experience, we anticipate the above payment patterns. The uncertainty and variation in the timing and amount of claim payments could have a material impact on our cash flows from operations in a particular period.

The Restaurant Group has unconditional purchase obligations with various vendors. These purchase obligations are primarily food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. We used both historical and projected volume and pricing as of December 31, 2016 to determine the amount of the obligations.

Black Knight has data processing and maintenance commitments with various vendors. We used current outstanding contracts with the vendors to determine the amount of the obligations.

We sponsor multiple pension plans and other post-retirement benefit plans. See Note O of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report for further information.

*Capital Stock Transactions.* On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We exhausted all available repurchases under this program during February 2016. On February 18, 2016, our Board of Directors approved a new FNFV Group three-year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock through February 28, 2019. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2016 , we repurchased a total of 5,651,518 shares for $62 million , or an average of $10.94 per share under these programs. Since the original commencement of the plan adopted February 18, 2016, we have repurchased a total of 3,955,000 shares for $45 million , or an average of $11.40 per share, and there are 11,045,000 shares available to be repurchased under this program.

On July 20, 2015, our Board of Directors approved a new three-year stock repurchase program under which we can purchase up to 25 million shares of our FNF Group common stock through July 30, 2018. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2016 , we repurchased a total 6,014,000 FNF Group shares under this program for $206 million , or an average price of $34.26 per share. Since the original commencement of the plan, we have repurchased a total of 10,589,000 FNF Group common shares for $372 million , or an average of $35.10 per share, and there are 14,411,000 shares available to be repurchased under this program.

*Equity Security and Preferred Stock Investments.* Our equity security and preferred stock investments may be subject to significant volatility. Should the fair value of these investments fall below our cost basis and/or the financial condition or prospects of these companies deteriorate, we may determine in a future period that this decline in fair value is other-than-temporary, requiring that an impairment loss be recognized in the period such a determination is made.

*Off-Balance Sheet Arrangements.* We do not engage in off-balance sheet activities other than our escrow operations. 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 accompanying Consolidated Balance Sheets, consistent with Generally Accepted Accounting Principles and industry practice. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to $ 14.0 billion and $14.3 billion at December 31, 2016 and 2015 , respectively. 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.

**Recent Accounting Pronouncements**

For a description of recent accounting pronouncements, see Note S of Notes to Consolidated Financial Statements included in Item 8 of Part II of this report.

**Item 7A.** ***Quantitative and Qualitative Disclosure about Market Risk***

In the normal course of business, we are routinely subject to a variety of risks, as described in Item 1A. *Risk Factors* of this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission. For example, we are exposed to the risk that decreased real estate activity, which depends in part on the level of interest rates, may reduce our Core revenues.

The risks related to our business also include certain market risks that may affect our debt and other financial instruments. At present, we face the market risks associated with our marketable equity securities subject to equity price volatility and with interest rate movements on our outstanding debt and fixed income investments.

We regularly assess these market risks and have established policies and business practices designed to protect against the adverse effects of these exposures.

At December 31, 2016 , we had $2,746 million in long-term debt, of which $ 1,338 million bears interest at a floating rate. Our fixed maturity investments, certain preferred stocks and our floating rate debt are subject to an element of market risk from changes in interest rates. 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. We manage interest rate risk through a variety of measures. We monitor our interest rate risk and make investment decisions to manage the perceived risk. On January 20, 2016, Black Knight entered into two interest rate swap agreements to hedge forecasted monthly interest rate payments on $400 million of its floating rate debt ($200 million notional value each) (the "Swap Agreements"). The Swap Agreements were designated as cash flow hedging instruments. Under the terms of the Swap Agreements, Black Knight receives payments based on the 1-month LIBOR rate and pays a weighted average fixed rate of 1.01%. A portion of the amount included in Accumulated other comprehensive loss is reclassified into Interest expense as a yield adjustment as interest payments are made on the term and revolving loans. In accordance with the authoritative guidance for fair value measurements, the inputs used to determine the estimated fair value of Black Knight's interest rate swaps are Level 2-type measurements. Black Knight considered its own credit risk and the credit risk of the counterparties when determining the fair value of its interest rate swaps. The effective term for the Swap Agreements is February 1, 2016 through January 31, 2019.

Equity price risk is the risk that we will incur economic losses due to adverse changes in equity prices. In the past, our exposure to changes in equity prices primarily resulted from our holdings of equity securities. At December 31, 2016 , we held $ 438 million in marketable equity securities (not including our investments in preferred stock of $ 315 million at December 31, 2016 and our Investments in unconsolidated affiliates, which amounted to $ 558 million at December 31, 2016 ). 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.

Financial instruments, which potentially subject us to concentrations of credit risk, consist primarily of cash equivalents, short-term investments, and trade receivables. We require placement of cash in financial institutions evaluated as highly creditworthy.

For purposes of this Annual Report on Form 10-K, we perform a sensitivity analysis to determine the effects that market risk exposures may have on the fair values of our debt and other financial instruments.

The financial instruments that are included in the sensitivity analysis with respect to interest rate risk include fixed maturity investments, preferred stock and notes payable. The financial instruments that are included in the sensitivity analysis with respect to equity price risk include marketable equity securities. With the exception of our equity method investments, 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 were a change in market conditions, based on the nature and duration of the financial instruments involved.

To perform the sensitivity analysis, we assess the risk of loss in fair values from the effect of hypothetical changes in interest rates and equity prices on market-sensitive instruments. The changes in fair values for interest rate risks are determined by estimating the present value of future cash flows using various models, primarily duration modeling. The changes in fair values for equity price risk are determined by comparing the market price of investments against their reported values as of the balance sheet date.

Information provided by the sensitivity analysis does not necessarily represent the actual changes in fair value that we would incur under normal market conditions because, due to practical limitations, all variables other than the specific market risk factor are held constant. For example, our reserve for title claim losses (representing 20.6% of total liabilities at December 31, 2016 ) is not included in the hypothetical effects.

We have no market risk sensitive instruments entered into for trading purposes; therefore, all of our market risk sensitive instruments were entered into for purposes other than trading. The results of the sensitivity analysis at December 31, 2016 and December 31, 2015 , are as follows:

**Interest Rate Risk**

At December 31, 2016 , an increase (decrease) in the levels of interest rates of 100 basis points, with all other variables held constant, would result in a (decrease) increase in the fair value of our fixed maturity securities and certain of our investments in preferred stock which are tied to interest rates of $ 59 million as compared with a (decrease) increase of $ 72 million at December 31, 2015 .

For the years ended December 31, 2016 and 2015, a decrease of 100 basis points in the levels of interest rates, with all other variables held constant, would result in a decrease in the interest expense on our outstanding floating rate debt of $11 million, as the current LIBOR rate is less than 1%. An increase of 100 basis points in the levels of interest rates, with all other variables held constant, would result in an increase in the interest expense on our outstanding floating rate debt of $14 million for the year ended December 31, 2016 . See Note J of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this report for further details of our notes payable.

**Equity Price Risk**

At December 31, 2016 , a 20% increase (decrease) in market prices, with all other variables held constant, would result in an increase (decrease) in the fair value of our equity securities portfolio of $ 88 million, as compared with an increase (decrease) of $ 69 million at December 31, 2015 .

**Item 8.** ***Financial Statements and Supplementary Data***

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**

**INDEX TO FINANCIAL INFORMATION**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

We have audited Fidelity National Financial, Inc.'s internal control over financial reporting as of December 31, 2016 , based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Fidelity National Financial, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Fidelity National Financial, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016 , based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2016 and 2015 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2016 , and our report dated February 27, 2017 expressed an unqualified opinion on those Consolidated Financial Statements.

/s/ KPMG LLP

Jacksonville, Florida
February 27, 2017
Certified Public Accountants

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

We have audited the accompanying Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2016 and 2015 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2016 . These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated 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 Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2016 and 2015 , and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016 , in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Fidelity National Financial, Inc.'s internal control over financial reporting as of December 31, 2016 , based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 27, 2017 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Jacksonville, Florida
February 27, 2017
Certified Public Accountants

# FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
## CONSOLIDATED BALANCE SHEETS

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| | (In millions, except share data) | |
| **ASSETS** | | |
| Investments: | | |
| Fixed maturities available for sale, at fair value, at December 31, 2016 and 2015, includes pledged fixed maturities of $332 and $342, respectively, related to secured trust deposits | $ 2,432 | $ 2,558 |
| Preferred stock available for sale, at fair value | 315 | 289 |
| Equity securities available for sale, at fair value | 438 | 345 |
| Investments in unconsolidated affiliates | 558 | 521 |
| Other long-term investments | 54 | 106 |
| Short-term investments, includes pledged short term investments of $212 and $266 at December 31, 2016 and 2015, respectively, related to secured trust deposits | 487 | 1,034 |
| Total investments | 4,284 | 4,853 |
| Cash and cash equivalents, at December 31, 2016 and 2015, includes pledged cash of $331 and $108, respectively, related to secured trust deposits | 1,323 | 780 |
| Trade and notes receivables, net of allowance of $26 and $32 at December 31, 2016 and 2015, respectively | 531 | 500 |
| Goodwill | 5,065 | 4,756 |
| Prepaid expenses and other assets | 639 | 615 |
| Capitalized software, net | 580 | 553 |
| Other intangible assets, net | 1,030 | 969 |
| Title plants | 395 | 395 |
| Property and equipment, net | 616 | 510 |
| Total assets | $ 14,463 | $ 13,931 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 1,434 | $ 1,283 |
| Income taxes payable | 65 | 45 |
| Notes payable | 2,746 | 2,793 |
| Reserve for title claim losses | 1,487 | 1,583 |
| Secured trust deposits | 860 | 701 |
| Deferred tax liability | 629 | 594 |
| Total liabilities | 7,221 | 6,999 |
| Commitments and Contingencies: | | |
| Redeemable non-controlling interest by 21% minority holder of ServiceLink Holdings, LLC | 344 | 344 |
| Equity: | | |
| FNF Group common stock, $0.0001 par value; authorized 487,000,000 shares as of December 31, 2016 and 2015; outstanding of 272,205,261 and 275,781,160 as of December 31, 2016 and 2015, respectively; and issued of 285,041,900 and 282,394,970 as of December 31, 2016 and 2015, respectively | — | — |
| FNFV Group common stock, $0.0001 par value; authorized 113,000,000 shares as of December 31, 2016 and 2015; outstanding of 66,416,822 and 72,217,882 as of December 31, 2016 and 2015, respectively; and issued of 80,581,675 and 80,581,466 as of December 31, 2016 and 2015, respectively | — | — |
| Preferred stock, $0.0001 par value; authorized, 50,000,000 shares; issued and outstanding, none | — | — |
| Additional paid-in capital | 4,848 | 4,795 |
| Retained earnings | 1,784 | 1,374 |
| Accumulated other comprehensive loss | (13) | (69) |
| Less: Treasury stock, 27,001,492 shares and 14,977,394 shares as of December 31, 2016 and 2015, respectively, at cost | (623) | (346) |
| Total Fidelity National Financial, Inc. shareholders' equity | 5,996 | 5,754 |
| Noncontrolling interests | 902 | 834 |
| Total equity | 6,898 | 6,588 |
| Total liabilities, redeemable non-controlling interest and equity | $ 14,463 | $ 13,931 |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF EARNINGS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | (In millions, except share data) | | |
| **Revenues:** | | | |
| Direct title insurance premiums | $ 2,097 | $ 2,009 | $ 1,727 |
| Agency title insurance premiums | 2,626 | 2,277 | 1,944 |
| Escrow, title-related and other fees | 3,546 | 3,324 | 2,804 |
| Restaurant revenue | 1,158 | 1,412 | 1,436 |
| Interest and investment income | 129 | 123 | 126 |
| Realized gains and losses, net | (2) | (13) | (13) |
| Total revenues | 9,554 | 9,132 | 8,024 |
| **Expenses:** | | | |
| Personnel costs | 2,832 | 2,671 | 2,540 |
| Agent commissions | 1,998 | 1,731 | 1,471 |
| Other operating expenses | 1,944 | 1,881 | 1,643 |
| Cost of restaurant revenue | 984 | 1,195 | 1,220 |
| Depreciation and amortization | 431 | 410 | 403 |
| Provision for title claim losses | 157 | 246 | 228 |
| Interest expense | 136 | 131 | 127 |
| Total expenses | 8,482 | 8,265 | 7,632 |
| Earnings from continuing operations before income taxes and equity in (loss) earnings of unconsolidated affiliates | 1,072 | 867 | 392 |
| Income tax expense on continuing operations | 372 | 290 | 312 |
| Earnings from continuing operations before equity in (loss) earnings of unconsolidated affiliates | 700 | 577 | 80 |
| Equity in (loss) earnings of unconsolidated affiliates | (8) | (16) | 432 |
| Net earnings from continuing operations | 692 | 561 | 512 |
| Earnings from discontinued operations, net of tax | — | — | 7 |
| Net earnings | 692 | 561 | 519 |
| Less: Net earnings (loss) attributable to non-controlling interests | 42 | 34 | (64) |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 650 | $ 527 | $ 583 |
| | | | |
| **Amounts attributable to Fidelity National Financial, Inc., common shareholders:** | | | |
| Net earnings from continuing operations, attributable to Old FNF common shareholders | | | $ 83 |
| Net earnings from discontinued operations, attributable to Old FNF common shareholders | | | 6 |
| Net earnings attributable to Old FNF common shareholders | | | $ 89 |
| | | | |
| Net earnings attributable to FNF Group common shareholders | $ 654 | $ 540 | $ 214 |
| | | | |
| Net (loss) earnings from continuing operations, attributable to FNFV Group common shareholders | $ (4) | $ (13) | $ 283 |
| Net loss from discontinued operations, attributable to FNFV Group common shareholders | — | — | (3) |
| Net (loss) earnings attributable to FNFV Group common shareholders | $ (4) | $ (13) | $ 280 |

See Notes to Consolidated Financial Statements.

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF EARNINGS - (continued)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| **Earnings per share** | | | |
| *Basic* | | | |
| Net earnings per share from continuing operations attributable to Old FNF common shareholders | | | $ 0.31 |
| Net earnings per share from discontinued operations attributable to Old FNF common shareholders | | | 0.02 |
| Net earnings per share attributable to Old FNF common shareholders | | | $ 0.33 |
| Net earnings per share attributable to FNF Group common shareholders | $ 2.40 | $ 1.95 | $ 0.77 |
| Net (loss) earnings from continuing operations attributable to FNFV Group common shareholders | $ (0.06) | $ (0.16) | $ 3.08 |
| Net loss from discontinued operations attributable to FNFV Group common shareholders | — | — | (0.04) |
| Net (loss) earnings per share attributable to FNFV Group common shareholders | $ (0.06) | $ (0.16) | $ 3.04 |
| *Diluted* | | | |
| Net earnings per share from continuing operations attributable to Old FNF common shareholders | | | $ 0.30 |
| Net earnings per share from discontinued operations attributable to Old FNF common shareholders | | | 0.02 |
| Net earnings per share attributable to Old FNF common shareholders | | | $ 0.32 |
| Net earnings per share attributable to FNF Group common shareholders | $ 2.34 | $ 1.89 | $ 0.75 |
| Net (loss) earnings from continuing operations attributable to FNFV Group common shareholders | (0.06) | (0.16) | 3.05 |
| Net loss from discontinued operations attributable to FNFV Group common shareholders | — | — | (0.04) |
| Net (loss) earnings per share attributable to FNFV Group common shareholders | $ (0.06) | $ (0.16) | $ 3.01 |
| Weighted average shares outstanding Old FNF common stock, basic basis | | | 138 |
| Weighted average shares outstanding Old FNF common stock, diluted basis | | | 142 |
| Cash dividends paid per share Old FNF common stock | | | $ 0.36 |
| Weighted average shares outstanding FNF Group common stock, basic basis | 272 | 277 | 138 |
| Weighted average shares outstanding FNF Group common stock, diluted basis | 280 | 286 | 142 |
| Cash dividends paid per share FNF Group common stock | $ 0.88 | $ 0.80 | $ 0.37 |
| Weighted average shares outstanding FNFV Group common stock, basic basis | 67 | 79 | 46 |
| Weighted average shares outstanding FNFV Group common stock, diluted basis | 70 | 82 | 47 |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | | (In millions) | |
| Net earnings | $ 692 | $ 561 | $ 519 |
| Other comprehensive earnings (loss), net of tax: | | | |
| Unrealized gain (loss) on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) | 38 | (38) | (1) |
| Unrealized gain (loss) relating to investments in unconsolidated affiliates | 10 | (27) | (10) |
| Unrealized gain (loss) on foreign currency translation and cash flow hedging | 2 | (8) | (17) |
| Minimum pension liability adjustment | 6 | 2 | (12) |
| Other comprehensive earnings (loss) | 56 | (71) | (40) |
| Comprehensive earnings | 748 | 490 | 479 |
| Less: Comprehensive earnings (loss) attributable to noncontrolling interests | 41 | 34 | (64) |
| Comprehensive earnings attributable to Fidelity National Financial Inc. common shareholders | $ 707 | $ 456 | $ 543 |
| Comprehensive earnings attributable to Old FNF common shareholders | | | $ 111 |
| Comprehensive earnings attributable to FNF Group common shareholders | $ 703 | $ 494 | $ 184 |
| Comprehensive earnings (loss) attributable to FNFV Group common shareholders | $ 4 | $ (38) | $ 241 |

See Notes to Consolidated Financial Statements.

# FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF EQUITY

| | Fidelity National Financial, Inc. Common Shareholders | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FNF Class A Common Stock | | FNF Group Common Stock | | FNFV Group Common Stock | | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Earnings (Loss) | Treasury Stock | | Non-controlling Interests | Total Equity | Redeemable Non-controlling Interests |
| | Shares | $ | Shares | $ | Shares | $ | | | | Shares | $ | | | |
| | (In millions) | | | | | | | | | | | | | |
| Balance, December 31, 2013 | 292 | $ — | — | $ — | — | $ — | $ 4,642 | $ 1,089 | $ 37 | 42 | $ (707) | $ 474 | $ 5,535 | $ — |
| Acquisition of LPS | 26 | — | — | — | — | — | 839 | — | — | — | — | — | 839 | — |
| Exercise of stock options | 1 | — | 1 | — | — | — | 40 | — | — | — | — | — | 40 | — |
| Recapitalization of FNF stock | (277) | — | 277 | — | 92 | — | (6) | — | — | — | — | — | (6) | — |
| Tax benefit associated with the exercise of stock-based compensation | — | — | — | — | — | — | 16 | — | — | — | — | — | 16 | — |
| Issuance of restricted stock | — | — | 1 | — | 1 | — | — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized (loss) on investments and other financial instruments | — | — | — | — | — | — | — | — | (1) | — | — | — | (1) | — |
| Other comprehensive earnings — unrealized (loss) on investments in unconsolidated affiliates | — | — | — | — | — | — | — | — | (10) | — | — | — | (10) | — |
| Other comprehensive earnings — unrealized (loss) on foreign currency and cash flow hedging | — | — | — | — | — | — | — | — | (17) | — | — | (8) | (25) | — |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | — | — | — | — | (12) | — | — | (6) | (18) | — |
| Stock-based compensation | — | — | — | — | — | — | 32 | — | — | — | — | (9) | 23 | 28 |
| Shares withheld for taxes and in treasury | — | — | — | — | — | — | — | — | — | — | (11) | — | (11) | — |
| Purchases of treasury stock | — | — | — | — | — | — | — | — | — | — | (2) | — | (2) | — |
| Contributions to noncontrolling interests | — | — | — | — | — | — | (1) | — | — | — | — | 22 | 21 | — |
| Contribution by minority owner in subsidiaries | — | — | — | — | — | — | — | — | — | — | — | (1) | (1) | 687 |
| Retirement of treasury shares | (42) | | — | — | — | — | (707) | — | — | (42) | 707 | — | — | — |
| Distribution of Remy to FNFV Group Shareholders | — | — | — | — | — | — | — | (319) | 5 | — | — | (279) | (593) | — |
| Dividends declared | — | — | — | — | — | — | — | (203) | — | — | — | — | (203) | — |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | — | — | — | — | (50) | (50) | — |
| Net earnings | — | — | — | — | — | — | — | 583 | — | — | — | (64) | 519 | — |
| Balance, December 31, 2014 | — | $ — | 279 | $ — | 93 | $ — | $ 4,855 | $ 1,150 | $ 2 | — | $ (13) | $ 79 | $ 6,073 | $ 715 |

See Notes to Consolidated Financial Statements.

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# FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF EQUITY - Continued

| | Fidelity National Financial, Inc. Common Shareholders | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FNF Group Common Stock | | FNFV Group Common Stock | | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Earnings (Loss) | Treasury Stock | | Non-controlling Interests | Total Equity | Redeemable Non-controlling Interests |
| | Shares | $ | Shares | $ | | | | Shares | $ | | | |
| | | | | | | | (In millions) | | | | | |
| Balance, December 31, 2014 | 279 | $ — | 93 | $ — | $ 4,855 | $ 1,150 | $ 2 | — | $ (13) | $ 79 | $ 6,073 | $ 715 |
| Gain on Black Knight IPO | — | — | — | — | 53 | — | — | — | — | (96) | (43) | — |
| Proceeds Black Knight IPO | — | — | — | — | — | — | — | — | — | 475 | 475 | — |
| Exercise of stock options | 2 | — | — | — | 26 | — | — | — | — | — | 26 | — |
| Purchase of additional share in consolidated subsidiaries | — | — | — | — | (6) | — | — | — | — | — | (6) | — |
| Tax benefit associated with the exercise of stock-based compensation | — | — | — | — | 21 | — | — | — | — | — | 21 | — |
| Issuance of restricted stock | 1 | — | — | — | — | — | — | — | — | — | — | — |
| Equity offering costs | — | — | — | — | (1) | — | — | — | — | — | (1) | — |
| Other comprehensive earnings — unrealized (loss) on investments and other financial instruments | — | — | — | — | — | — | (38) | — | — | — | (38) | — |
| Other comprehensive earnings — unrealized (loss) on investments in unconsolidated affiliates | — | — | — | — | — | — | (27) | — | — | — | (27) | — |
| Other comprehensive earnings — unrealized (loss) on foreign currency and cash flow hedging | — | — | — | — | — | — | (8) | — | — | — | (8) | — |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | — | — | 2 | — | — | — | 2 | — |
| Stock-based compensation | — | — | — | — | 38 | — | — | — | — | (41) | (3) | 59 |
| Shares withheld for taxes and in treasury | — | — | — | — | — | — | — | — | (14) | — | (14) | — |
| Purchases of treasury stock | — | — | — | — | — | — | — | 27 | (505) | — | (505) | — |
| Contributions to noncontrolling interests | — | — | — | — | — | — | — | — | — | (1) | (1) | — |
| Sale of noncontrolling interest | — | — | — | — | — | — | — | — | — | (27) | (27) | — |
| Reclassification of redeemable NCI resulting from IPO/share conversion | — | — | — | — | — | — | — | — | — | 430 | 430 | (430) |
| Retirement of treasury shares | — | — | (12) | — | (186) | — | — | (12) | 186 | — | — | — |
| Distribution of J. Alexander's to FNFV Shareholders | — | — | — | — | — | (81) | — | — | — | (13) | (94) | — |
| Dilution of ownership in affiliates | — | — | — | — | (5) | — | — | — | — | — | (5) | — |
| Dividends declared | — | — | — | — | — | (222) | — | — | — | — | (222) | — |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | — | — | (6) | (6) | — |
| Net earnings | — | — | — | — | — | 527 | — | — | — | 34 | 561 | — |
| Balance, December 31, 2015 | 282 | $ — | 81 | $ — | $ 4,795 | $ 1,374 | $ (69) | 15 | $ (346) | $ 834 | $ 6,588 | $ 344 |
| Exercise of stock options | 2 | — | — | — | 19 | — | — | — | — | — | 19 | — |
| Issuance of restricted stock | 1 | — | — | — | — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized gain (loss) on investments and other financial instruments | — | — | — | — | — | — | 38 | — | — | (1) | 37 | — |
| Other comprehensive earnings — unrealized gain on investments in unconsolidated affiliates | — | — | — | — | — | — | 10 | — | — | — | 10 | — |
| Other comprehensive earnings — unrealized gain on foreign currency and cash flow hedging | — | — | — | — | — | — | 2 | — | — | — | 2 | — |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | — | — | 6 | — | — | — | 6 | — |
| Stock-based compensation | — | — | — | — | 36 | — | — | — | — | 22 | 58 | — |
| Shares withheld for taxes and in treasury | — | — | — | — | — | — | — | — | (9) | — | (9) | |
| Purchases of treasury stock | — | — | — | — | — | — | — | 12 | (268) | — | (268) | — |
| Debt conversion settled in cash | — | — | — | — | (2) | — | — | — | — | — | (2) | — |
| Acquisition of noncontrolling interest | — | — | — | — | — | — | — | — | — | 14 | 14 | — |
| Dividends declared | — | — | — | — | — | (240) | — | — | — | — | (240) | — |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | — | — | (9) | (9) | — |
| Net earnings | — | — | — | — | — | 650 | — | — | — | 42 | 692 | — |
| Balance, December 31, 2016 | 285 | $ — | 81 | $ — | $ 4,848 | $ 1,784 | $ (13) | 27 | $ (623) | $ 902 | $ 6,898 | $ 344 |

See Notes to Consolidated Financial Statements.

# FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | (In millions) | | |
| **Cash Flows From Operating Activities:** | | | |
| Net earnings | $ 692 | $ 561 | $ 519 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Depreciation and amortization | 431 | 410 | 476 |
| Equity in losses (earnings) of unconsolidated affiliates | 8 | 16 | (432) |
| Net loss on sales of investments and other assets, net | 2 | 13 | 13 |
| Gain on sale of Cascade Timberlands | — | (12) | — |
| Stock-based compensation cost | 58 | 56 | 51 |
| Changes in assets and liabilities, net of effects from acquisitions: | | | |
| Net increase in pledged cash, pledged investments and secured trust deposits | — | (2) | — |
| Net (increase) decrease in trade receivables | (14) | 7 | (22) |
| Net increase in prepaid expenses and other assets | (4) | (95) | (23) |
| Net increase (decrease) in accounts payable, accrued liabilities, deferred revenue and other | 87 | (2) | (119) |
| Net decrease in reserve for title claim losses | (96) | (38) | (67) |
| Net change in income taxes | (2) | 37 | 198 |
| Net cash provided by operating activities | 1,162 | 951 | 594 |
| **Cash Flows From Investing Activities:** | | | |
| Proceeds from sales of investment securities available for sale | 238 | 775 | 778 |
| Proceeds from calls and maturities of investment securities available for sale | 452 | 383 | 458 |
| Proceeds from sales of other assets | 6 | 2 | 5 |
| Proceeds from the sale of cost method and other investments | 36 | 14 | — |
| Additions to property and equipment and capitalized software | (290) | (241) | (210) |
| Purchases of investment securities available for sale | (598) | (1,102) | (1,196) |
| Purchases of other long-term investments | — | (27) | (71) |
| Net proceeds from (purchases of) short-term investment activities | 493 | (565) | (161) |
| Contributions to investments in unconsolidated affiliates | (166) | (97) | — |
| Distributions from unconsolidated affiliates | 139 | 353 | 49 |
| Net other investing activities | (7) | (11) | (10) |
| Acquisition of Lender Processing Services, Inc., net of cash acquired | — | — | (2,253) |
| Acquisition of USA Industries, Inc., net of cash acquired | — | — | (40) |
| Acquisition of BPG Holdings, LLC, net of cash acquired | — | (43) | — |
| Proceeds from sale of Cascade Timberlands | — | 56 | — |
| Acquisition of Commissions, Inc., net of cash acquired | (229) | — | — |
| Acquisition of eLynx Holdings, Inc., net of cash acquired | (115) | — | — |
| Other acquisitions/disposals of businesses, net of cash acquired | (213) | (68) | (69) |
| Net cash used in investing activities | (254) | (571) | (2,720) |
| **Cash Flows From Financing Activities:** | | | |
| Borrowings | 132 | 1,360 | 1,764 |
| Debt service payments | (200) | (1,359) | (1,073) |
| Additional investment in noncontrolling interest | — | (6) | (1) |
| Equity portion of debt conversions paid in cash | (2) | — | — |
| Proceeds from Black Knight IPO | — | 475 | — |
| Distributions by Black Knight to member | — | (17) | — |
| Debt and equity issuance costs | — | (1) | (5) |
| Proceeds from sale of 35% of Black Knight Financial Services, LLC and ServiceLink, LLC to minority interest holder | — | — | 687 |
| Cash transferred in Remy spin-off | — | — | (86) |
| Cash transferred in J. Alexander's spin-off | — | (13) | — |
| Dividends paid | (239) | (220) | (203) |
| Subsidiary dividends paid to noncontrolling interest shareholders | (9) | (6) | (50) |

| | | | |
|---|---|---|---|
| Exercise of stock options | 19 | 26 | 40 |
| Payment of contingent consideration for prior period acquisitions | (4) | — | — |
| Payment for shares withheld for taxes and in treasury | (9) | (13) | (11) |
| Purchases of treasury stock | (276) | (498) | (2) |
| Net cash (used in) provided by financing activities | (588) | (272) | 1,060 |
| Net increase (decrease) in cash and cash equivalents, excluding pledged cash related to secured trust deposits | 320 | 108 | (1,066) |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at beginning of year | 672 | 564 | 1,630 |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at end of year | $ 992 | $ 672 | $ 564 |

See Notes to Consolidated Financial Statements.

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

## Note A. Business and Summary of Significant Accounting Policies

The following describes the significant accounting policies of Fidelity National Financial, Inc. and its subsidiaries (collectively, “we,” “us,” “our,” or “FNF”) which have been followed in preparing the accompanying Consolidated Financial Statements.

***Description of Business***

We have organized our business into two groups, FNF Group and FNF Ventures ("FNFV").

Through FNF Group, we are a leading provider of (i) title insurance, escrow and other title-related services, including trust activities, trustee sales guarantees, recordings and reconveyances and home warranty products and (ii) technology and transaction services to the real estate and mortgage industries. FNF Group is the nation’s largest title insurance company operating through its title insurance underwriters - Fidelity National Title Insurance Company, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Alamo Title Insurance and National Title Insurance of New York Inc. - which collectively issue more title insurance policies than any other title company in the United States. Through our subsidiary ServiceLink Holdings, LLC ("ServiceLink"), we provide mortgage transaction services including title-related services and facilitation of production and management of mortgage loans. FNF Group also provides industry-leading mortgage technology solutions, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiary, Black Knight Financial Services, Inc. ("Black Knight").

Through FNFV group, our diversified investment holding company, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), Ceridian HCM, Inc. ("Ceridian"), and Digital Insurance, Inc. ("OneDigital").

For information about our reportable segments refer to Note R *Segment Information* .

***Recent Developments***

On February 27, 2017, Black Knight announced that it has completed the repricing of its existing Term B Facility under its senior secured credit facility (the “Repricing”). The Term B Facility was repriced from 300 basis points to 225 basis points over LIBOR. The LIBOR floor remains at 75 basis points. The repriced loans continue to be due in full on May 27, 2022. See Note J for further discussion of the terms of the Black Knight Term B Facility. In conjunction with the Repricing, Black Knight’s lenders consented to the previously announced tax-free distribution in which we intend to distribute all 83.3 million shares of Black Knight Financial Services, Inc. common stock that we currently own to FNF Group shareholders.

On February 1, 2017, our Board of Directors adopted a resolution to increase the size of the of our Board of Directors to twelve and elected Raymond R. Quirk to serve on our Board of Directors. Mr. Quirk is the Chief Executive Officer of FNF and has served in that capacity since December 2013. Previously, he served as the President of FNF beginning in April 2008. Since joining FNF in 1985, Mr. Quirk has served in numerous other executive and management positions, including Executive Vice President, Co-Chief Operating Officer, Division Manager and Regional Manager, with responsibilities for managing direct and agency title operations nationally.

On January 31, 2017, Black Knight's Board of Directors authorized a three -year share repurchase program, effective February 3, 2017, under which Black Knight may repurchase up to 10 million shares of its Class A common stock. The timing and volume of share repurchases will be determined by Black Knight's management based on its ongoing assessments of the capital needs of the business, the market price of its common stock and general market conditions. The repurchase program authorizes Black Knight to purchase its common stock from time to time through February 2, 2020, through open market purchases, negotiated transactions or other means, in accordance with applicable securities laws and other restrictions.

Effective January 1, 2017, Property Insight ("PI"), a Black Knight subsidiary that provides information used by title insurance underwriters, title agents and closing attorneys to source and underwrite title insurance for real property sales and transfers, realigned its commercial relationship with us. In connection with the realignment, responsibility for title plant posting and maintenance, as well as the related Property Insight employees, are now managed by us. Black Knight will continue to own the title plant technology and retain sales responsibility for third parties. The realignment will not have a material impact on our financial condition or results of operations.

On December 7, 2016, we announced that our Board of Directors approved a tax-free plan (the "Plan") whereby (1) we intend to distribute all 83.3 million shares of Black Knight Financial Services Inc. common stock that we currently own to FNF Group shareholders and (2) we intend to redeem all FNFV shares in exchange for shares of common stock of FNFV. Following the distributions, FNF, FNFV and Black Knight will each be independent, fully-distributed, publicly-traded common stocks, with FNF and FNFV no longer being tracking stocks. The Plan is subject to the receipt of private letter rulings from the Internal Revenue Service approving the distribution of Black Knight and FNFV shares, filing and acceptance of a registration statement for both the Black Knight and FNFV transactions with the Securities and Exchange Commission, the refinancing of Black Knight's senior notes, which are subject to the FNF guarantee, on reasonable terms, Black Knight and FNFV shareholder approvals and other customary closing conditions. The closing of the tax-free distributions of Black Knight and FNFV are not dependent on one another and will occur separately when the aforementioned closing conditions are met. The closing of the distributions is expected by the end of the third quarter of 2017.

On August 23, 2016, FNF Group completed its acquisition of Commissions, Inc. ("CINC"), a leading provider of web-based real estate marketing and customer relationship management software for elite Realtors® and agent teams across North America, for $229 million . CINC's product offerings include software, marketing and services designed to enhance the productivity and sales results of elite Realtors® and agent teams through lead generation and proactive lead management. See discussion in *Acquisitions* in Note B for further detail.

During the second quarter of 2016 we invested $30 million in CF Corporation ("CF Corp", NYSE: CFCOU), a blank check company co-founded by William P. Foley, the Chairman of our Board of Directors. Mr. Foley also serves as the Co-Executive Chairman of CF Corp. As of December 31, 2016 , our investment in CF Corp has a fair value of $31 million and is included in Equity securities available for sale on the corresponding Condensed Consolidated Balance Sheet.

On May 16, 2016, Black Knight completed its acquisition of eLynx Holdings, Inc. ("eLynx"), a leading lending document and data delivery platform, for $115 million . eLynx helps clients in the financial services and real estate industries electronically capture and manage documents and associated data throughout the document lifecycle. This acquisition positions Black Knight to electronically support the full mortgage origination process. See discussion in *Acquisitions* in Note B for further details.

On May 2, 2016, we purchased certain shares of common and preferred stock of Ceridian Holding, LLC, the ultimate parent of Ceridian, from third-party minority interest holders for $17 million . As a result of this purchase, our ownership of Ceridian increased from 32% to 33% .

On April 29, 2016, pursuant to the terms of a certain "synthetic lease" agreement, dated as of June 29, 2004, as amended on June 27, 2011, we exercised our option to purchase the land and various real property improvements associated with our corporate campus and headquarters in Jacksonville, Florida from SunTrust Bank for $71 million .

On March 30, 2016, Ceridian completed its offering (the "Offering") of senior convertible preferred shares for aggregate proceeds of $150 million . As part of the Offering, FNF purchased a number of shares equal to its pro-rata ownership in Ceridian for $47 million . FNF's ownership percentage in Ceridian did not change as a result of the transaction.

On February 18, 2016, our Board of Directors approved a new FNFV Group three-year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through February 28, 2019.

***Principles of Consolidation and Basis of Presentation***

The accompanying Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and include our accounts as well as our wholly-owned and majority-owned subsidiaries. All intercompany profits, transactions and balances have been eliminated. Our investments in non-majority-owned partnerships and affiliates are accounted for using the equity method until such time that they become wholly or majority-owned. Earnings attributable to noncontrolling interests are recorded on the Consolidated Statements of Earnings relating to majority-owned subsidiaries with the appropriate noncontrolling interest that represents the portion of equity not related to our ownership interest recorded on the Consolidated Balance Sheets in each period.

***I nvestments***

Fixed maturity securities are purchased to support our investment strategies, which are developed based on factors including rate of return, maturity, credit risk, duration, tax considerations and regulatory requirements. Fixed maturity securities which may be sold prior to maturity to support our 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 market conditions and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly. Discount or premium is recorded for the difference between the purchase price and the principal amount. The discount or premium is amortized or accrued 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 and preferred stocks held are considered to be available for sale and carried at fair value as of the balance sheet dates. Our equity securities and certain preferred stocks are Level 1 financial assets and fair values are based on quoted prices in active markets. Other preferred stock holdings are Level 2 financial assets and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly.

Investments in unconsolidated affiliates are recorded using the equity method of accounting.

Other long-term investments consist of various cost-method investments, company-owned life insurance policies, and land held for investment purposes. The cost-method investments and land are carried at historical cost. Company-owned life insurance policies are carried at cash surrender value.

Short-term investments, which consist primarily of 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 securities which are classified as available for sale, net of applicable deferred income tax expenses (benefits), are excluded from earnings and credited or charged directly to a separate component of equity. If any unrealized losses on available for sale securities are determined to be other-than-temporary, such unrealized losses are recognized as realized losses. Unrealized losses are considered other-than-temporary if factors exist that cause us to believe that the value will not increase to a level sufficient to recover our cost basis. Some factors considered in evaluating whether or not a decline in fair value is other-than-temporary include: (i) our need and intent to sell the investment prior to 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.

***Cash and Cash Equivalents***

Highly liquid instruments purchased as part of cash management with original maturities of three months or less are considered cash equivalents. The carrying amounts reported in the Consolidated Balance Sheets for these instruments approximate their fair value.

***Fair Value of Financial Instruments***

The fair values of financial instruments presented in the Consolidated 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. We do not necessarily intend to dispose of or liquidate such instruments prior to maturity.

***Trade and Notes Receivables***

The carrying values reported in the Consolidated 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. Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment annually or more frequently if circumstances indicate potential impairment, through a comparison of fair value to the carrying amount. In evaluating the recoverability of goodwill, we perform an annual goodwill impairment analysis based on a review of qualitative factors to determine if events and circumstances exist which will lead to a determination that the fair value of a reporting unit is greater than its carrying amount, prior to performing a full fair-value assessment.

We completed annual goodwill impairment analyses in the fourth quarter of each respective year using a September 30 measurement date and as a result no goodwill impairments have been recorded. For the years ended December 31, 2016 and 2015 , we determined there were no events or circumstances which indicated that the carrying value exceeded the fair value.

***Other Intangible Assets***

We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts and trademarks and tradenames which are generally recorded in connection with acquisitions at their fair value. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method which takes into consideration expected customer attrition rates. Contractual relationships are generally amortized over their contractual life. Trademarks are generally considered intangible assets with indefinite lives and are reviewed for impairment at least annually.

We recorded $1 million and $11 million in impairment expense to other intangible assets during the years ended December 31, 2016 and 2014 . The impairment in 2016 was for customer relationships and tradenames at our real estate subsidiaries in our Core Corporate & Other segment.The impairment in 2014 was to tradenames in our Restaurant Group. We recorded no impairment expense related to other intangible assets in the year ended December 31, 2015 .

***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. Title plants are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable. We reviewed title plants for impairment but recorded no impairment expense related to title plants in the year ended December 31, 2016 . We reviewed title plants for impairment in the years ended December 31, 2015 and 2014 and identified and recorded impairment expense of $ 1 million in each year.

***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: twenty to thirty years for buildings and three to twenty-five years for furniture, fixtures and 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. Equipment under capitalized leases is amortized on a straight-line basis to its expected residual value at the end of the lease term. Property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable.

In our Restaurant Group, all direct external costs associated with obtaining the land, building and equipment for each new restaurant, as well as construction period interest are capitalized. Direct external costs associated with obtaining the dining room and kitchen equipment, signage and other assets and equipment are also capitalized. In addition, for each new restaurant and re-branded restaurant, a portion of the internal direct costs of its real estate and construction department are also capitalized.

***Reserve for Title Claim Losses***

Our reserve for title claim losses includes known claims as well as losses we expect to incur, net of recoupments. Each known claim is reserved based on our review 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 also take into consideration other factors, including industry trends, claim loss history, current legal environment, geographic considerations and the type of policy written.

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

If a loss is related to a policy issued by an independent agent, we may proceed against the independent agent pursuant to the terms of the agency agreement. In any event, we 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 its own assets, pending completion of real estate transactions. Accordingly, our Consolidated Balance Sheets reflect a secured trust deposit liability of $ 860 million and $ 701 million at December 31, 2016 and 2015 , respectively, representing customers' assets held by us and corresponding assets including cash and investments pledged as security for those trust balances.

***Income Taxes***

We recognize deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of our 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, is 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, we limit our maximum loss exposure by reinsuring certain risks with other insurers. We also earn a small amount of additional income, which is reflected in our direct premiums, by assuming reinsurance for certain risks of other insurers. We cede 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***

*Title.* Our direct title insurance premiums and escrow, title-related and other fees are recognized as revenue at the time of closing of the related transaction as the earnings process is then considered complete.

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. Historically, the time lag between the closing of these transactions by our agents and the reporting of these policies, or premiums, to us has been up to 15 months, with 86 - 91% reported within three months following closing, an additional 9 - 11% reported within the next three months and the remainder within seven to fifteen months. In addition to accruing these earned but unreported agency premiums, we also accrue agent commission expense, which was 76.1% , of agent premiums earned in 2016 , 76.0% of agent premiums earned in 2015 and 75.7% of agent premiums earned in 2014 . We also record a provision for claim losses at the provision rate at the time we record the accrual for the premiums, which averaged 5.4% , excluding the release of excess reserves relating to prior years of $97 million , for 2016 , 5.7% for 2015 and 6.2% for 2014 and accruals for premium taxes and other expenses relating to our premium accrual. The resulting impact to pretax earnings in any period is approximately 11% of the accrued premium amount. The impact of the change in the accrual for agency premiums and related expenses on our pretax earnings was an increase of $ 4 million for the year ended December 31, 2016 , a decrease of $ 5 million for the year ended 2015 and a decrease of $ 9 million for the year ended 2014 . The amount due from our agents relating to this accrual, i.e., the agent premium less their contractual retained commission, was approximately $ 53 million and $ 45 million at December 31, 2016 and 2015 , respectively, which represents agency premiums of approximately $ 267 million and $ 230 million at December 31, 2016 and 2015 , respectively, and agent commissions of $ 214 million and $ 185 million at December 31, 2016 and 2015 , respectively.

Revenues from home warranty products are recognized over the life of the policy, which is one year. The unrecognized portion is recorded as deferred revenue in accounts payable and other accrued liabilities in the Consolidated Balance Sheets .

*Black Knight.* Within our Black Knight segment, our primary types of revenues and our revenue recognition policies as they pertain to the types of contractual arrangements we enter into with our customers to provide services, software licenses, and software-related services either individually or as part of an integrated offering of multiple services. These arrangements occasionally include offerings from more than one segment to the same customer. We recognize revenues relating to hosted software, licensed software, software-related services, data and analytics services and valuation-related services. In some cases, these services are offered in combination with one another, and in other cases we offer them individually. Revenues from processing services are typically volume-based depending on factors such as the number of accounts processed, transactions processed and computer resources utilized.

Revenue is realized or realizable and earned when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the seller's price to the buyer is fixed or determinable; and (4) collectability is reasonably assured. For hosting arrangements, revenues and costs related to implementation, conversion and programming services are deferred and subsequently recognized using the straight-line method over the term of the related services agreement. We evaluate these deferred contract costs for impairment in the event any indications of impairment exist.

In the event that our arrangements with our customers include more than one element, we determine whether the individual revenue elements can be recognized separately. In arrangements with multiple deliverables, the delivered items are considered separate units of accounting if (1) they have value on a standalone basis and (2) performance of the undelivered items is considered probable and within our control. Arrangement consideration is then allocated to the separate units of accounting based on relative selling price. If it exists, vendor-specific objective evidence is used to determine relative selling price, otherwise third-party evidence of selling price is used. If neither exists, the best estimate of selling price is used for the deliverable.

For multiple element software arrangements, we determine the appropriate units of accounting and how the arrangement consideration should be measured and allocated to the separate units. Initial license fees are recognized when a contract exists, the fee is fixed or determinable, software delivery has occurred and collection of the receivable is deemed probable, provided that vendor-specific objective evidence ("VSOE") has been established for each element or for any undelivered elements. We determine the fair value of each element or the undelivered elements in multi-element software arrangements based on VSOE. VSOE for each element is based on the price charged when the same element is sold separately, or in the case of post-contract customer support, when a stated renewal rate is provided to the customer. If evidence of fair value of all undelivered elements exists but evidence does not exist for one or more delivered elements, then revenue is recognized using the residual method. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is recognized as revenue. If evidence of fair value does not exist for one or more undelivered elements of a contract, then all revenue is deferred until all elements are delivered or fair value is determined for all remaining undelivered elements. Revenue from post-contract customer support is recognized ratably over the term of the agreement. We record deferred revenue for all billings invoiced prior to revenue recognition.

Black Knight is often party to multiple concurrent contracts with the same client. These situations require judgment to determine whether the individual contracts should be aggregated or evaluated separately for purposes of revenue recognition. In making this determination we consider the timing of negotiating and executing the contracts, whether the different elements of the contracts are interdependent and whether any of the payment terms of the contracts are interrelated.

*Restaurant Group.* Restaurant revenue on the Consolidated Statements of Earnings consists of restaurant sales and, to a lesser extent, franchise revenue and other revenue. Restaurant sales include food and beverage sales and are net of applicable state and local sales taxes and discounts.

***Capitalized Software***

Capitalized software includes the fair value of software acquired in business combinations, purchased software and capitalized software development costs. Purchased software is recorded at cost and amortized using the straight-line method over its estimated useful life. Software acquired in business combinations is recorded at its fair value and amortized using straight-line or accelerated methods over its estimated useful life, ranging from 5 to 10 years. In our Black Knight segment we have significant internally developed software. These costs are amortized using the straight-line method or accelerated over the estimated useful life. Useful lives of computer software range from 3 to 10 years. For software products to be sold, leased, or otherwise marketed (ASC 985-20 software), all costs incurred to establish the technological feasibility are research and development costs, and are expensed as they are incurred. Costs incurred subsequent to establishing technological feasibility, such as programmers' salaries and related payroll costs and costs of independent contractors, are capitalized and amortized on a product by product basis commencing on the date of general release to customers. We do not capitalize any costs once the product is available for general release to customers. For internal-use computer software products, internal and external costs incurred during the preliminary project stage are expensed as they are incurred. Internal and external costs incurred during the application development stage are capitalized and amortized on a product by product basis commencing on the date the software is ready for its intended use. We do not capitalize any costs once the software is ready for its intended use.

We also assess the recorded value of computer software for impairment on a regular basis by comparing the carrying value to the estimated future cash flows to be generated by the underlying software asset. There is an inherent uncertainty in determining the expected useful life of or cash flows to be generated from computer software. We recorded no impairment expense related to capitalized software in the year ended December 31, 2016 . We recorded impairment charges of $1 million and $5 million in the years ended December 31, 2015 and 2014, respectively, for abandoned software development projects.

***Discontinued Operations***

*Remy*

On December 31, 2014, we completed the distribution (the "Remy Spin-off") of all of the outstanding shares of common stock of our previously owned subsidiary Remy International, Inc. ("New Remy"), a manufacturer and distributer of auto parts, to FNFV shareholders. We've had no continuing involvement in New Remy since the Remy Spin-off. As a result of the Remy Spin-off, the results of New Remy are reflected in the Consolidated Statements of Earnings as discontinued operations for the year ended December 31, 2014. Total revenue included in discontinued operations was $1,173 million for the year ended December 31, 2014. Pre-tax earnings included in discontinued operations were $6 million for the years ended December 31, 2014.

A reconciliation of the operations of Remy to the Statement of Earnings is shown below:

| | Year Ended December 31, 2014 |
|---|---|
| | (In Millions) |
| Revenues: | |
| Auto parts revenues | $ 1,172 |
| Other revenues | 1 |
| Total | 1,173 |
| Expenses: | |
| Personnel costs | 81 |
| Other operating expenses | 52 |
| Cost of auto parts revenues | 1,009 |
| Depreciation & amortization | 4 |
| Interest expense | 21 |
| Total expenses | 1,167 |
| Earnings from discontinued operations before income taxes | 6 |
| Income tax (benefit) expense | (1) |
| Net earnings from discontinued operations | 7 |
| Less: Net earnings attributable to non-controlling interests | 3 |
| Net earnings from discontinued operations attributable to Fidelity National Financial, Inc. common shareholders | $ 4 |
| Cash flow from discontinued operations data: | |
| Net cash provided by operations | $ 39 |
| Net cash used in investing activities | (50) |

***Comprehensive Earnings (Loss)***

We report Comprehensive earnings (loss) in accordance with GAAP on the Consolidated Statements of Comprehensive Earnings. Total comprehensive earnings are defined as all changes in shareholders' equity during a period, other than those resulting from investments by and distributions to shareholders. While total comprehensive earnings is the activity in a period and is largely driven by net earnings in that period, accumulated other comprehensive earnings or loss represents the cumulative balance of other comprehensive earnings, net of tax, as of the balance sheet date. Amounts reclassified to net earnings relate to the realized gains (losses) on our investments and other financial instruments, excluding investments in unconsolidated affiliates, and are included in Realized gains and losses, net on the Consolidated Statements of Earnings.

Changes in the balance of Other comprehensive earnings (loss) by component are as follows:

| | Unrealized gain (loss) on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) | Unrealized (loss) gain relating to investments in unconsolidated affiliates | Unrealized (loss) gain on foreign currency translation and cash flow hedging | Minimum pension liability adjustment | Total Accumulated Other Comprehensive Earnings |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Balance December 31, 2014 | 86 | (51) | (7) | (26) | 2 |
| Other comprehensive (losses) earnings | (38) | (27) | (8) | 2 | (71) |
| Balance December 31, 2015 | 48 | (78) | (15) | (24) | (69) |
| Other comprehensive earnings | 38 | 10 | 2 | 6 | 56 |
| Balance December 31, 2016 | $ 86 | $ (68) | $ (13) | $ (18) | $ (13) |

***Redeemable Non-controlling Interest***

Subsequent to the acquisition of LPS we issued 35% ownership interests in each of Black Knight and ServiceLink to funds affiliated with Thomas H. Lee Partners ("THL" or "the minority interest holder"). THL had an option to put its ownership interests of either or both of Black Knight and ServiceLink to us if no public offering of the corresponding business was consummated after four years from the date of FNF's purchase of LPS. The units owned by THL (the "redeemable noncontrolling interests") may be settled in cash or common stock of FNF or a combination of both at our election. The redeemable noncontrolling interests will be settled at the current fair value at the time we receive notice of THL's put election as determined by the parties or by a third party appraisal under the terms of the Unit Purchase Agreement. As a result of Black Knight's initial public offering in 2015, THL's option to put its ownership interest in Black Knight expired. As a result of a recapitalization of ServiceLink in 2015, the ownership interest by the minority interest holder was reduced from 35% to 21% . As of December 31, 2016, we do not believe the exercise of their remaining put right in ServiceLink to be probable.

As these redeemable noncontrolling interests provide for redemption features not solely within our control, we classify the redeemable noncontrolling interests outside of permanent equity. Redeemable noncontrolling interests held by third parties in subsidiaries owned or controlled by FNF is reported on the Consolidated Balance Sheet outside permanent of equity; and the Consolidated Statement of Earnings reflects the respective redeemable noncontrolling interests in Net earnings (loss) attributable to non-controlling interests, the effect of which is removed from the net earnings attributable to Fidelity National Financial, Inc. common shareholders.

***Earnings Per Share***

Basic earnings per share, as presented on the Consolidated Statement of Earnings, is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. In periods when earnings are positive, diluted earnings per share is calculated by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding plus the impact of assumed conversions of potentially dilutive securities. For periods when we recognize a net loss, diluted earnings per share is equal to basic earnings per share as the impact of assumed conversions of potentially dilutive securities is considered to be antidilutive. We have granted certain stock options, shares of restricted stock, convertible debt instruments and certain other convertible share based payments which have been treated as common share equivalents for purposes of calculating diluted earnings per share for periods in which positive earnings have been reported.

The net earnings of Black Knight in our calculation of diluted earnings per share is adjusted for dilution related to certain Black Knight restricted stock granted to employees in accordance with ASC 260-10-55-20. We calculate the ratio of the Class B shares we own to the total weighted average diluted shares of Black Knight outstanding and multiply the ratio by their net earnings. The result is used as a substitution for Black Knight's net earnings attributable to FNF included in our consolidated net earnings in the numerator for our diluted EPS calculation. As the result of the calculation for the year-ended December 31, 2016 had no effect, there were no adjustments made to net earnings attributable to FNF in our calculation of diluted EPS. There are no adjustments to earnings attributable to FNF in our calculation of basic EPS. There are no adjustments made to net earnings attributable to FNFV in our calculation of basic or diluted EPS.

Options or other instruments which provide the ability to purchase shares of our common stock that are antidilutive are excluded from the computation of diluted earnings per share. For the years ended December 31, 2016 , 2015 , and 2014 , options to purchase 2 million shares, 1 million shares and 2 million shares, respectively, of our common stock were excluded from the computation of diluted earnings per share.

As of the close of business on June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. As a result of the recapitalization, the weighted average shares outstanding presented on the Consolidated Statements of Earnings includes shares of Old FNF common stock, FNF Group common stock and FNFV Group common stock weighted over the 12 month period ended December 31, 2014. However, earnings per share attributable to Old FNF common shareholders are computed by dividing net earnings of FNF from January 1, 2014 through June 30, 2014 by the weighted average number of Old FNF common shares outstanding during the corresponding period ( 273 million basic shares and 282 million diluted shares). Earnings per share attributable to FNF Group common shareholders and to FNFV Group common shareholders are computed by dividing net earnings attributable to the FNF Group common shareholders and to the FNFV Group common shareholders from July 1, 2014 through December 31, 2014 by the weighted average number of common shares outstanding for each class of common stock during the corresponding period ( 276 million basic shares, 285 million diluted shares and 92 million basic shares, 93 million diluted shares, respectively).

***Stock-Based Compensation Plans***

We account for stock-based compensation plans using the fair value method. Using the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date, using the Black-Scholes Model, and recognized over the service period.

***Management Estimates***

The preparation of these Consolidated Financial Statements in conformity with GAAP requires us 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 Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Certain Reclassifications***

Certain reclassifications have been made in the 2015 and 2014 Consolidated Financial Statements to conform to classifications used in 2016 . These reclassifications have not changed net earnings or total equity, as previously reported. See further details in Note F and Note S.

**Note B. Acquisitions**

The results of operations and financial position of the entities acquired during any year are included in the Consolidated Financial Statements from and after the date of acquisition.

***Title***

During the year ended December 31, 2016, FNF Group completed several acquisitions of businesses (the "Title Acquisitions") aligned with our Title segment. The Title Acquisitions do not meet the definition of "significant", individually or in the aggregate, pursuant to Article 3 of Regulation S-X (§210.3-05). Further, their results of operations are not material to our financial statements. Further details on the Title Acquisitions are discussed below.

FNF Group paid total consideration, net of cash received, of $89 million in exchange for the assets and/or equity interests of the Title Acquisitions. The total consideration paid was as follows (in millions):

| | |
|---|---|
| Cash paid | $ 92 |
| Less: Cash Acquired | (3) |
| Total net consideration paid | $ 89 |

The purchase price has been initially allocated to the Title Acquisitions' assets acquired and liabilities assumed based on our best estimates of their fair values as of the acquisition date. Goodwill has been recorded based on the amount that the purchase price exceeds the fair value of the net assets acquired. These estimates are preliminary and subject to adjustments as we complete our valuation process with respect to trade and notes receivable, computer software, other intangible assets, title plant, accounts payable and accrued liabilities, taxes and goodwill.

The following table summarizes the total purchase price consideration and the preliminary fair value amounts recognized for the assets acquired and liabilities assumed for the Title Acquisitions as of the acquisition date (in millions):

| | Fair Value |
|---|---|
| Trade and notes receivable | $ 5 |
| Computer software | 2 |
| Other intangible assets | 66 |
| Goodwill | 48 |
| Prepaid expenses and other assets | 1 |
| Title plant | 2 |
| Property and equipment, net | 3 |
| Total assets acquired | 127 |
| | |
| Accounts payable and accrued liabilities | 30 |
| Deferred tax liability | 8 |
| Total liabilities assumed | 38 |
| | |
| Net assets acquired | $ 89 |

The gross carrying value and weighted average estimated useful lives of Computer software and Other intangible assets acquired in the Title Acquisitions consist of the following (dollars in millions):

| | Gross Carrying Value | Weighted Average Estimated Useful Life (in years) |
|---|---|---|
| Computer software | $ 2 | 3 |
| Other intangible assets: | | |
| Customer relationships | 57 | 10 |
| Trade name | 6 | 10 |
| Non-compete agreements | 1 | 5 |
| Other | 2 | 1 |
| Total Other intangible assets | 66 | |
| Total | $ 68 | |

***FNF Group Corporate and Other***

On August 23, 2016, FNF Group completed its acquisition of Commissions, Inc. ("CINC"), a leading provider of web-based real estate marketing and customer relationship management software for elite Realtors® and agent teams across North America, for $229 million. CINC's product offerings include software, marketing and services designed to enhance the productivity and sales results of elite Realtors® and agent teams through lead generation and proactive lead management. CINC's financial position and results of operations from the acquisition date are included in our Core Corporate and Other segment. The acquisition does not meet the definition of "significant" pursuant to Article 3 of Regulation S-X (§210.3-05). Further, the results of operations are not material to our financial statements. Further details on the acquisition are discussed below.

FNF Group paid total consideration, net of cash received, of $229 million in exchange for 95% of the equity interests of CINC. The total consideration paid was as follows (in millions):

| | |
|---|---|
| Cash paid | $ 240 |
| Less: Cash Acquired | (11) |
| Total net consideration paid | $ 229 |

The purchase price has been initially allocated to CINC's assets acquired and liabilities assumed based on our best estimates of their fair values as of the acquisition date. Goodwill has been recorded based on the amount that the purchase price exceeds the fair value of the net assets acquired. These estimates are preliminary and subject to adjustments as we complete our valuation process with respect to computer software, other intangible assets, accounts payable and accrued liabilities, taxes and goodwill.

The following table summarizes the total purchase price consideration and the preliminary fair value amounts recognized for the assets acquired and liabilities assumed as of the acquisition date (in millions):

| | Fair Value |
|---|---|
| Trade and notes receivable, net | $ 1 |
| Computer software | 28 |
| Other intangible assets | 58 |
| Goodwill | 170 |
| Income taxes receivable | 2 |
| Total assets acquired | 259 |
| | |
| Accounts payable and accrued liabilities | 8 |
| Deferred tax liability | 10 |
| Total liabilities assumed | 18 |
| | |
| Non-controlling interests | 12 |
| Total liabilities and equity assumed | 30 |
| | |
| Net assets acquired | $ 229 |

The gross carrying value and weighted average estimated useful lives of Computer software and Other intangible assets acquired in the CINC acquisition consist of the following (dollars in millions):

| | Gross Carrying Value | Weighted Average Estimated Useful Life (in years) |
|---|---|---|
| Computer software | $ 28 | 5 |
| Other intangible assets: | | |
| Customer relationships | 43 | 10 |
| Trade name | 13 | 10 |
| Non-compete agreements | 2 | 4 |
| Total Other intangible assets | 58 | |
| Total | $ 86 | |

For comparative purposes, selected unaudited pro-forma consolidated results of operations of FNF for the years ended December 31, 2016 and 2015 are presented below. Pro-forma results presented assume the consolidation of CINC occurred as of the beginning of the 2014 period. Amounts reflect our 95% ownership interest in CINC and are adjusted to exclude costs directly attributable to the acquisition of CINC, including transaction costs.

| | Year ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| Total revenues | $ 9,582 | $ 9,163 | $ 8,040 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 653 | 529 | 585 |

***Black Knight***

On May 16, 2016, Black Knight completed its acquisition of eLynx, a leading lending document and data delivery platform. eLynx helps clients in the financial services and real estate industries electronically capture and manage documents and associated data throughout the document lifecycle. Black Knight purchased eLynx to augment its origination technologies. This acquisition positions Black Knight to electronically support the full mortgage origination process. The acquisition does not meet the definition of "significant" pursuant to Article 3 of Regulation S-X (§210.3-05). Further, the results of operations are not material to our financial statements. Further details on the acquisition are discussed below.

Black Knight paid total consideration, net of cash received, of $115 million for 100% of the equity interests of eLynx. The total consideration paid was as follows (in millions):

| | |
|---|---|
| Cash paid | $ 96 |
| Borrowings under revolving line of credit | 25 |
| Total cash paid | 121 |
| Less: Cash Acquired | (6) |
| Total net consideration paid | $ 115 |

The fair value of eLynx's acquired Computer software and Other intangible assets was determined using a preliminary third-party valuation based on significant estimates and assumptions, including Level 3 inputs, which are judgmental in nature. These estimates and assumptions include the projected timing and amount of future cash flows, discount rates reflecting the risk inherent in the future cash flows and future market prices. These estimates are preliminary and subject to adjustments as we complete our valuation process with respect to computer software, other intangible assets, and goodwill.

The following table summarizes the total purchase price consideration and the preliminary fair value amounts recognized for the assets acquired and liabilities assumed as of the acquisition date (in millions):

| | Fair Value |
|---|---|
| Trade and notes receivable | $ 4 |
| Prepaid expenses and other assets | 4 |
| Property and equipment | 1 |
| Computer software | 14 |
| Other intangible assets | 35 |
| Goodwill | 64 |
| Total assets acquired | 122 |
| | |
| Accounts payable and other accrued liabilities | 7 |
| Total liabilities assumed | 7 |
| | |
| Net assets acquired | $ 115 |

The gross carrying value and weighted average estimated useful lives of Computer software, Property and equipment and Other intangible assets acquired in the eLynx acquisition consist of the following (dollars in millions):

| | Gross Carrying Value | Weighted Average Estimated Useful Life (in years) |
|---|---|---|
| Computer software | $ 14 | 5 |
| Property and equipment | 1 | 3 |
| Other intangible assets: | | |
| Customer relationships | 35 | 10 |
| Total Other intangible assets | 35 | |
| Total | $ 50 | |

**Note C. Fair Value Measurements**

The fair value hierarchy established by the accounting standards on fair value measurements includes three levels which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

*Level 1.* Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

*Level 2.* Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3.* Financial assets and liabilities whose values are based on model inputs that are unobservable.

The following table presents our fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2016 and 2015 , respectively:

| | December 31, 2016 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Assets: | | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 117 | $ — | $ 117 |
| State and political subdivisions | — | 615 | — | 615 |
| Corporate debt securities | — | 1,533 | — | 1,533 |
| Foreign government bonds | — | 109 | — | 109 |
| Mortgage-backed/asset-backed securities | — | 58 | — | 58 |
| Preferred stock available for sale | 32 | 283 | — | 315 |
| Equity securities available for sale | 438 | — | — | 438 |
| Total | $ 470 | $ 2,715 | $ — | $ 3,185 |

| | December 31, 2015 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 117 | $ — | $ 117 |
| State and political subdivisions | — | 768 | — | 768 |
| Corporate debt securities | — | 1,495 | — | 1,495 |
| Foreign government bonds | — | 107 | — | 107 |
| Mortgage-backed/asset-backed securities | — | 71 | — | 71 |
| Preferred stock available for sale | 42 | 247 | — | 289 |
| Equity securities available for sale | 334 | 11 | — | 345 |
| Total | $ 376 | $ 2,816 | $ — | $ 3,192 |

Our Level 2 fair value measures for fixed-maturities available for sale are provided by third-party pricing services. We utilize one firm for our taxable bond and preferred stock portfolios and another for our tax-exempt bond portfolios. These pricing services are leading global providers of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are as follows:

- U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.
- State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.
- Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, or any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.
- Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.
- Mortgage-backed/asset-backed securities: These securities are comprised of commercial mortgage-backed securities, agency mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities. They are valued

based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.

- Preferred stock: Preferred stocks are valued by calculating the appropriate spread over a comparable US Treasury security. Inputs include benchmark quotes and other relevant market data.
- Equity securities available for sale: This security is valued using a blending of two models, a discounted cash flow model and a comparable company model utilizing earnings and multiples of similar publicly-traded companies.

As of December 31, 2016 and 2015 we held no assets or liabilities measured at fair value using Level 3 inputs.

There were no transfers of assets or liabilities measured at fair value using Level 1 inputs to Level 2 in the years ended December 31, 2016 or 2015 .

The carrying amounts of short-term investments, accounts receivable and notes receivable approximate fair value due to their short-term nature. The fair value of our notes payable is included in Note J.

Additional information regarding the fair value of our investment portfolio is included in Note D.

## Note D. Investments

The carrying amounts and fair values of our available for sale securities at December 31, 2016 and 2015 are as follows:

| | December 31, 2016 | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Fair Value |
| | (In millions) | | | | |
| Fixed maturity investments available for sale: | | | | | |
| U.S. government and agencies | $ 117 | $ 117 | $ — | $ — | $ 117 |
| States and political subdivisions | 615 | 607 | 9 | (1) | 615 |
| Corporate debt securities | 1,533 | 1,524 | 15 | (6) | 1,533 |
| Foreign government bonds | 109 | 117 | — | (8) | 109 |
| Mortgage-backed/asset-backed securities | 58 | 56 | 2 | — | 58 |
| Preferred stock available for sale | 315 | 312 | 6 | (3) | 315 |
| Equity securities available for sale | 438 | 323 | 115 | — | 438 |
| Total | $ 3,185 | $ 3,056 | $ 147 | $ (18) | $ 3,185 |

| | December 31, 2015 | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Fair Value |
| | (In millions) | | | | |
| Fixed maturity investments available for sale: | | | | | |
| U.S. government and agencies | $ 117 | $ 115 | $ 2 | $ — | $ 117 |
| States and political subdivisions | 768 | 748 | 20 | — | 768 |
| Corporate debt securities | 1,495 | 1,509 | 14 | (28) | 1,495 |
| Foreign government bonds | 107 | 120 | — | (13) | 107 |
| Mortgage-backed/asset-backed securities | 71 | 68 | 3 | — | 71 |
| Preferred stock available for sale | 289 | 290 | 5 | (6) | 289 |
| Equity securities available for sale | 345 | 276 | 81 | (12) | 345 |
| Total | $ 3,192 | $ 3,126 | $ 125 | $ (59) | $ 3,192 |

The cost basis of fixed maturity securities available for sale includes an adjustment for amortized premium or discount since the date of purchase. At December 31, 2016 all of our mortgage-backed and asset-backed securities are rated Aaa by Moody's Investors Service which is the highest rating available by Moody's. The mortgage-backed and asset-backed securities are made up of $ 37 million of agency mortgage-backed securities, $ 7 million of collateralized mortgage obligations, and $ 14 million in asset-backed securities.

The change in net unrealized gains and (losses) on fixed maturities for the years ended December 31, 2016 , 2015 , and 2014 was $ 13 million , $(64) million , and $(20) million , respectively.

The following table presents certain information regarding contractual maturities of our fixed maturity securities at December 31, 2016 :

| Maturity | December 31, 2016 Amortized Cost | % of Total | Fair Value | % of Total |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| One year or less | $ 663 | 27.4% | $ 661 | 27.2% |
| After one year through five years | 1,524 | 63.0 | 1,533 | 63.0 |
| After five years through ten years | 158 | 6.5 | 160 | 6.6 |
| After ten years | 20 | 0.8 | 20 | 0.8 |
| Mortgage-backed/asset-backed securities | 56 | 2.3 | 58 | 2.4 |
| | $ 2,421 | 100.0% | $ 2,432 | 100.0% |

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. Because of the potential for prepayment on mortgage-backed and asset-backed securities, they are not categorized by contractual maturity.

Fixed maturity securities valued at approximately $ 123 million and $ 136 million were on deposit with various governmental authorities at December 31, 2016 and 2015 , respectively, as required by law.

Equity securities are carried at fair value. The change in unrealized gains on equity securities for the years ended December 31, 2016 , 2015 and 2014 was a net increase (decrease) of $ 46 million , $(4) million , and $8 million , respectively.

Our investments at December 31, 2016 and 2015 included investments in banks at a cost basis of $394 million and $382 million , respectively, and a fair value of $395 million and $382 million , respectively.

Net 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 be en in a continuous unrealized loss position at December 31, 2016 and 2015 are as follows (in millions):

***December 31, 2016***

| | Less than 12 Months | | 12 Months or Longer | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| States and political subdivisions | $ 107 | $ (1) | $ — | $ — | $ 107 | $ (1) |
| Corporate debt securities | 410 | (4) | 11 | (2) | 421 | (6) |
| Foreign government bonds | 85 | (4) | 20 | (4) | 105 | (8) |
| Preferred stock available for sale | 55 | (2) | 42 | (1) | 97 | (3) |
| Total temporarily impaired securities | $ 657 | $ (11) | $ 73 | $ (7) | $ 730 | $ (18) |

***December 31, 2015***

| | Less than 12 Months | | 12 Months or Longer | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| Corporate debt securities | $ 747 | $ (24) | $ 20 | $ (4) | $ 767 | $ (28) |
| Foreign government bonds | 106 | (13) | — | — | 106 | (13) |
| Preferred stock available for sale | 140 | (4) | 24 | (2) | 164 | (6) |
| Equity securities available for sale | 92 | (12) | — | — | 92 | (12) |
| Total temporarily impaired securities | $ 1,085 | $ (53) | $ 44 | $ (6) | $ 1,129 | $ (59) |

The unrealized losses for the corporate debt securities and foreign government bonds were primarily caused by changes in interest rates and foreign exchange fluctuations, respectively, that we consider to be temporary rather than changes in credit quality. We expect to recover the entire amortized cost basis of our temporarily impaired fixed maturity securities as we do not intend to sell these securities and we do not believe that we will be required to sell the fixed maturity securities before recovery of the cost basis. For these reasons, we do not consider these securities other-than-temporarily impaired at December 31, 2016 . It is reasonably possible that declines in fair value below cost not considered other-than-temporary in the current period could be considered to be other-than-temporary in a future period and earnings would be reduced to the extent of the impairment.

The unrealized losses for the preferred stock available for sale were primarily caused by changes in interest rates. We expect to recover the entire cost basis of our temporarily impaired preferred stock available for sale as we do not intend to sell these securities and we do not believe that we will be required to sell the preferred securities available for sale before recovery of the cost basis. For thes e reasons, we do not consider these securities other-than-temporarily impaired at December 31, 2016 . It is reasonably possible that declines in fair value below cost not considered other-than-temporary in the current period could be considered to be other-than-temporary in a future period and earnings would be reduced to the extent of the impairment.

During the years ended December 31, 2016 , 2015 and 2014 we incurred impairment charges relating to investments that were determined to be other-than-temporarily impaired, which resulted in impairment charges of $19 million , $14 million and $6 million , respectively. The impairment charges in 2016 related to fixed maturity securities of $13 million , an investment in an unconsolidated affiliate of $3 million , and an other long term investment of $3 million . In each case, we determined the credit risk of the holdings was high and the ability to recover our investment was unlikely. Impairment charges in the 2015 and 2014 periods were for fixed maturity securities that we determined the credit risk of these holdings was high and the ability of the issuer to pay the full amount of the principal outstanding was unlikely.

As of December 31, 2016 , we held $7 million in securities for which other-than-temporary impairments had been previously recognized. As of December 31, 2015 , we held $2 million investments for which an other-than-temporary impairment had been previously recognized. It is possible that future events may lead us to recognize potential future impairment losses related to our investment portfolio and that unanticipated future events may lead us to dispose of certain investment holdings and recognize the effects of any market movements in our consolidated financial statements.

The following table presents realized gains and losses on investments and other assets and proceeds from the sale or maturity of investments and other assets for the years ended December 31, 2016 , 2015 , and 2014 , respectively:

| | Year ended December 31, 2016 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 4 | $ (16) | $ (12) | $ 624 |
| Preferred stock available for sale | 1 | — | 1 | 9 |
| Equity securities available for sale | 11 | (1) | 10 | 50 |
| Other long-term investments | | | 12 | 36 |
| Investments in unconsolidated affiliates | | | (3) | — |
| Other intangible assets | | | (1) | — |
| Other assets | | | (9) | 6 |
| Total | | | $ (2) | $ 725 |

| | Year ended December 31, 2015 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 14 | $ (17) | $ (3) | $ 1,076 |
| Preferred stock available for sale | 1 | — | 1 | 58 |
| Equity securities available for sale | 13 | (11) | 2 | 51 |
| Other assets | | | (13) | — |
| Total | | | $ (13) | $ 1,185 |

| | Year ended December 31, 2014 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 6 | $ (6) | $ — | $ 1,152 |
| Preferred stock available for sale | — | (2) | (2) | 73 |
| Equity securities available for sale | 4 | — | 4 | 11 |
| Other assets | | | (15) | 5 |
| Total | | | $ (13) | $ 1,241 |

Interest and investment income consists of the following:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | (In millions) | | |
| Fixed maturity securities available for sale | $ 77 | $ 82 | $ 89 |
| Equity securities and preferred stock available for sale | 28 | 24 | 14 |
| Short-term investments | 3 | 1 | — |
| Other | 21 | 16 | 23 |
| Total | $ 129 | $ 123 | $ 126 |

Investments in unconsolidated affiliates are recorded using the equity method of accounting and as of December 31, 2016 and 2015 consisted of the following (in millions):

| | Ownership at December 31, 2016 | 2016 | 2015 |
|---|---|---|---|
| Ceridian | 33% | $ 371 | $ 358 |
| Other | various | 187 | 163 |
| Total | | $ 558 | $ 521 |

In addition to our equity investment in Ceridian, we own certain of their outstanding bonds. We did not sell any Ceridian bonds in the years ended December 31, 2016 or 2015. Our investment in Ceridian bonds is included in Fixed maturity securities available for sale on the Consolidated Balance Sheets and had a fair value of $30 million and $23 million as of December 31, 2016 and 2015.

Summarized financial information for the periods included in our Consolidated Financial Statements for Ceridian is presented below:

| | December 31, | |
|---|---|---|
| | 2016 | 2015 |
| | (In millions) | |
| Total current assets before customer funds | $ 343 | $ 489 |
| Customer funds | 3,703 | 4,333 |
| Goodwill and other intangible assets, net | 2,291 | 2,272 |
| Other assets | 90 | 92 |
| Total assets | $ 6,427 | $ 7,186 |
| Current liabilities before customer obligations | $ 201 | $ 267 |
| Customer obligations | 3,692 | 4,312 |
| Long-term obligations, less current portion | 1,140 | 1,143 |
| Other long-term liabilities | 301 | 322 |
| Total liabilities | 5,334 | 6,044 |
| Equity | 1,093 | 1,142 |
| Total liabilities and equity | $ 6,427 | $ 7,186 |

| | Year Ended December 31, | |
|---|---|---|
| | 2016 | 2015 |
| | (In millions) | |
| Total revenues | $ 704 | $ 694 |
| Loss before income taxes | (88) | (56) |
| Net loss | (87) | (88) |

The summarized financial information above for the 2015 period includes reclassifications of $ 47 million from various assets to current assets before customer funds related to discontinued operations and $18 million of debt issuance costs from long-term obligations to other assets related to a change in accounting standard for debt issuance costs. The reclassifications did not impact the value of our equity method investment in Ceridian or our equity in losses of Ceridian.

**Note E. Property and Equipment**

Property and equipment consists of the following:

| | Year Ended December 31, | |
|---|---|---|
| | 2016 | 2015 |
| | (In millions) | |
| Land | $ 69 | $ 55 |
| Buildings | 227 | 147 |
| Leasehold improvements | 241 | 234 |
| Data processing equipment | 331 | 277 |
| Furniture, fixtures and equipment | 428 | 399 |
| | 1,296 | 1,112 |
| Accumulated depreciation and amortization | (680) | (602) |
| | $ 616 | $ 510 |

Depreciation expense on property and equipment was $ 117 million, $ 120 million, and $ 122 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively.

**Note F. Goodwill**

Goodwill consists of the following:

| | Title | Black Knight (2) | FNF Core Corporate and Other | Restaurant Group | FNFV Corporate and Other | Total |
|---|---|---|---|---|---|---|
| | (In millions) | | | | | |
| Balance, December 31, 2014 | $ 2,249 | $ 2,219 | $ 43 | $ 119 | $ 87 | $ 4,717 |
| Goodwill acquired during the year | 66 | — | 5 | — | 9 | 80 |
| Adjustments to prior year acquisitions | (12) | 1 | (3) | — | 1 | (13) |
| Sale of Cascade Timberlands | — | — | — | — | (12) | (12) |
| Spin-off of J. Alexander's | — | — | — | (16) | — | (16) |
| Balance, December 31, 2015 | $ 2,303 | $ 2,220 | $ 45 | $ 103 | $ 85 | $ 4,756 |
| Goodwill acquired during the year (1) | 48 | 84 | 170 | — | 19 | 321 |
| Adjustments to prior year acquisitions | (6) | — | (5) | — | — | (11) |
| Sale of Max & Erma's | — | — | — | (1) | — | (1) |
| Balance, December 31, 2016 | $ 2,345 | $ 2,304 | $ 210 | $ 102 | $ 104 | $ 5,065 |

(1) See Note B for further discussion of goodwill acquired in the current year.
(2) Includes an immaterial $4 million correction to the December 31, 2014 beginning balance of goodwill, which was offset against trade receivables, related to purchase accounting adjustments. The adjustment had no impact to opening equity or net income in any period presented.

**Note G. Capitalized Software**

Capitalized software consists of the following:

| | Year Ended December 31, | |
|---|---|---|
| | 2016 | 2015 |
| | (In millions) | |
| Capitalized software | $ 1,030 | $ 900 |
| Accumulated amortization | (450) | (347) |
| | $ 580 | $ 553 |

Amortization expense on software was $ 97 million , $ 83 million , and $ 84 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively.

**Note H. Other Intangible Assets**

Other intangible assets consist of the following:

| | December 31, | |
|---|---|---|
| | 2016 | 2015 |
| | (In millions) | |
| Customer relationships and contracts | $ 1,453 | $ 1,260 |
| Trademarks and tradenames | 164 | 135 |
| Other | 86 | 67 |
| | 1,703 | 1,462 |
| Accumulated amortization | (673) | (493) |
| | $ 1,030 | $ 969 |

Amortization expense for amortizable intangible assets, which consist primarily of customer relationships, was $ 187 million, $ 193 million, and $ 193 million for the years ended December 31, 2016 , 2015 and 2014 , respectively. Other intangible assets primarily represent non-amortizable intangible assets such as trademarks and licenses . Estimated amortization expense for the next five years for assets owned at December 31, 2016 , is $ 176 million in 2017 , $ 152 million in 2018 , $ 146 million in 2019 , $ 123 million in 2020 and $ 97 million in 2021 .

**Note I. Accounts Payable and Other Accrued Liabilities**

Accounts payable and other accrued liabilities consist of the following:

| | December 31, | |
|---|---|---|
| | 2016 | 2015 |
| | (In millions) | |
| Accrued benefits | $ 265 | $ 252 |
| Salaries and incentives | 347 | 319 |
| Accrued rent | 35 | 34 |
| Trade accounts payable | 75 | 68 |
| Accrued recording fees and transfer taxes | 16 | 12 |
| Accrued premium taxes | 26 | 21 |
| Deferred revenue | 253 | 215 |
| Other accrued liabilities | 417 | 362 |
| | $ 1,434 | $ 1,283 |

**Note J. Notes Payable**

Notes payable consists of the following:

| | December 31, | |
|---|---|---|
| | 2016 | 2015 |
| | (In millions) | |
| Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022 | $ 397 | $ 397 |
| Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018 | 291 | 288 |
| Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017 | 300 | 300 |
| Revolving Credit Facility, unsecured, unused portion of $800 at December 31, 2016, due July 2018 with interest payable monthly at LIBOR + 1.45% | (3) | (5) |
| Unsecured Black Knight Infoserv notes, including premium, interest payable semi-annually at 5.75%, due April 2023 | 401 | 402 |
| Black Knight Term A Facility, due May 27, 2020 with interest currently payable monthly at LIBOR + 2.00% (2.81% at December 31, 2016) | 733 | 771 |
| Black Knight Term B Facility, due May 27, 2022 with interest currently payable monthly at LIBOR + 3.00% (3.81% at December 31, 2016) | 341 | 343 |
| Black Knight Revolving Credit Facility, unused portion of $350, due May 27, 2020 with interest currently payable monthly at LIBOR + 2.00% (2.81% at December 31, 2016) | 46 | 95 |
| ABRH Term Loan, interest payable monthly at LIBOR + 2.50% (3.27% at December 31, 2016), due August 2019 | 92 | 100 |
| ABRH Revolving Credit Facility, unused portion of $84 at December 31, 2016, due August 2019 with interest payable monthly at LIBOR + 2.50% | — | — |
| OneDigital Revolving Credit Facility, unused portion of $31 at December 31, 2016, due March 31, 2020 with interest payable monthly at LIBOR + 2.50% - 3.50% (3.98% at December 31, 2016) | 129 | 99 |
| Other | 19 | 3 |
| | $ 2,746 | $ 2,793 |

At December 31, 2016 , the estimated fair value of our long-term debt was approximately $3,094 million or $ 328 million higher than its carrying value, excluding $20 million of net unamortized debt issuance costs and premium/discount. The fair value of our unsecured notes payable was $1,716 million as of December 31, 2016 . The fair values of our unsecured notes payable are based on established market prices for the securities on December 31, 2016 and are considered Level 2 financial liabilities. The carrying value of the Black Knight Term A, Term B, and Revolving Credit facilities; the ABRH term loan; and the OneDigital revolving credit facility approximate fair value at December 31, 2016 , as they are variable rate instruments with short reset periods (either monthly or quarterly) which reflect current market rates. The revolving credit facilities are considered Level 2 financial liabilities.

On May 27, 2015, Black Knight InfoServ, LLC ("BKIS") entered into a credit and guaranty agreement (the “BKIS Credit Agreement”) with an aggregate borrowing capacity of $1.6 billion with JPMorgan Chase Bank, N.A. as administrative agent, the guarantors party thereto, the other agent's party thereto and the lenders party thereto. The BKIS Credit Agreement provides for (i) an $800 million term loan A facility (the “Term A Facility”), (ii) a $400 million term loan B facility (the “Term B Facility”) and (iii) a $400 million revolving credit facility (the “Revolving Credit Facility”, and collectively with the Term A Facility and Term B Facility, the “Facilities”). The loans under the Term A Facility and the Revolving Credit Facility mature on May 27, 2020 and the loans under the Term B Facility mature on May 27, 2022. The Facilities are guaranteed by substantially all of BKIS’s wholly-owned domestic restricted subsidiaries and Black Knight Financial Services, LLC, a Delaware limited liability company and the direct parent company of BKIS (“Holdings”), and are secured by associated collateral agreements which pledge a lien on virtually all of the BKIS’s assets, including fixed assets and intangibles, and the assets of the guarantors. The Term A Facility and the Revolving Credit Facility bear interest at rates based upon, at the option of BKIS, either (i) the base rate plus a margin of between 50 and 125 basis points depending on the total leverage ratio of Holdings and its restricted subsidiaries on a consolidated basis (the “Consolidated Leverage Ratio”) and (ii) the Eurodollar rate plus a margin of between 150 and 225 basis points depending on the Consolidated Leverage Ratio. The Term B Facility bears interest at rates based upon, at the option of BKIS, either (i) the base rate plus a margin of 175 or 200 basis points depending on the Consolidated Leverage Ratio and (ii) the Eurodollar rate plus a margin of 275 or 300 basis points depending on the Consolidated Leverage Ratio; subject to a Eurodollar rate floor of 75 basis points. In addition, BKIS will pay an unused commitment fee of between 25 and 35 basis points on the undrawn commitments under the Revolving Credit Facility, also depending on the Consolidated Leverage Ratio. As of December 31, 2016 BKIS had aggregate outstanding debt of $1,120 million under the BKIS Credit Agreement, net of debt issuance costs. As of December 31, 2016 we hold $49 million of the outstanding Term B notes which eliminate in consolidation.

On March 31, 2015, OneDigital, entered into a senior secured credit facility (the “OneDigital Facility”) with Bank of America, N.A. (“Bank of America”) as Administrative Agent, JPMorgan Chase Bank, N.A. as Syndication Agent, and the other financial institutions party thereto. The OneDigital Facility provides for a maximum revolving loan of up to $120 million with a maturity date of March 31, 2020. On March 10, 2016, the Digital Insurance Facility was amended to increase the borrowing capacity from $120 million to $160 million and to add Fifth Third Bank as an additional lender. The OneDigital Facility is guaranteed by Digital Insurance Holdings, Inc. (“DIH”) and each subsidiary of Digital Insurance, Inc. (together with DIH, the “Loan Parties”) and secured by (i) a lien on all equity interests in OneDigital and each of its present and future subsidiaries, (ii) all property and assets of OneDigital and (iii) all proceeds and products of the property described in (i) and (ii) above. Pricing under the OneDigital Facility is based on an applicable margin between 250 and 350 basis points over LIBOR and between 150 and 250 basis points over the Base Rate (which is the highest of (a) 50 basis points in excess of the federal funds rate, (b) the Bank of America “prime rate” and (c) 100 basis points in excess of the one month LIBOR adjusted daily rate). A commitment fee amount is also due at a rate per annum equal to between 25 and 40 basis points on the actual daily unused portions of the OneDigital Facility. The OneDigital Facility also allows OneDigital to request up to $15 million in letters of credit commitments and $10 million in swingline debt from Bank of America. The OneDigital Facility allows OneDigital to elect to increase the amount of revolving commitments by up to $40 million so long as (i) no default or event of default exists under the OneDigital Facility at the time of such request and (ii) OneDigital is in compliance with its financial covenants on a pro forma basis after giving effect to such request. The OneDigital facility is subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on OneDigital's creation of liens, incurrence of indebtedness, dispositions of assets, restricted payments and transactions with affiliates. The OneDigital Facility includes customary events of default for facilities of this type, which include a cross-default provision whereby an event of default will be deemed to have occurred if any Loan Party fails to make any payment when due in respect of any indebtedness having a principal amount of $7.5 million or more or otherwise defaults under such indebtedness and such default results in a right by the lender to accelerate such Loan Party’s obligations. As of December 31, 2016, OneDigital had outstanding debt of $129 million under the OneDigital Facility, net of debt issuance costs.

On August 19, 2014, ABRH entered into a credit agreement (the “ABRH Credit Facility”) with Wells Fargo Bank, National Association as Administrative Agent, Swingline Lender and Issuing Lender (the “ABRH Administrative Agent”), Bank of America, N.A. as Syndication Agent and the other financial institutions party thereto. The ABRH Credit Facility provides for a maximum revolving loan of $100 million (the “ABRH Revolver") with a maturity date of August 19, 2019. Additionally, the ABRH Credit Facility provides for a maximum term loan (the "ABRH Term Loan") of $110 million with quarterly installment repayments through June 30, 2019 and a maturity date of August 19, 2019 for the outstanding unpaid principal balance and all accrued and unpaid interest. ABRH borrowed the entire $110 million under this term loan. Pricing for the ABRH Credit Facility is based on an applicable margin between 225 basis points to 300 basis points over LIBOR and between 125 basis points and 200 basis points over the Base Rate (which is the highest of (a) 50 basis points in excess of the federal funds rate, (b) the ABRH Administrative Agent “prime rate,” or (c) the sum of 100 basis points plus one-month LIBOR). A commitment fee amount is also due at a rate per annum equal to between 32.5 and 40 basis points on the average daily unused portion of the commitments under the ABRH Revolver. The ABRH Credit Facility also allows for ABRH to request up to $40 million of letters of credit commitments and $20 million in swingline debt from the ABRH Administrative Agent. The ABRH Credit Facility allows for ABRH to elect to enter into incremental term loans or request incremental revolving commitments (the “ABRH Incremental Loans”) under this facility so long as, (i) the total outstanding balance of the ABRH Revolver, the ABRH Term Loan and any ABRH Incremental Loans does not exceed $250 million , (ii) ABRH is in compliance with its financial covenants, (iii) no default or event of default exists under the ABRH Credit Facility on the day of such request either before or after giving effect to the request, (iv) the representations and warranties made under the ABRH Credit Facility are correct and (v) certain other conditions are satisfied. The ABRH Credit Facility is subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on ABRH's creation of liens, sales of assets, incurrence of indebtedness, restricted payments and transactions with affiliates. The covenants addressing restricted payments include certain limitations on the declaration or payment of dividends by ABRH to its parent, Fidelity Newport Holdings, LLC (“FNH”), and by FNH to its members. One such limitation restricts the amount of dividends that ABRH can pay to its parent (and that FNH can in turn pay to its members) up to $2 million in the aggregate (outside of certain other permitted dividend payments) in a fiscal year (with some carryover rights for undeclared dividends for subsequent years). Another limitation allows that, so long as ABRH satisfies certain leverage and liquidity requirements to the satisfaction of the ABRH Administrative Agent, ABRH may declare a special one-time dividend to Newport Global Opportunities Fund LP, and Fidelity National Financial Ventures, LLC or one of the entities under their control (other than portfolio companies) in an amount up to $75 million if such dividend occurs on or before November 17, 2014, or up to $1.5 million if such dividend occurs on or before June 15, 2016. ABRH paid a special dividend of $74 million in the year ended December 31, 2014, of which FNFV, LLC received $41 million . No special dividends have been paid in the years ended December 31, 2016 or 2015. The ABRH Credit Facility includes customary events of default for facilities of this type (with customary grace periods, as applicable), which include a cross-default provision whereby an event of default will be deemed to have occurred if ABRH or any of its guarantors, which consists of FNH and certain of its subsidiaries (together, the “Loan Parties”) or any of their subsidiaries default on any agreement with a third party of $10 million or more related to their indebtedness and such default results in a right by such third party to accelerate such Loan Party's or its subsidiary's obligations. The ABRH Credit Facility provides that, upon the occurrence of an event of default, the ABRH Administrative Lender may (i) declare the principal of, and any and all accrued and unpaid interest and all other amounts owed in respect of, the loans immediately due and payable, (ii) terminate loan commitments and (iii) exercise all other rights and remedies available to the ABRH Administrative Lender or the lenders under the loan documents. On February 24, 2017 the ABRH Credit Facility was amended to reduce the ABRH Revolver capacity from $100 million to $60 million , reduce the letters of credit sublimit from $40 million to $20 million and remove the provision which allowed us to enter into up to $250 million of incremental loans. The amendment also modifies the existing financial covenants to be less restrictive. ABRH had $16 million of outstanding letters of credit and $84 million of remaining borrowing capacity under its revolving credit facility as of December 31, 2016 .

On January 2, 2014, as a result of the LPS acquisition, FNF acquired $600 million aggregate principal amount of 5.75% Senior Notes due in 2023, initially issued by BKIS on October 12, 2012 (the "Black Knight Senior Notes"). The Black Knight Senior Notes were registered under the Securities Act of 1933, as amended, carry an interest rate of 5.75% and will mature on April 15, 2023. Interest is payable semi-annually on the 15th day of April and October. The Black Knight Senior Notes are senior unsecured obligations and were guaranteed by us as of January 2, 2014. Prior to October 15, 2017, BKIS may redeem some or all of the Black Knight Senior Notes by paying a “make-whole” premium based on U.S. Treasury rates. On or after October 15, 2017, BKIS may redeem some or all of the Black Knight Senior Notes at the redemption prices described in the Black Knight Senior Notes indenture, plus accrued and unpaid interest. In addition, if a change of control occurs, BKIS is required to offer to purchase all outstanding Black Knight Senior Notes at a price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).The Black Knight Senior Notes contain covenants that, among other things, limit BKIS's ability and the ability of certain of its subsidiaries (a) to incur or guarantee additional indebtedness or issue preferred stock, (b) to make certain restricted payments, including dividends or distributions on equity interests held by persons other than BKIS or certain subsidiaries, in excess of an amount generally equal to 50% of consolidated net income generated since July 1, 2008, (c) to create or incur certain liens, (d) to engage in sale and leaseback transactions, (e) to create restrictions that would prevent or limit the ability of certain subsidiaries to (i) pay dividends or other distributions to BKIS or certain other subsidiaries, (ii) repay any debt or make any loans or advances to BKIS or certain other subsidiaries or (iii) transfer any property or assets to BKIS or certain other subsidiaries, (f) to sell or dispose of assets of BKIS or any restricted subsidiary or enter into merger or consolidation transactions and (g) to engage in certain transactions with affiliates. As a result of our guarantee of the Black Knight Senior Notes on January 2, 2014, the notes became rated investment grade. The indenture provides that certain covenants are suspended while the Black Knight Senior Notes are rated investment grade. Currently covenants (a), (b), (e), certain provisions of (f) and (g) outlined above are suspended. These covenants will continue to be suspended as long as the notes are rated investment grade, as defined in the indenture. These covenants are subject to a number of exceptions, limitations and qualifications in the Black Knight Senior Notes indenture. The Black Knight Senior Notes contain customary events of default, including failure of BKIS (i) to pay principal and interest when due and payable and breach of certain other covenants and (ii) to make an offer to purchase and pay for the Black Knight Senior Notes tendered as required by the Black Knight Senior Notes. Events of default also include defaults with respect to any other debt of BKIS or debt of certain subsidiaries having an outstanding principal amount of $ 80 million or more in the aggregate for all such debt, arising from (i) failure to make a principal payment when due and such defaulted payment is not made, waived or extended within the applicable grace period or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity. Upon the occurrence of an event of default (other than a bankruptcy default with respect to BKIS or certain subsidiaries), the trustee or holders of at least 25% of the Black Knight Senior Notes then outstanding may accelerate the Black Knight Senior Notes by giving us appropriate notice. If, however, a bankruptcy default occurs with respect to BKIS or certain subsidiaries, then the principal of and accrued interest on the Black Knight Senior Notes then outstanding will accelerate immediately without any declaration or other act on the part of the trustee or any holder. On January 16, 2014, we issued an offer to purchase the Black Knight Senior Notes pursuant to the change of control provisions above at a purchase price of 101% of the principal amount plus accrued interest to the purchase date. The offer expired on February 18, 2014. As a result of the offer, bondholders tendered $ 5 million in principal of the Black Knight Senior Notes, which were subsequently purchased by us on February 24, 2014. On May 29, 2015, Black Knight completed a redemption of $205 million in aggregate principal of its Black Knight Senior Notes at a price of 105.75% under the note feature allowing redemption using proceeds from an equity offering.

On June 25, 2013, we entered into an agreement to amend and restate our existing $ 800 million Second Amended and Restated Credit Agreement (the “Existing Credit Agreement”), dated as of April 16, 2012 with Bank of America, N.A., as administrative agent (in such capacity, the “Administrative Agent”) and the other agents party thereto (the “Revolving Credit Facility”). Among other changes, the Revolving Credit Facility amended the Existing Credit Agreement to permit us to make a borrowing under the Revolving Credit Facility to finance a portion of the acquisition of LPS on a “limited conditionality” basis, incorporates other technical changes to permit us to enter into the Acquisition and extends the maturity of the Existing Credit Agreement. The lenders under the Existing Credit Agreement have agreed to extend the maturity date of their commitments under the credit facility from April 16, 2016 to July 15, 2018 under the Revolving Credit Facility. Revolving loans under the credit facility generally bear interest at a variable rate based on either (i) the base rate (which is the highest of (a) 0.5% in excess of the federal funds rate, (b) the Administrative Agent's “prime rate”, or (c) the sum of 1% plus one-month LIBOR) plus a margin of between 32.5 and 60 basis points depending on the senior unsecured long-term debt ratings of FNF or (ii) LIBOR plus a margin of between 132.5 and 160 basis points depending on the senior unsecured long-term debt ratings of FNF. Based on our current Moody’s and Standard & Poor’s senior unsecured long-term debt ratings of Baa3/BBB-, respectively, the applicable margin for revolving loans subject to LIBOR is 145 basis points. In addition, we pay a facility fee of between 17.5 and 40 basis points on the entire facility, also depending on our senior unsecured long-term debt ratings. Under the Revolving Credit Facility, we are subject to customary affirmative, negative and financial covenants, including, among other things, limits on the creation of liens, limits on the incurrence of indebtedness, restrictions on investments, dispositions and transactions with affiliates, limitations on dividends and other restricted payments, a minimum net worth and a maximum debt to capitalization ratio. The Revolving Credit Facility also includes customary events of default for facilities of this type (with customary grace periods, as applicable) and provides that, if an event of default occurs and is continuing, the interest rate on all outstanding obligations may be increased, payments of all outstanding loans may be accelerated and/or the lenders' commitments may be terminated. These events of default include a cross-default provision that, subject to limited exceptions, permits the lenders to declare the Revolving Credit Facility in default if: (i) (a) we fail to make any payment after the applicable grace period under any indebtedness with a principal amount (including undrawn committed amounts) in excess of 3.0% of our net worth, as defined in the Revolving Credit Facility, or (b) we fail to perform any other term under any such indebtedness, or any other event occurs, as a result of which the holders thereof may cause it to become due and payable prior to its maturity; or (ii) certain termination events occur under significant interest rate, equity or other swap contracts. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Revolving Credit Facility shall automatically become immediately due and payable, and the lenders' commitments will automatically terminate. Under the Revolving Credit Facility the financial covenants remain essentially the same as under the Old Credit Agreement, except that the total debt to total capitalization ratio limit of 35% increased to 37.5% for a period of one year after the closing of the LPS acquisition and the net worth test was reset. As of December 31, 2016 and 2015, there was no outstanding balance under the Revolving Credit Facility and $3 million and $5 million , respectively, in unamortized debt issuance costs.

On August 28, 2012, we completed an offering of $400 million in aggregate principal amount of 5.50% notes due September 2022 (the "5.50% notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The notes were priced at 99.513% of par to yield 5.564% annual interest. As such we recorded a discount of $2 million , which is netted against the $400 million aggregate principal amount of the 5.50% notes. The discount is amortized to September 2022 when the 5.50% notes mature. The 5.50% notes will pay interest semi-annually on the 1st of March and September, beginning March 1, 2013. We received net proceeds of $396 million , after expenses, which were used to repay the $237 million aggregate principal amount outstanding of our 5.25% unsecured notes maturing in March 2013, the $50 million outstanding on our revolving credit facility, and the remainder is being held for general corporate purposes. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of the Company in an aggregate amount exceeding $100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

On August 2, 2011, we completed an offering of $300 million in aggregate principal amount of 4.25% convertible senior notes due August 2018 (the "Notes") in an offering conducted in accordance with Rule 144A under the Securities Act of 1933, as amended. The Notes contain customary event-of-default provisions which, subject to certain notice and cure-period conditions, can result in the acceleration of the principal amount of, and accrued interest on, all outstanding Notes if we breach the terms of the Notes or the indenture pursuant to which the Notes were issued. The Notes are unsecured and unsubordinated obligations and (i) rank senior in right of payment to any of our existing or future unsecured indebtedness that is expressly subordinated in right of payment to the Notes; (ii) rank equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; (iii) are effectively subordinated in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) are structurally subordinated to all existing and future indebtedness and liabilities of our subsidiaries. Interest is payable on the principal amount of the Notes, semi-annually in arrears in cash on February 15 and August 15 of each year, commencing February 15, 2012. The Notes mature on August 15, 2018, unless earlier purchased by us or converted. The Notes were issued for cash at 100% of their principal amount. However, for financial reporting purposes, the notes were deemed to have been issued at 92.818% of par value, and as such we recorded a discount of $22 million to be amortized to August 2018, when the Notes mature. The Notes will be convertible into cash, shares of common stock, or a combination of cash and shares of common stock, at our election, based on an initial conversion rate, subject to adjustment, of 46.387 shares per $1,000 principal amount of the Notes (which represents an initial conversion price of approximately $ 21.56 per share), only in the following circumstances and to the following extent: (i) during any calendar quarter commencing after December 31, 2011, if, for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter, the last reported sale price per share of our common stock on such trading day is greater than or equal to 130% of the applicable conversion price on such trading day; (ii) during the five consecutive business day period immediately following any ten consecutive trading day period (the "measurement period") in which, for each trading day of the measurement period, the trading price per $1,000 principal amount of notes was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the applicable conversion rate on such trading day; (iii) upon the occurrence of specified corporate transactions; or (iv) at any time on and after May 15, 2018. However, in all cases, the Notes will cease to be convertible at the close of business on the second scheduled trading day immediately preceding the maturity date. It is our intent and policy to settle conversions through "net-share settlement". Generally, under "net-share settlement," the conversion value is settled in cash, up to the principal amount being converted, and the conversion value in excess of the principal amount is settled in shares of our common stock. As of October 1, 2013, these notes were convertible under the 130% Sale Price Condition described above.

On May 5, 2010, we completed an offering of $300 million in aggregate principal amount of our 6.60% notes due May 2017 (the "6.60% Notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The 6.60% Notes were priced at 99.897% of par to yield 6.61% annual interest. We received net proceeds of $ 297 million , after expenses, which were used to repay outstanding borrowings under our credit agreement. Interest is payable semi-annually. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of FNF in an aggregate amount exceeding $ 100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

Gross principal maturities of notes payable at December 31, 2016 are as follows (in millions):

| | |
|---|---|
| 2017 | $ 377 |
| 2018 | 392 |
| 2019 | 180 |
| 2020 | 686 |
| 2021 | 4 |
| Thereafter | 1,127 |
| | $ 2,766 |

**Note K. Income Taxes**

Income tax expense on continuing operations consists of the following:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | | (In millions) | |
| Current | $ 392 | $ 374 | $ 113 |
| Deferred | (20) | (84) | 199 |
| | $ 372 | $ 290 | $ 312 |

Total income tax expense (benefit) was allocated as follows (in millions):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| Net earnings from continuing operations | $ 372 | $ 290 | $ 312 |
| Tax benefit attributable to net earnings from discontinued operations | — | — | (1) |
| Other comprehensive earnings (loss): | | | |
| Unrealized gain (loss) on investments and other financial instruments | 29 | (40) | (6) |
| Unrealized gain (loss) on foreign currency translation and cash flow hedging | 1 | (7) | (3) |
| Minimum pension liability adjustment | 3 | 3 | (6) |
| Total income tax benefit allocated to other comprehensive earnings | 33 | (44) | (15) |
| Additional paid-in capital, stock-based compensation (1) | — | (21) | (16) |
| Total income taxes | $ 405 | $ 225 | $ 280 |

(1) Refer to discussion of ASU 2016-09 within Note S *Recent Accounting Pronouncements* for further details on the change in accounting for the tax-effects of stock-based compensation.

A reconciliation of the federal statutory rate to our effective tax rate is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| Federal statutory rate | 35.0 % | 35.0 % | 35.0 % |
| State income taxes, net of federal benefit | 2.9 | 3.0 | 3.5 |
| Deductible dividends paid to FNF 401(k) plan | (0.1) | (0.2) | (0.4) |
| Tax exempt interest income | (0.4) | (0.7) | (2.0) |
| Stock compensation (1) | (1.5) | — | — |
| Tax Credits | (0.8) | (1.0) | (2.5) |
| Consolidated Partnerships | 0.1 | (0.5) | 5.8 |
| Non-deductible expenses and other, net | 0.3 | (1.1) | (2.9) |
| Effective tax rate excluding equity investments | 35.5 % | 34.5 % | 36.5 % |
| Equity Investments | (0.8) | (1.1) | 43.2 |
| Effective tax rate | 34.7 % | 33.4 % | 79.7 % |

(1) Refer to discussion of ASU 2016-09 within Note S *Recent Accounting Pronouncements* for further details on the change in accounting for the tax-effects of stock-based compensation.

The significant components of deferred tax assets and liabilities at December 31, 2016 and 2015 consist of the following:

| | December 31, | |
|---|---|---|
| | 2016 | 2015 |
| | (In millions) | |
| Deferred Tax Assets: | | |
| Employee benefit accruals | $ 40 | $ 37 |
| Other investments | 28 | 14 |
| Net operating loss carryforwards | 29 | 30 |
| Accrued liabilities | 18 | 20 |
| Allowance for uncollectible accounts received | — | 2 |
| Pension plan | 5 | 7 |
| Tax credits | 41 | 43 |
| State income taxes | 18 | 17 |
| Other | 3 | 3 |
| Total gross deferred tax asset | 182 | 173 |
| Less: valuation allowance | 12 | 12 |
| Total deferred tax asset | $ 170 | $ 161 |
| Deferred Tax Liabilities: | | |
| Title plant | $ (85) | $ (84) |
| Amortization of goodwill and intangible assets | (165) | (118) |
| Other | (9) | (17) |
| Investment securities | (42) | (29) |
| Depreciation | (14) | (11) |
| Partnerships | (405) | (459) |
| Insurance reserve discounting | (79) | (37) |
| Total deferred tax liability | $ (799) | $ (755) |
| Net deferred tax liability | $ (629) | $ (594) |

Our net deferred tax liability was $629 million and $594 million at December 31, 2016 , and 2015 , respectively. The significant changes in the deferred taxes are as follows: The deferred tax asset related to Other Investments increased by $14 million mainly due to recognition of tax gains recorded on our investment in Ceridian. The deferred tax liability for insurance reserve discounting increased by $42 million largely due to the release of $97 million of excess title reserves. The deferred tax liability for investment securities increased by $13 million due to book changes in unrealized gains. The deferred tax liability relating to partnerships decreased by $54 million primarily due to Black Knight and ServiceLink activity. The deferred tax liability on amortization increased by $47 million partially due to the CINC and other Title segment acquisitions.

As of December 31, 2016 and 2015 we had a valuation allowance of $ 12 million.

At December 31, 2016 , we have net operating losses on a pretax basis of $ 76 million available to carryforward and offset future federal taxable income. The net operating losses are US federal net operating losses arising from acquisitions made since 2008, including OneDigital, LPS, BPG and CINC and are subject to an annual Internal Revenue Code Section 382 limitation. These losses will begin to expire in year 2021 and we fully anticipate utilizing these losses prior to expiration with the exception of $3 million of gross net operating losses at BPG that are offset by a $1 million valuation allowance. OneDigital has a deferred tax asset for state net operating losses; however, it is largely offset by a $1 million valuation allowance.

At December 31, 2016 and 2015 , we had $ 41 million and $ 43 million of tax credits, respectively. The credits primarily consist of general business credits from acquisitions in the Restaurant Group. We anticipate that these credits will be utilized prior to expiration after a valuation allowance of $10 million on the general business credits.

Tax benefits of $21 million , and $16 million associated with the exercise of employee stock options and the vesting of restricted stock grants were allocated to equity for the years ended December 31, 2015 and 2014, respectively. For the year ended December 31, 2016 we have recorded $17 million in income tax benefit related to the tax effects associated with the exercise of stock options and vesting of restricted stock.

As of December 31, 2016 and 2015 , we had approximately $18 million (including interest of less than $1 million ) and $ 3 million (including interest of less than $ 1 million ), respectively, of total gross unrecognized tax benefits that, if recognized, would favorably affect our income tax rate. These amounts are reported on a gross basis and do not reflect a federal tax benefit on state income taxes. We record interest and penalties related to income taxes as a component of income tax expense.

The Internal Revenue Service (“IRS”) has selected us to participate in the Compliance Assurance Program that is a real-time audit. We are currently under audit by the Internal Revenue Service for the 2013 through 2017 tax years. We file income tax returns in various foreign and US state jurisdictions.

## Note L. Summary of Reserve for Claim Losses

A summary of the reserve for claim losses follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | (Dollars in millions) | | |
| Beginning balance | $ 1,583 | $ 1,621 | $ 1,636 |
| Reserve assumed, net (1) | — | — | 52 |
| Reinsurance recoverable | (8) | 1 | 7 |
| Claim loss provision related to: | | | |
| Current year | 236 | 224 | 202 |
| Prior years | (79) | 22 | 26 |
| Total title claim loss provision | 157 | 246 | 228 |
| Claims paid, net of recoupments related to: | | | |
| Current year | (10) | (7) | (5) |
| Prior years | (235) | (278) | (297) |
| Total title claims paid, net of recoupments | (245) | (285) | (302) |
| Ending balance of claim loss reserve for title insurance | $ 1,487 | $ 1,583 | $ 1,621 |
| Provision for title insurance claim losses as a percentage of title insurance premiums | 3.3% | 5.7% | 6.2% |

(1) Reserves of $ 54 million were acquired in the acquisition of LPS on January 2, 2014, and a reserve of $ 2 million was released due to the sale of a small title operation in 2014.

We continually update loss reserve estimates as new information becomes known, new loss patterns emerge, or as other contributing factors are considered and incorporated into the analysis of reserve for claim losses. 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.

During the quarter ended December 31, 2016, we released excess title reserves of $97 million in addition to reducing the current quarter to a 5.0% provision for claims losses. In response to favorable development on recent year claims, the average provision rate has decreased in 2015 and 2016.

Due to the uncertainty inherent in the process and to the judgment used by management, the ultimate liability may be greater or less than our current reserves. If actual claims loss development varies from what is currently expected and is not offset by other factors, it is possible that our recorded reserves may fall outside a reasonable range of our actuary's central estimate, which may require additional reserve adjustments in future periods.

## Note M. Commitments and Contingencies

*Legal and Regulatory Contingencies*

In the ordinary course of business, we are involved in various pending and threatened litigation matters related to our title operations, some of which include claims for punitive or exemplary damages. With respect to our title insurance operations, this customary litigation includes but is not limited to a wide variety of cases arising out of or related to title and escrow claims, for which we make provisions through our loss reserves. Additionally, like other companies, our ordinary course litigation includes a number of class action and purported class action lawsuits, which make allegations related to aspects of our operations. We believe that no actions, other than the matters discussed below, depart from customary litigation incidental to our business.

Our Restaurant Group companies are a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to injury or wrongful death under “dram shop” laws that allow a person to sue us based on any injury caused by an intoxicated person who was wrongfully served alcoholic beverages at one of the restaurants; individual and purported class or collective action claims alleging violation of federal and state employment, franchise and other laws; and claims from guests or employees alleging illness, injury or other food quality, health or operational concerns. Our Restaurant Group companies are also subject to compliance with extensive government laws and regulations related to employment practices and policies and the manufacture, preparation, and sale of food and alcohol. We may also become subject to lawsuits and other proceedings, as well as card network fines and penalties, arising out of the actual or alleged theft of our customers' credit or debit card information.

We review lawsuits and other legal and regulatory matters (collectively “legal proceedings”) on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings in which it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts and which represents our best estimate has been recorded. Our accrual for legal and regulatory matters was $69 million and $75 million as of December 31, 2016 and 2015 , respectively. None of the amounts we have currently recorded are considered to be material to our financial condition individually or in the aggregate. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending legal proceedings is generally not yet determinable. While some of these matters could be material to our operating results or cash flows for any particular period if an unfavorable outcome results, at present we do not believe that the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our financial condition.

Following a review by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and the Office of Thrift Supervision (collectively, the “banking agencies”), Lender Processing Services, Inc. (“LPS”) entered into a consent order dated April 13, 2011 (the "2011 Consent Order") with the banking agencies. The banking agencies’ review of LPS’s services included the services provided by LPS’s default operations to mortgage servicers regulated by the banking agencies, including document execution services. Under the 2011 Consent Order, LPS agreed to further study the issues identified in the review and to enhance LPS’s compliance, internal audit, risk management and board oversight plans with respect to those businesses. LPS also agreed to engage an independent third party to conduct a risk assessment and review of LPS’s default management businesses and the document execution services it provided to mortgage servicers from January 1, 2008 through December 31, 2010.

The document execution review by the independent third party was on indefinite hold since June 30, 2013 while the banking agencies considered what, if any, additional review work they would like the independent third party to undertake. The LPS default operations that were subject to the 2011 Consent Order were contributed to ServiceLink in connection with FNF's acquisition of LPS in January 2014. To the extent such review, once completed, required additional remediation of mortgage documents or identified any financial injury from the document execution services LPS provided, ServiceLink (as a result of the contribution of the underlying LPS business) agreed to implement an appropriate plan to address the issues. Although the 2011 Consent Order did not include any fine or other monetary penalty, the banking agencies reserved their right to impose civil monetary penalties at any time. Based on discussions with the banking agencies and actions taken by the banking agencies with respect to other companies, the Company believed the likelihood that the banking agencies would assess a civil monetary penalty was both probable and reasonably estimable, and ServiceLink included an estimate of such loss in its accrual for loss contingencies. The banking agencies notified ServiceLink in December 2015 that they wished to discuss amending the 2011 Consent Order through a possible agreed upon civil monetary penalty amount in lieu of requiring any additional document execution review by the independent third party. The parties entered into a tolling agreement to allow the parties to engage in these discussions. In the quarter ended December 31, 2016 ServiceLink adjusted the amount accrued in loss contingencies from $60 million to $65 million based on the ongoing discussions.

On January 24, 2017, the banking agencies and ServiceLink entered into an Amendment of Consent Order and Consent Order for Civil Money Penalty (“Amendment”). Pursuant to the Amendment, (1) the banking agencies assessed and ServiceLink has paid a civil money penalty of $65 million , (2) ServiceLink’s obligations under the 2011 Consent Order with respect to the document execution review have been terminated; and (3) the banking agencies have agreed they will not take any further action against ServiceLink or any of its current or former institution-affiliated parties, including without limitation, FNF and Black Knight Financial Services, Inc., based upon the conduct alleged in the 2011 Consent Order. The banking agencies continue to monitor ServiceLink’s compliance with certain other provisions of the 2011 Consent Order. Neither the Amendment nor the 2011 Consent Order makes any findings of fact or conclusions of wrongdoing, nor did LPS or ServiceLink admit any fault or liability. This matter is subject to a Cross-Indemnity Agreement dated December 22, 2014, between Black Knight Financial Services, LLC and ServiceLink Holdings, LLC.

On December 16, 2013, LPS received notice that Merion Capital, L.P. and Merion Capital II, L.P. (together "Merion Capital") were asserting their appraisal right relative to their ownership of 5,682,276 shares of LPS stock (the "Appraisal Shares") in connection with the acquisition of LPS by FNF on January 2, 2014. On February 6, 2014, Merion Capital filed an appraisal proceeding, captioned Merion Capital LP and Merion Capital II, LP v. Lender Processing Services, Inc., C.A. No. 9320-VCL, in the Delaware Court of Chancery seeking a judicial determination of the "fair" value of Merion Capital's 5,682,276 shares of LPS common stock under Delaware law, together with statutory interest. Merion's expert opined that the consideration should have been $50.46 per share, which was approximately 36 percent higher than the final consideration of $37.14 . The Company's position was that the merger consideration paid was fair value, and no additional consideration was owed. A bench trial was held in May 2016, and post-trial arguments were heard on September 21, 2016. On December 16, 2016, the trial court issued its decision that the fair value of the stock as of January 2, 2014, was $37.14 per share. The final judgment was entered on December 23, 2016, with the parties acknowledging that no further consideration was due as a result of the court's decision. Merion Capital did not appeal the judgment and time to do so has expired. This matter is now closed.

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

*Escrow Balances*

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 accompanying Consolidated Balance Sheets, consistent with Generally Accepted Accounting Principles and industry practice. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to $ 14.0 billion at December 31, 2016 . 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, 2016 and 2015 related to these arrangements.

*Operating Leases*

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

| | |
|---|---|
| 2017 | $ 206 |
| 2018 | 175 |
| 2019 | 144 |
| 2020 | 110 |
| 2021 | 78 |
| Thereafter | 209 |
| Total future minimum operating lease payments | $ 922 |

Rent expense incurred under operating leases during the years ended December 31, 2016 , 2015 and 2014 was $ 143 million, $ 136 million, and $ 130 million, respectively. Rent expense in 2016 , 2015 , and 2014 includes abandoned lease charges related to office closures of $ 7 million, $ 1 million, and $ 4 million, respectively.

*Unconditional Purchase Obligations*

The Restaurant Group has unconditional purchase obligations with various vendors. These purchase obligations are primarily food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. We used both historical and projected volume and pricing as of December 31, 2016 to determine the amount of the obligations. Black Knight has data processing and maintenance commitments with various vendors. We used current outstanding contracts with the vendors to determine the amount of the obligations.

Purchase obligations as of December 31, 2016 are as follows (in millions):

| | |
|---|---|
| 2017 | $ 228 |
| 2018 | 78 |
| 2019 | 17 |
| 2020 | 9 |
| 2021 | 1 |
| Thereafter | — |
| Total purchase commitments | $ 333 |

## Note N. Regulation and Equity

*Regulation*

Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, 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 enter into transactions with affiliates. 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. The process of state regulation of changes in rates ranges from states which set rates, to states where individual companies or associations of companies prepare rate filings which are submitted for approval, to a few states in which rate changes do not need to be filed for approval.

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

Pursuant to statutory accounting requirements of the various states in which our insurers are domiciled, these insurers 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, 2016 , the combined statutory unearned premium reserve required and reported for our title insurers was $ 1,750 million . In addition to statutory unearned premium reserves, each of our insurers maintains reserves for known claims and surplus funds for policyholder protection and business operations.

Each of our insurance subsidiaries is regulated by the insurance regulatory authority in its respective state of domicile, as well as that of each state in which it is licensed. The insurance commissioners of their respective states of domicile are the primary regulators of our title insurance subsidiaries. Each of the insurers is subject to periodic regulatory financial examination by regulatory authorities.

Our 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, 2016 , $ 2,149 million of our net assets are restricted from dividend payments without prior approval from the Departments of Insurance. During 2017 , our title insurers can pay or make distributions to us of approximately $ 372 million, without prior approval.

Three of the Company’s title insurance underwriters, Fidelity National Title Insurance Company, Chicago Title Insurance Company and Commonwealth Land Title Insurance Company, have filed applications to redomesticate from their existing states of domicile to a new state of domicile. The anticipated redomestications are subject to prior regulatory approval, which may be received in the first quarter of 2017. If the anticipated redomestications are approved, the Company may receive a special dividend from the title insurance underwriters in 2017 related to such redomestication. This special dividend would be due in part to differences in the laws among the states of domicile.

The combined statutory capital and surplus of our title insurers was approximately $ 1,469 million and $ 1,412 million as of December 31, 2016 and 2015 , respectively. The combined statutory net earnings of our title insurance subsidiaries were $ 541 million, $ 381 million, and $ 276 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively.

Statutory-basis financial statements are prepared in accordance with accounting practices prescribed or permitted by the various state insurance regulatory authorities. The National Association of Insurance Commissioners' (“NAIC” *) Accounting Practices and Procedures* manual (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by each of the states that regulate us. Each of our states of domicile for our title insurance underwriter subsidiaries have adopted a material prescribed accounting practice that differs from that found in NAIC SAP. Specifically, in both years the timing of amounts released from the statutory unearned premium reserve under NAIC SAP differs from the states' required practice. Statutory surplus at December 31, 2016 and 2015 , respectively, was lower by approximately $ 207 million and $ 206 million than if we had reported such amounts in accordance with NAIC SAP.

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

Pursuant to statutory requirements of the various states in which our insurers are domiciled, such insurers must maintain certain levels of minimum capital and surplus. Required levels of minimum capital and surplus are not significant to the insurers individually or in the aggregate. Each of our insurers has complied with the minimum statutory requirements as of December 31, 2016 .

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 requirements for each underwritten title company is less than $ 1 million . These companies were in compliance with their respective minimum net worth requirements at December 31, 2016 .

There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders although there are limits on the ability of certain subsidiaries to pay dividends to us, as described above.

*Equity*

On October 28, 2014, our Board of Directors approved a three -year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock. We exhausted all available repurchases under this program during February 2016. On February 18, 2016, our Board of Directors approved a new FNFV Group three-year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock in privately negotiated transactions through February 28, 2019. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2016 , we repurchased a total of 5,651,518 shares for $62 million , or an average of $10.94 per share under this program. Since the original commencement of the plan adopted February 18, 2016, we have repurchased a total of 3,955,000 shares for $45 million , or an average of $11.40 per share, and there are 11,045,000 shares available to be repurchased under this program.

On July 20, 2015, our Board of Directors approved a new three -year stock repurchase program under which we can purchase up to 25 million shares of our FNF Group common stock through July 30, 2018. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2016 , we repurchased a total 6,014,000 FNF Group shares under these programs for $206 million , or an average price of $34.26 per share. Since the original commencement of the plan, we have repurchased a total of 10,589,000 FNF common shares for $372 million , or an average of $35.10 per share, and there are 14,411,000 shares available to be repurchased under this program.

On September 16, 2015, J. Alexander's and FNF entered into a Separation and Distribution Agreement, pursuant to which FNF agreed to distribute one hundred percent ( 100% ) of its shares of J. Alexander's common stock, on a pro rata basis, to the holders of FNFV common stock. Holders of FNFV common stock received, as a distribution from FNF, approximately 0.17272 shares of J. Alexander’s common stock for every one share of FNFV common stock held at the close of business on September 22, 2015, the record date for the distribution (the “Distribution”). The Distribution was made on September 28, 2015. As a result of the Distribution, J. Alexander's is now an independent public company and its common stock is listed under the symbol “JAX” on the New York Stock Exchange. The Distribution was generally tax-free to FNFV shareholders for U.S. federal income tax purposes, except to the extent of any cash received in lieu of J. Alexander's fractional shares.

On May 26, 2015, Black Knight closed its initial public offering ("IPO") of 20,700,000 shares of Class A common stock at a price to the public of $24.50 per share, which included 2,700,000 shares of Class A common stock issued upon the exercise in full of the underwriters' option to purchase additional shares. Black Knight received net proceeds of $475 million from the offering, after deduction of underwriter discount and expenses. In connection with the IPO, Black Knight amended and restated its certificate of incorporation to authorize the issuance of two classes of common stock, Class A common stock and Class B common stock, which will generally vote together as a single class on all matters submitted for a vote to stockholders. As a result, Black Knight issued shares of Class B common stock to us, and certain Thomas H. Lee Partners affiliates, as the holders of membership interests in Black Knight Financial Services, LLC ("BKFS, LLC") prior to the IPO. Class B common stock is not publicly traded and does not entitle the holders thereof to any of the economic rights, including rights to dividends and distributions upon liquidation that would be provided to holders of Class A common stock. Prior to the IPO, we owned 67% of the membership interests in BKFS, LLC. Following the IPO, we owned 55% of the outstanding shares of Black Knight in the form of Class B common stock, with a corresponding ownership interest in BKFS, LLC.

On March 20, 2015, we completed our tender offer to purchase shares of FNFV stock. As a result of the offer, we accepted for purchase 12,333,333 shares of FNFV Group Common Stock for a purchase price of $ 15.00 per common share, for a total aggregate cost of $185 million , excluding fees and expenses related to the tender offer.

On December 31, 2014, we completed the Remy Spin-off of all of the outstanding shares of common stock of our previously owned subsidiary New Remy, a manufacturer and distributer of auto parts, to FNFV shareholders. See Note A for further discussion on the Remy Spin-off.

On June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. We issued 277,462,875 shares of FNF Group common stock and 91,711,237 shares of FNFV Group common stock. See Note A for further discussion on the recapitalization of FNF common stock.

On January 2, 2014, we completed the purchase of LPS. As part of the consideration, $839 million or 25,920,078 shares of Old FNF common stock was issued to LPS shareholders.

## Note O. Employee Benefit Plans

***Stock Purchase Plan***

During the three-year period ended December 31, 2016 , our eligible employees could voluntarily participate in employee stock purchase plans (“ESPPs”) sponsored by us and our subsidiaries. Pursuant to the ESPPs, employees may contribute an amount between 3% and 15% of their base salary and certain commissions. We contribute varying amounts as specified in the ESPPs.

We contributed $ 25 million, $ 21 million, and $ 18 million to the ESPPs in the years ended December 31, 2016 , 2015 , and 2014 , respectively, in accordance with the employer’s matching contribution.

***401(k) Profit Sharing Plan***

During the three-year period ended December 31, 2016 , we have offered our employees the opportunity to participate in our 401(k) profit sharing plans (the “401(k) Plan”), qualified voluntary contributory savings plans which are available to substantially all of our employees. Eligible employees may contribute up to 40% of their pretax annual compensation, up to the amount allowed pursuant to the Internal Revenue Code. Beginning in 2012, we initiated an employer match on the 401(k) Plan whereby we matched $0.25 on each $1.00 contributed up to the first 6% of eligible earnings contributed to the 401(k) Plan. Effective April 1, 2013, we increased the employer match from $0.25 to $0.375 on each $1.00 contributed up to the first 6% of eligible earnings contributed to the 401 (k) Plan. On June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Participants in the FNF 401(k) Plan received one share of FNF Group Common Stock and 0.3333 of a share of FNFV Group Common Stock for each share of Old FNF common stock that they held at the close of business on June 30, 2014. The employer match for the years ended December 31, 2016 , 2015 and 2014 was $ 31 million , $28 million and $25 million , respectively, that was credited based on the participant's individual investment elections in the FNF 401(k) Plan. Prior to July 1, 2014, the employer match was credited to the FNF Stock Fund.

***Omnibus Incentive Plan***

In 2005, we established the FNT 2005 Omnibus Incentive Plan (the “Omnibus Plan”) authorizing the issuance of up to 8 million shares of common stock, subject to the terms of the Omnibus Plan. On October 23, 2006, the shareholders of FNF approved an amendment to increase the number of shares available for issuance under the Omnibus Plan by 16 million shares. The increase was in part to provide capacity for options and restricted stock to be issued to replace Old FNF options and restricted stock. On May 29, 2008, May 25, 2011, May 22, 2013, and June 15, 2016 the shareholders of FNF approved amendments to increase the number of shares for issuance under the Omnibus Plan by 11 million , 6 million , 6 million and 10 million shares, respectively. The primary purpose of the increases were to assure that we had adequate means to provide equity incentive compensation to our employees on a going-forward basis. The Omnibus Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units and performance shares, performance units, other cash and stock-based awards and dividend equivalents. As of December 31, 2016 , there were 1,471,673 shares of restricted stock and 7,481,683 stock options outstanding under this plan. Awards granted are approved by the Compensation Committee of the Board of Directors. Options vest over a 3 year period and have a contractual life o f 7 years. The exercise price for options granted equals the market price of the underlying stock on the grant date. Stock option grants vest according to certain time based and operating performance criteria. Option exercises by participants are settled on the open market.

On June 30, 2014, we completed the recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Each share of the previously outstanding FNF Class A common stock ("Old FNF common stock") was converted into one share of FNF Group common stock, which now trades on the New York Stock Exchange under the current trading symbol "FNF," and 0.3333 of a share of FNFV Group common stock. All participants in the stock option and restricted stock plans at the time of the recapitalization were granted a one-time grant of additional FNF Group options and restricted shares. The grant was made in order for each participant to maintain their current intrinsic value in the plan. This one-time grant did not result in any additional compensation for the employees participating in the plan. Awards granted are determined and approved by the Compensation Committee of the Board of Directors.

FNF Group stock option transactions under the Omnibus Plan for 2014 , 2015 , and 2016 are as follows:

| | Options | Weighted Average Exercise Price | Exercisable |
|---|---|---|---|
| Balance, December 31, 2013 | 9,358,740 | $ 20.15 | 5,180,504 |
| Granted | 1,112,133 | 29.80 | |
| Options granted for FNFV recapitalization | 1,346,302 | 17.86 | |
| Exercised | (2,418,713) | 15.80 | |
| Canceled | (5,251) | 23.85 | |
| Balance, December 31, 2014 | 9,393,211 | $ 19.43 | 5,173,802 |
| Granted | 1,886,320 | 34.84 | |
| Exercised | (1,966,937) | 12.96 | |
| Canceled | (12,085) | 26.62 | |
| Balance, December 31, 2015 | 9,300,509 | $ 23.92 | 5,256,426 |
| Granted | 35,000 | 35.63 | |
| Exercised | (1,846,153) | 10.12 | |
| Canceled | (7,673) | 26.17 | |
| Balance, December 31, 2016 | 7,481,683 | $ 27.38 | 5,821,592 |

FNF Group restricted stock transactions under the Omnibus Plan in 2014 , 2015 , and 2016 are as follows:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Balance, December 31, 2013 | 1,913,072 | $ 22.68 |
| Granted | 785,705 | 29.80 |
| Restricted shares granted for FNFV recapitalization | 363,392 | 28.46 |
| Canceled | (4,656) | 21.29 |
| Vested | (1,286,732) | 17.33 |
| Balance, December 31, 2014 | 1,770,781 | $ 25.08 |
| Granted | 613,960 | 34.84 |
| Canceled | (10,105) | 26.14 |
| Vested | (982,762) | 23.00 |
| Balance, December 31, 2015 | 1,391,874 | $ 30.85 |
| Granted | 803,292 | 34.54 |
| Canceled | (3,266) | 28.07 |
| Vested | (720,227) | 28.97 |
| Balance, December 31, 2016 | 1,471,673 | $ 33.79 |

FNFV restricted stock transactions under the Omnibus Plan in 2014 , 2015 , and 2016 are as follows:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Balance, December 31, 2013 | — | $ — |
| Granted | 1,233,333 | 14.69 |
| Canceled | — | — |
| Vested | — | — |
| Balance, December 31, 2014 | 1,233,333 | $ 14.69 |
| Granted | — | — |
| Canceled | (31,746) | 14.69 |
| Vested | (411,109) | 14.69 |
| Balance, December 31, 2015 | 790,478 | $ 14.69 |
| Granted | — | — |
| Canceled | — | — |
| Vested | (395,237) | 14.69 |
| Balance, December 31, 2016 | 395,241 | $ 14.69 |

The following table summarizes information related to stock options outstanding and exercisable as of December 31, 2016 :

| | Options Outstanding | | | | Options Exercisable | | | |
|---|---|---|---|---|---|---|---|---|
| Range of Exercise Prices | Number of Options | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Intrinsic Value | Number of Options | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Intrinsic Value |
| | | | | (In millions) | | | | (In millions) |
| $0.00 — $19.62 | 629,393 | 2.85 | $ 19.62 | $ 9 | 629,393 | 2.85 | $ 19.62 | $ 9 |
| $19.63 — $24.24 | 3,853,723 | 3.89 | 24.24 | 37 | 3,853,723 | 3.89 | 24.24 | 37 |
| $24.25 — $29.80 | 1,077,247 | 4.84 | 29.80 | 5 | 709,746 | 4.84 | 29.80 | 3 |
| $29.81 — $32.94 | 5,000 | 6.23 | 32.94 | — | — | — | — | — |
| $32.95 — $34.58 | 10,000 | 6.98 | 34.58 | — | — | — | — | — |
| $34.59 — $34.84 | 1,886,320 | 5.83 | 34.84 | — | 628,730 | 5.83 | 34.84 | — |
| $35.85 — $36.83 | 20,000 | 6.55 | 36.83 | — | — | — | — | — |
| | 7,481,683 | | | $ 51 | 5,821,592 | | | $ 49 |

We account for stock-based compensation plans in accordance with GAAP on share-based payments, which requires that compensation cost relating to share-based payments be recognized in the consolidated financial statements based on the fair value of each award. Using 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. Fair value of restricted stock awards and units is based on the grant date value of the underlying stock derived from quoted market prices. Option awards are measured at fair value on the grant date using the Black Scholes Option Pricing Model. Net earnings attributable to FNF Shareholders reflects stock-based compensation expense amounts of $ 58 million for the year ended December 31, 2016 , $ 56 million for the year ended December 31, 2015 , and $51 million for the year ended December 31, 2014 , which are included in personnel costs in the reported financial results of each period.

The risk free interest rates used in the calculation of compensation cost on stock options are the rates that correspond to the weighted average expected life of an option. The volatility was estimated based on the historical volatility of FNF's stock price over a term equal to the weighted average expected life of the options. The financial statement effects of the stock options granted in 2016 are not considered material to our current or future financial condition or results of operations. For options granted in the years ended December 31, 2015 , and 2014 , we used risk free interest rates of 1.4% , and 1.5% , respectively; volatility factors for the expected market price of the common stock of 22% , and 24% , respectively; expected dividend yields of 2.4% , and 2.6% , respectively; and weighted average expected lives of 4.6 years, and 4.6 years, respectively. The weighted average fair value of each option granted in the years ended December 31, 2015 , and 2014 , were $ 5.15 , and $ 4.81 , respectively.

At December 31, 2016 , the total unrecognized compensation cost related to non-vested stock option grants and restricted stock grants is $ 59 million , which is expected to be recognized in pre-tax income over a weighted average period of 1.61 years.

***Profits Interests Plan***

As of December 31, 2016 and 2015 there were 10 million profits interests outstanding in ServiceLink and no profits interest outstanding in Black Knight. The profits interests were issued to certain members of management, directors, and certain employees, and vest over 3 years, with 50% vesting after the second year and 50% vesting after the third year. The terms of the profits interest grants provide for the grantees to participate in any incremental value of Black Knight and ServiceLink in excess of its fair value at the date of grant in proportion to the Class A member unit holders participation in the same. The fair values of Black Knight and ServiceLink at the date of grant is otherwise known as the hurdle amount. Profits interests granted are determined and approved by the Compensation Committee of the Board of Directors. Once vested, Class B units are not subject to expiration. The Class B units may be settled under various scenarios. According to the terms of the Profits Interest Plan (or the "Plan") and depending on the scenario, the Class B units may be settled in shares of FNF Group common stock or cash at our election. The profits interest in Black Knight were converted to restricted stock units upon their initial public offering in 2015.

The profits interest holders have an option to put their profits interests to us if no public offering of the corresponding businesses has been consummated after four years from the date of grant. The units may be settled in cash or FNF Group common stock or a combination of both at our election and will be settled at the current fair value at the time we receive notice of the put election. The fair value will be determined by the parties or by a third party appraisal under the terms of the Plan. As the profits interests provide for redemption features not solely within our control, we classify the redemption value outside of permanent equity in redeemable noncontrolling interests. The redemption value is equal to the difference in the per unit fair value of the underlying member units and the hurdle amount, based upon the proportionate required service period rendered to date.

We account for the profits interests granted to employees and directors in accordance with GAAP on share-based payments, which requires that compensation cost relating to share-based payments made to employees and directors be recognized in the consolidated financial statements based on the fair value of each award. Using 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. We utilized the Black-Scholes model to calculate the fair value of the profits interests' awards on the date of grant ("Calculation").

The hurdle rate as of the date of grant was used to determine the per unit strike price for the Calculation. The risk free interest rates used in the calculation of the fair value of profits interests are the rates that correspond to the weighted average expected life of the profits interests. The volatility was estimated based on the historical volatility of Black Knight and ServiceLink peers and of the historical LPS stock price over a term equal to the weighted average expected life of the profits interests. We used a weighted average risk free interest rate of 1.06% , a volatility factor for the expected market price of the member units of 33.3% and a weighted average expected life of 3.5 years with a discount of 22.0 % for lack of marketability, resulting in a weighted average fair value of $ 2.04 per profits interests unit granted. There was no redemption value of the outstanding profits interests as of December 31, 2016 as the fair value of ServiceLink was less than the hurdle rate.

Profits interest expense is included in Personnel costs in the Consolidated Statements of Earnings and Non-controlling interest in the Consolidated Statements of Equity. Net earnings from continuing operations reflect profits interest expense of $11 million and $13 million for the years ended December 31, 2016 and 2015 , respectively.

As of December 31, 2016 , the total unrecognized compensation cost related to non-vested profits interests grants is $1 million which is expected to be recognized in pre-tax income over a weighted average period of less than 1 year.

***Pension Plans***

In 2000, FNF merged with Chicago Title Corporation ("Chicago Title"). In connection with the merger, we assumed Chicago Title's noncontributory defined contribution plan and noncontributory defined benefit pension plan (the "Pension Plan"). The Pension Plan covers certain Chicago Title employees. The 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 accumulated benefit obligation is the same as the projected benefit obligation due to the pension plan being frozen as of December 31, 2000. Pursuant to GAAP on employers' accounting for defined benefit pension and other post retirement plans, the measurement date is December 31.

The net pension liability included in Accounts payable and other accrued liabilities as of December 31, 2016 , and 2015 was $ 11 million and $ 13 million, respectively. The discount rate used to determine the benefit obligation as of the years ended December 31, 2016 and 2015 wa s 3.54% and 3.72% , respectively. As of the years ended December 31, 2016 and 2015 the projected benefit obligation was $ 168 million and $ 172 million, respectively, and the fair value of plan assets was $ 157 million and $ 159 million, respectively. The net periodic expense included in the results of operations relating to these plans was $6 m illion, $8 million, and $6 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively.

***Postretirement and Other Nonqualified Employee Benefit Plans***

We assumed certain health care and life insurance benefits for retired Chicago Title employees in connection with the FNF merger with Chicago Title. Beginning on January 1, 2001, these benefits were offered to all employees who met specific eligibility requirements. Additionally, in connection with the acquisition of LandAmerica Financial Group's two principal title insurance underwriters, Commonwealth Land Title Insurance Company and Lawyers Title Insurance Corporation , as well as United Capital Title Insurance Company (collectively, the "LFG Underwriters"), we assumed certain of the LFG Underwriters' nonqualified benefit plans, which provide various postretirement benefits to certain executives and retirees. The costs of these benefit plans are accrued during the periods the employees render service. We are both self-insured and fully insured for 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 primarily contributory, with coverage amounts declining with increases in a retiree's age. The aggregate benefit obligation for these plans was $ 14 million at December 31, 2016 and $17 million at December 31, 2015 . The net costs relating to these plans were immaterial for the years ended December 31, 2016 , 2015 , and 2014 .

**Note P. 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, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | | (In millions) | |
| Cash paid during the year: | | | |
| Interest | $ 125 | $ 124 | $ 140 |
| Income taxes | 367 | 250 | 75 |
| | | | |
| Non-cash investing and financing activities: | | | |
| Investing activities: | | | |
| Change in proceeds of sales of investments available for sale receivable in period | $ 7 | $ (25) | $ 3 |
| Change in purchases of investments available for sale payable in period | 19 | (2) | 5 |
| | | | |
| Financing activities: | | | |
| Liabilities assumed in connection with acquisitions (1): | | | |
| Fair value of net assets acquired | $ 625 | $ 155 | $ 5,250 |
| Less: Total purchase price | 557 | 111 | 2,363 |
| Liabilities and noncontrolling interests assumed | $ 68 | $ 44 | $ 2,887 |
| Change in treasury stock purchases payable in period | $ 8 | $ (7) | $ — |

(1) See Note B for further discussion of assets and liabilities acquired in business combinations in the current year.

**Note Q. Financial Instruments with Off-Balance Sheet Risk and Concentration of Risk**

*Title*

In the normal course of business we and certain of our subsidiaries enter into off-balance sheet credit arrangements associated with certain aspects of the title insurance business and other activities.

We generate a significant amount of title insurance premiums in California, Texas, New York and Florida. Title insurance premiums as a percentage of the total title insurance premiums written from those four states are detailed as follows:

| | 2016 | 2015 | 2014 |
|---|---|---|---|
| California | 14.6% | 15.1% | 15.0% |
| Texas | 14.2% | 14.4% | 15.4% |
| New York | 7.1% | 8.1% | 7.9% |
| Florida | 7.7% | 8.1% | 7.8% |

Black Knight generates a significant amount of its revenues from large customers, including a customer that accounted for 12% of its revenues for the years ended December 31, 2016 and 2015, respectively. Black Knight also had two large customers that accounted for 14% and 12% of its revenues in the year ended December 31, 2014.

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents, short-term investments, and trade receivables.

We place cash equivalents and short-term investments with high credit quality financial institutions and, by policy, limit 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 our customer base, thus spreading the trade receivables credit risk. We control credit risk through monitoring procedures.

## Note R. Segment Information

On January 2, 2014, we acquired LPS. As a result we created a new segment in 2014, Black Knight, which contains the technology, data and analytics operations of the former LPS company. We have combined the acquired transaction services business of LPS with our existing ServiceLink operations which reside in the Title segment.

During the fourth quarter of 2015, we determined that Pacific Union International, Inc. ("Pacific Union"), a luxury real estate broker based in California in which we acquired a controlling stake in December 2014, better aligned with the businesses within our FNF Core Corporate and Other segment. Because of the timing of the acquisition, we did not record any of the results of the operations of Pacific Union in 2014. Pacific Union's Total assets of $48 million and Goodwill of $40 million as of December 31, 2014 were previously included in the Title segment, but have been reclassified to the FNF Core Corporate and Other segment in the tables below.

Summarized financial information concerning our reportable segments is shown in the following tables. There are several intercompany corporate related arrangements between our various FNF Core businesses. The effects of these arrangements including intercompany notes and related interest and any other non-operational intercompany revenues and expenses have been eliminated in the segment presentations below.

As of and for the year ended December 31, 2016 :

| | Title | Black Knight | FNF Core Corporate and Other | **Total FNF Core** | Restaurant Group | FNFV Corporate and Other | **Total FNFV** | **Total** |
|---|---|---|---|---|---|---|---|---|
| | | | | **(In millions)** | | | | |
| Title premiums | $ 4,723 | $ — | $ — | **$ 4,723** | $ — | $ — | **$ —** | **$ 4,723** |
| Other revenues | 2,128 | 1,026 | 224 | **3,378** | — | 168 | **168** | **3,546** |
| Restaurant revenues | — | — | — | **—** | 1,158 | — | **1,158** | **1,158** |
| Revenues from external customers | 6,851 | 1,026 | 224 | **8,101** | 1,158 | 168 | **1,326** | **9,427** |
| Interest and investment income (loss), including realized gains and losses | 127 | — | (9) | **118** | (6) | 15 | **9** | **127** |
| Total revenues | 6,978 | 1,026 | 215 | **8,219** | 1,152 | 183 | **1,335** | **9,554** |
| Depreciation and amortization | 148 | 208 | 13 | **369** | 42 | 20 | **62** | **431** |
| Interest expense | — | 64 | 62 | **126** | 5 | 5 | **10** | **136** |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates | 1,025 | 161 | (122) | **1,064** | 1 | 7 | **8** | **1,072** |
| Income tax expense (benefit) | 386 | 52 | (55) | **383** | 1 | (12) | **(11)** | **372** |
| Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates | 639 | 109 | (67) | **681** | — | 19 | **19** | **700** |
| Equity in earnings (loss) of unconsolidated affiliates | 13 | — | 2 | **15** | — | (23) | **(23)** | **(8)** |
| Earnings (loss) from continuing operations | $ 652 | $ 109 | $ (65) | **$ 696** | $ — | $ (4) | **$ (4)** | **$ 692** |
| Assets | $ 8,756 | $ 3,758 | $ 549 | **$ 13,063** | $ 486 | $ 914 | **$ 1,400** | **$ 14,463** |
| Goodwill | 2,345 | 2,304 | 210 | **4,859** | 102 | 104 | **206** | **5,065** |

As of and for the year ended December 31, 2015 :

| | Title | Black Knight | FNF Core Corporate and Other | **Total FNF Core** | Restaurant Group | FNFV Corporate and Other | **Total FNFV** | **Total** |
|---|---|---|---|---|---|---|---|---|
| | | | | **(In millions)** | | | | |
| Title premiums | $ 4,286 | $ — | $ — | **$ 4,286** | $ — | $ — | **$ —** | **$ 4,286** |
| Other revenues | 2,005 | 931 | 185 | **3,121** | — | 203 | **203** | **3,324** |
| Restaurant revenues | — | — | — | **—** | 1,412 | — | **1,412** | **1,412** |
| Revenues from external customers | 6,291 | 931 | 185 | **7,407** | 1,412 | 203 | **1,615** | **9,022** |
| Interest and investment income (loss), including realized gains and losses | 137 | (5) | (5) | **127** | (19) | 2 | **(17)** | **110** |
| Total revenues | 6,428 | 926 | 180 | **7,534** | 1,393 | 205 | **1,598** | **9,132** |
| Depreciation and amortization | 144 | 194 | 7 | **345** | 49 | 16 | **65** | **410** |
| Interest expense | — | 50 | 72 | **122** | 6 | 3 | **9** | **131** |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates | 836 | 139 | (113) | **862** | 7 | (2) | **5** | **867** |
| Income tax expense (benefit) | 305 | 35 | (30) | **310** | (2) | (18) | **(20)** | **290** |
| Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates | 531 | 104 | (83) | **552** | 9 | 16 | **25** | **577** |
| Equity in earnings (loss) of unconsolidated affiliates | 6 | — | — | **6** | — | (22) | **(22)** | **(16)** |
| Earnings (loss) from continuing operations | $ 537 | $ 104 | $ (83) | **$ 558** | $ 9 | $ (6) | **$ 3** | **$ 561** |
| Assets | $ 8,533 | $ 3,703 | $ 266 | **$ 12,502** | $ 508 | $ 921 | **$ 1,429** | **$ 13,931** |
| Goodwill | 2,303 | 2,220 | 45 | **4,568** | 103 | 85 | **188** | **4,756** |

As of and for the year ended December 31, 2014 :

| | Title | BKFS | FNF Core Corporate and Other | **Total FNF Core** | Restaurant Group | FNFV Corporate and Other | **Total FNFV** | **Total** |
|---|---|---|---|---|---|---|---|---|
| | | | | **(In millions)** | | | | |
| Title premiums | $ 3,671 | $ — | $ — | **$ 3,671** | $ — | $ — | **$ —** | **$ 3,671** |
| Other revenues | 1,855 | 852 | (13) | **2,694** | — | 110 | **110** | **2,804** |
| Restaurant revenues | — | — | — | **—** | 1,436 | — | **1,436** | **1,436** |
| Revenues from external customers | 5,526 | 852 | (13) | **6,365** | 1,436 | 110 | **1,546** | **7,911** |
| Interest and investment income (loss), including realized gains and losses | 118 | — | 7 | **125** | (13) | 1 | **(12)** | **113** |
| Total revenues | 5,644 | 852 | (6) | **6,490** | 1,423 | 111 | **1,534** | **8,024** |
| Depreciation and amortization | 145 | 188 | 3 | **336** | 52 | 15 | **67** | **403** |
| Interest expense | — | 31 | 91 | **122** | 8 | (3) | **5** | **127** |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings of unconsolidated affiliates | 534 | (15) | (113) | **406** | 13 | (27) | **(14)** | **392** |
| Income tax expense (benefit) | 192 | (7) | (23) | **162** | 1 | 149 | **150** | **312** |
| Earnings (loss) from continuing operations, before equity in earnings of unconsolidated affiliates | 342 | (8) | (90) | **244** | 12 | (176) | **(164)** | **80** |
| Equity in earnings (loss) of unconsolidated affiliates | 4 | — | — | **4** | — | 428 | **428** | **432** |
| Earnings (loss) from continuing operations | $ 346 | $ (8) | $ (90) | **$ 248** | $ 12 | $ 252 | **$ 264** | **$ 512** |
| Assets | $ 8,250 | $ 3,598 | $ 78 | **$ 11,926** | $ 658 | $ 1,261 | **$1,919** | **$ 13,845** |
| Goodwill | 2,249 | 2,219 | 43 | **4,511** | 119 | 87 | **206** | **4,717** |

The activities in our segments include the following:

**FNF Core Operations**

- *Title.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title-related services including trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty products. This segment also includes our transaction services business, which includes other title-related services used in the production and management of mortgage loans, including mortgage loans that experience default.

- *Black Knight.* This segment consists of the operations of Black Knight, which, through leading software systems and information solutions, provides mission critical technology and data and analytics services that facilitate and automate many of the business processes across the life cycle of a mortgage.

- *FNF Group Corporate and Other.* This segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other real estate operations.

**FNFV**

- *Restaurant Group.* This segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH and its affiliates are the owners and operators of the O'Charley's, Ninety Nine Restaurants, Village Inn, Bakers Square, and Legendary Baking restaurant and food service concepts. This segment also included the results of operations of J. Alexander's, Inc. ("J. Alexander's") through the date which it was distributed to FNFV shareholders, September 28, 2015, and the Max & Erma's concept, which was sold pursuant to an Asset Purchase Agreement on January 25, 2016.

- *FNFV Corporate and Other.* This segment primarily consists of our share in the operations of certain equity investments, including Ceridian, as well as consolidated investments, including OneDigital, in which we own 96% , and other smaller investments which are not title-related.

**Note S. Recent Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* . This ASU provides a new comprehensive revenue recognition model that requires companies to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This update also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. This update permits the use of either the retrospective or cumulative effect transition method. ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations* was issued by FASB in March 2016 to clarify the principal versus agent considerations within ASU 2014-09. ASU 2016-10 *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* was issued by the FASB in April 2016 to clarify how to determine whether goods and services are separately identifiable and thus accounted for as separate performance obligations. ASU 2016-12 *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* was issued by the FASB in May 2016 to clarify certain terms from the aforementioned updates and to add practical expedients for contracts at various stages of completion. ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers* , was issued by the FASB in December 2016 which includes thirteen technical corrections and improvements affecting narrow aspects of the guidance issued in ASU 2014-09. We continue to evaluate the impact these standards will have on our consolidated financial statements and related disclosures. We have completed our analysis of the impact of the standards for over 80% of our revenue, including all revenue recorded within direct title insurance premiums, agency title insurance premiums and restaurant revenue, and have concluded that these standards will not have a material impact on our accounting or reporting for these revenue streams. We continue to analyze certain revenue streams recorded within escrow, title-related and other fees, including our Black Knight segment, and certain other fee income generated by ServiceLink. Upon issuance of ASU 2015-14, the effective date of ASU 2014-09 was deferred to annual and interim periods beginning on or after December 15, 2017. We will adopt the guidance on January 1, 2018. Either of the following transition methods is permitted: (i) a full retrospective approach reflecting the application of the new standard in each prior reporting period, or (ii) a modified retrospective approach with a cumulative-effect adjustment to the opening balance of retained earnings in the year the new standard is first applied. We are continuing to evaluate the approach we will use when transitioning to this new guidance.

In February 2015, the FASB issued ASU No. 2015-02 *Consolidation (Topic 810): Amendments to the Consolidation Analysis* . This ASU changes the way reporting enterprises evaluate whether (a) they should consolidate limited partnerships and similar entities, (b) fees paid to a decision maker or service provider are variable interests in a variable interest entity (VIE), and (c) variable interests in a VIE held by related parties of the reporting enterprise require the reporting enterprise to consolidate the VIE. The ASU eliminates the ASU 2010-10 deferral of the ASU 2009-17 VIE consolidation requirements for certain investment companies and similar entities. In addition, the ASU excludes money market funds that are required to comply with Rule 2a-7 of the Investment Company Act of 1940, as amended, or that operate under requirements similar to those in Rule 2a-7 from the GAAP consolidation requirements. The ASU also significantly changes how to evaluate voting rights for entities that are not similar to limited partnerships when determining whether the entity is a VIE, which may affect entities for which the decision making rights are conveyed though a contractual arrangement. The update allows for the application of the amendments using a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the fiscal year of adoption or retrospective application for prior periods. This update is effective for annual and interim periods beginning on or after December 15, 2015. We adopted the update as of March 31, 2016. The update did not have a material effect on our financial position or results of operations. In October 2016, the FASB issued ASU No. 2016-17 *Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control,* which clarified certain aspects of assessing a VIE for consolidation as a decision maker when related party interests exist. This update is effective for annual periods beginning after December 15, 2016, including interim periods within those fiscal years. As we have already adopted ASU 2015-02, the ASU requires that adjustments resulting from adoption, if any, be applied retrospectively to all relevant prior periods presented beginning with the fiscal year in which the amendments in ASU 2015-02 initially were applied. The update did not have a material effect on our financial position or results of operations and no adjustments were made to prior periods.

In May 2015, the FASB issued ASU No. 2015-09 *Financial Services - Insurance (Topic 944): Disclosures about Short-Duration Contracts* . The amendments in this ASU require insurance entities to disclose for annual reporting periods additional information about the liability for unpaid claims and claim adjustment expenses related to short-duration contracts. The amendments also require insurance entities to disclose information about significant changes in methodologies and assumptions used to calculate the liability for unpaid claims and claim adjustment expenses. This update is effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016, with early application permitted. This update will not have a significant effect on our ongoing financial reporting as our primary insurance products are not short-duration contracts. Except for certain interim disclosure requirements, the adoption of this guidance will not impact our consolidated financial statements.

In September 2015, the FASB issued ASU No. 2015-16 *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments* . The amendments in this ASU require that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The acquirer will be required to record, in the same period’s financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. Entities will also be required to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. The amendments in this ASU are effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The ASU requires the prospective application of the amendments for adjustments to provisional amounts that occur after its effective date. We adopted the update as of March 31, 2016. The update did not have a material effect on our financial position or results of operations.

In January 2016, the FASB issued ASU No. 2016-01 *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* . The primary amendments required by the ASU include: requiring equity investments with readily determinable fair values to be measured at fair value through net income rather than through other comprehensive income; allowing entities with equity investments without readily determinable fair values to report the investments at cost, adjusted for changes in observable prices, less impairment; requiring entities that elect the fair value option for financial liabilities to report the change in fair value attributable to instrument-specific credit risk in other comprehensive income; and clarifying that entities should assess the need for a valuation allowance on a deferred tax asset related to available-for-sale debt securities in combination with other deferred tax assets. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The ASU requires a cumulative-effect adjustment of the balance sheet as of the beginning of the year of adoption. Early adoption of the ASU is not permitted, except for the provision related to financial liabilities for which the fair value option has been elected. We are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures and have not yet concluded on its effects.

In February 2016, the FASB issued ASU No. 2016-02 *Leases (Topic 842)* . The amendments in this ASU introduce broad changes to the accounting and reporting for leases by lessees. The main provisions of the new standard include: clarifications to the definitions of a lease, components of leases, and criteria for determining lease classification; requiring virtually all leased assets, including operating leases and related liabilities, to be reflected on the lessee's balance sheet; and expanding and adding to the required disclosures for lessees. This update is effective for annual and interim periods beginning after December 15, 2018, including interim periods within those fiscal years. Early application of the standard is permitted. The ASU requires a modified retrospective approach to transitioning which allows for the use of practical expedients to effectively account for leases commenced prior to the effective date in accordance with previous GAAP, except that lessees are required to recognize a right-of-use asset and a lease liability for all operating leases at each reporting date based on the present value of the remaining minimum rental payments that were tracked and disclosed under previous GAAP. We are still evaluating the totality of the effects this new guidance will have on our business process and systems, consolidated financial statements, related disclosures. We have identified a vendor with software suited to track and account for leases under the new standard. We have not concluded on the anticipated financial statement effects of adoption. We plan to adopt this standard on January 1, 2019. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-04 *Liabilities - Extinguishment of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products* . The primary amendment in this ASU will provide guidance for derecognition of prepaid stored-value product liabilities that meet certain criteria and was designed to alleviate diversity in practice under current GAAP. This update is effective for annual and interim periods beginning after December 15, 2017, including interim periods within those fiscal years. We do not expect this update to have a significant effect on our ongoing financial reporting as we do not have a significant liability for prepaid stored-value products.

In March 2016, the FASB issued ASU No. 2016-07 *Investments - Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting* . The primary amendment in this ASU is to eliminate the requirement to retroactively adopt the equity method of accounting. This update is effective for annual and interim periods beginning after December 15, 2016, including interim periods within those fiscal years. We adopted the update as of March 31, 2016. The update did not have a material effect on our financial position or results of operations.

In March 2016, the FASB issued ASU No. 2016-09 *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* . This standard makes several modifications to ASC Topic 718 related to the accounting for forfeitures, employer tax withholding on share-based compensation and the financial statement presentation of excess tax benefits or deficiencies. ASU No. 2016-09 also clarifies the statement of cash flows presentation for certain components of share-based awards. The standard is effective for interim and annual reporting periods beginning after December 15, 2016, with early adoption permitted. We adopted this ASU as of March 31, 2016. For the year ended December 31, 2016 we have recorded $17 million in income tax benefit related to the tax effects associated with the exercise of stock options and vesting of restricted stock within Income tax expense on the Consolidated Statement of Earnings. There was no impact to opening equity for the year ended December 31, 2016. There was no impact to net earnings for the year December 31, 2015 or 2014. The Consolidated Statements of Cash Flows for the years ended December 31, 2015 and 2014 have been restated to conform with the current period, which resulted in an increase to cash flows provided by operations and a (decrease) increase to cash flows (used in) provided by financing activities of $34 million and $27 million in 2015 and 2014, respectively. We did not change our accounting policy for estimating expected forfeitures of stock compensation.

In June 2016, the FASB issued ASU No. 2016-13 *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments* . The amendments in this ASU introduce broad changes to accounting for credit impairment of financial instruments. The primary updates include the introduction of a new current expected credit loss ("CECL") model that is based on expected rather than incurred losses and amendments to the accounting for impairment of debt securities available for sale. This update is effective for annual periods beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. We are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures and have not yet concluded on its effects. We do not plan to early adopt the standard.

In August 2016, the FASB issued ASU No. 2016-15 *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* . The amendments in this ASU introduce clarifications to the presentation of certain cash receipts and cash payments in the statement of cash flows. The primary updates include additions and clarifications of the classification of cash flows related to certain debt repayment activities, contingent consideration payments related to business combinations, proceeds from insurance policies, distributions from equity method investees, and cash flows related to securitized receivables. This update is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption of this ASU is permitted, including in interim periods. The ASU requires retrospective application to all prior periods presented upon adoption. We are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures and have not yet concluded on its effects.

In November 2016, the FASB issued ASU No. 2016-18 *Statement of Cash Flows (Topic 230): Restricted Cash* . The amendments in this ASU require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. GAAP currently does not include specific guidance on the cash flow classification and presentation of changes in restricted cash. The Company currently excludes cash pledged related to secured trust deposits, which generally meets the definition of restricted cash, from the reconciliation of beginning-of-period to end-of-period total amounts shown on the statement of cash flows. This update is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption of this ASU is permitted, including in interim periods. The ASU requires retrospective application to all prior periods presented upon adoption. We are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures and have not yet concluded on its effects.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* to assist companies with evaluating whether transactions should be accounted for as acquisitions of assets or businesses. The new guidance requires a company to evaluate if substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets; if so, the set of assets and activities is not a business. The guidance also requires a business to include at least one substantive process and narrows the definition of outputs by more closely aligning it with how outputs are described in the guidance for revenue from contracts with customers. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. The guidance should be applied prospectively to any transactions occurring within the period of adoption. We are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures and have not yet concluded on its effects.

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.* The guidance simplifies the measurement of goodwill impairment by removing step 2 of the goodwill impairment test, which requires the determination of the fair value of individual assets and liabilities of a reporting unit. The new guidance requires goodwill impairment to be measured as the amount by which a reporting unit's carrying value exceeds its fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The amendments should be applied on a prospective basis. The new standard is effective for fiscal years beginning after December 15, 2019 with early adoption permitted for interim or annual goodwill impairment tests performed after January 1, 2017. We are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures and have not yet concluded on its effects.

**Item 9.** ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

**Item 9A.** ***Controls and Procedures***

As of the end of the year covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Act is: (a) recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms; and (b) accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) or 15d-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting. Management has adopted the framework in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under this framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2016 . The effectiveness of our internal control over financial reporting as of December 31, 2016 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein.

**Item 9B.** ***Other Information***

None.

## PART III

**Items 10-14.**

Within 120 days after the close of our fiscal year, we intend to file with the Securities and Exchange Commission the matters required by these items.

## PART IV

**Item 15.** ***Exhibits, Financial Statement Schedules and Reports on Form 8-K***

(a) (1) *Financial Statements.* The following is a list of the Consolidated Financial Statements of Fidelity National Financial, Inc. and its subsidiaries included in Item 8 of Part II:



(a) (2) *Financial Statement Schedules.* The following is a list of financial statement schedules filed as part of this annual report on Form 10-K:



All other schedules are omitted because they are not applicable or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

(a) (3) The following exhibits are incorporated by reference or are set forth on pages to this Form 10-K:

| Exhibit Number | Description |
|---|---|
| 2.1 | Securities Exchange and Distribution Agreement between Old FNF and the Registrant, dated as of June 25, 2006, as amended and restated as of September 18, 2006 (incorporated by reference to Annex A to the Registrant's Schedule 14C filed on September 19, 2006 |
| 2.2 | Agreement and Plan of Merger, dated as of May 28, 2013, among Fidelity National Financial, Inc., Lion Merger Sub, Inc. and Lender Processing Services, Inc. (incorporated by reference to Exhibit 2.1 to Fidelity National Financial, Inc.'s Current Report on Form 8-K, filed on May 28, 2013) |
| 3.1 | Fourth Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the company's Current Report on Form 8-K filed on June 30, 2014) |
| 3.2 | Fourth Amended and Restated Bylaws of Fidelity National Financial, Inc., February 1, 2017 (incorporated by reference to Exhibit 3.1 to Fidelity National Financial, Inc.'s Current Report on Form 8-K, dated February 2, 2017) |
| 4.1 | Supplemental Indenture, dated as of January 2, 2014, among Lender Processing Services, Inc., Fidelity National Financial, Inc., Black Knight Lending Solutions, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013) |
| 4.2 | Indenture between the Registrant and The Bank of New York Trust Company, N.A., dated December 8, 2005 (incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2005) |
| 4.3 | First Supplemental Indenture between the Registrant and the Bank of New York Trust Company, N.A., dated as of January 6, 2006 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on January 24, 2006) |
| 4.4 | Second Supplemental Indenture, dated May 5, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A., dated as of May 5, 2010 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.5 | Third Supplemental Indenture, dated as of June 30, 2014, between the Registrant and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on June 30, 2014) |
| 4.6 | Form of Subordinated Indenture between the Registrant and the Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.2 (A) to the Registrant's Registration Statement on Form S-3 filed on November 14, 2007) |
| 4.7 | Form of 6.60% Note due 2017 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.8 | Form of 4.25% Convertible Note due August 2018 (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed on August 2, 2011) |
| 4.9 | Specimen certificate for shares of the Registrant's FNF Group common stock, par value $0.0001 per Share (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-4/A filed on May 5, 2014) |
| 4.10 | Specimen certificate for shares of the Registrant's FNFV Group common stock, par value $0.0001 per Share (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-4/A filed on May 5, 2014) |
| 10.1 | First Amendment, dated as of October 24, 2013, to the Third Amended and Restated Credit Agreement, dated as of June 25, 2013, among the Registrant, Bank of American, N.A., as administrative agent, and the other agents parties thereto (incorporated by reference to the Current Report on Form 8-K filed on October 25, 2013) |
| 10.2 | Amendment, dated as of June 25, 2013, to the Second Amended and Restated Credit Agreement, dated as of April 16, 2012, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto, including the Third Amended and Restated Credit Agreement among the parties dated as of June 25, 2013, which is included as Exhibit A thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on June 26, 2013) |
| 10.3 | Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Appendix A to the Registrant's Schedule 14A filed on April 29, 2016) (1) |
| 10.4 | Term Loan Credit Agreement, dated as of August 19, 2013, among ABRH ,LLC, the lenders party thereto, Wells Fargo Bank N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on November 10, 2014) |
| 10.5 | Term Loan Credit Agreement, dated as of July 11, 2013, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Registrant's Current Report on Form 8-K filed on July 12, 2013) |
| 10.6 | First Amendment, dated as of October 24, 2013, to the Term Loan Credit Agreement, dated as of July 11, 2013, among the Registrant, Bank of American, N.A., as administrative agent, and the other agents parties thereto (incorporated by reference to the Current Report on Form 8-K filed on October 25, 2013) |

| Exhibit Number | Description |
| --- | --- |
| 10.7 | Credit Agreement, dated as of March 31, 2015, among Digital Insurance, Inc., Bank of America, N.A., as administrative agent, and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) |
| 10.8 | Credit and Guaranty Agreement, dated as of May 27, 2015, by and among Black Knight InfoServ, LLC, a Delaware limited liability company, as the borrower, JPMorgan Chase Bank, N.A. as administrative agent, the guarantors party thereto, the other agents party thereto and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 27, 2015) |
| 10.9 | Second Amendment, dated as of May 27, 2015, to Third Amended and Restated Credit Agreement, dated as of June 25, 2013, by and among Fidelity National Financial, Inc., a Delaware corporation, as the borrower, Bank of America, N.A., as administrative agent, the other agents party thereto and the financial institutions party thereto as lenders (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 27, 2015) |
| 10.10 | Fidelity National Financial, Inc. 2013 Employee Stock Purchase Plan (incorporated by reference to Annex D to the Registrant’s Schedule 14A filed on May 9, 2014)(1) |
| 10.11 | Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2015 Awards (1) (incorporated by reference to Exhibit 10.11 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.12 | Form of Notice of FNF Group Stock Option Award and FNF Group Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2015 Awards (1) (incorporated by reference to Exhibit 10.27 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.13 | Form of Notice of FNFV Group Restricted Stock Grant and FNFV Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for September 2014 Awards (incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014) (1) |
| 10.14 | Form of Notice of Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.11 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.15 | Form of Notice of Stock Option Award and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.12 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.16 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.17 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.18 | Tax Disaffiliation Agreement by and among Old FNF, the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.1 to Old FNF’s Form 8-K, filed on October 27, 2006) |
| 10.19 | Cross-Indemnity Agreement by and between the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.2 to FIS’s Form 8-K, filed on October 27, 2006) |
| 10.20 | Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.11 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.21 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.22 | Amendment effective as of July 1, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.11 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012)(1) |
| 10.23 | Amendment effective as of January 2, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.16 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2011)(1) |
| 10.24 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.15 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2009) |
| 10.25 | Amended and Restated Employment Agreement between Fidelity National Financial, Inc. and Brent B. Bickett, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.14 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008)(1) |

| Exhibit Number | Description |
|---|---|
| 10.26 | Amended and Restated Employment Agreement between BKFS I Management and William P. Foley, II, effective as of January 8, 2016 (1) (incorporated by reference to Exhibit 10.26 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.27 | Director Services Agreement between Fidelity National Financial, Inc. and William P. Foley, II, effective as of January 8, 2016 (1) (incorporated by reference to Exhibit 10.27 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.28 | Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (1) (incorporated by reference to Exhibit 10.16 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) |
| 10.29 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.30 | Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of January 30, 2013 (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.31 | Amendment No. 2 to Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of March 1, 2015 (incorporated by reference to Exhibit 10.3 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) (1) |
| 10.32 | Employment Agreement by and between BKFS I Management, Inc. and Michael L. Gravelle, effective as of March 1, 2015 (incorporated by reference to Exhibit 10.3 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) (1) |
| 10.33 | Fidelity National Financial, Inc. Annual Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 29, 2016) (1) |
| 10.34 | Fidelity National Financial, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.35 | Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski, effective as of February 4, 2010 (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.36 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 1 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 10.37 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 2 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 10.38 | Black Knight Financial Services, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.39 | ServiceLink Holdings, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.2 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.40 | Form of Black Knight Financial Services, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.41 | Form of ServiceLink Holdings, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.42 | Black Knight Financial Services, LLC Incentive Plan (incorporated by reference to Exhibit 10.5 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.43 | Black Knight 2015 Omnibus Incentive Plan (incorporated by reference to to Exhibit 10.19 to Amendment No. 3 to the Form S-1 Registration Statement filed by Black Knight Financial Services, Inc. on March 30, 2015)(1) |
| 10.44 | Form of Grant Agreement for Restricted Stock Awards under the Black Knight Knight Financial Services, Inc. 2015 Omnibus Incentive Plan to be issued upon Exchange of Grant Units (incorporated by reference to Exhibit 10.31 to Amendment No. 4 to the Form S-1Registration Statement filed y Black Knight Financial Services, Inc. on May 4, 2015)(1) |
| 10.45 | Form of Restricted Stock Agreement for February 2016 Restricted Stock Awards with a three year vesting period under the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) (incorporated by reference to Exhibit 10.45 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |

| Exhibit Number | Description |
|---|---|
| 10.46 | Form of Restricted Stock Agreement for February 2016 Restricted Stock Awards with a four year vesting period under the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) (incorporated by reference to Exhibit 10.46 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.47 | ServiceLink Holdings, LLC Incentive Plan (1) (incorporated by reference to Exhibit 10.6 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014) |
| 10.48 | Amendment effective May 3, 2016 to Director Services Agreement between the Registrant and William P. Foley II effective January 8, 2016 (1) (incorporated by reference to Exhibit 10.27 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.49 | Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk effective October 10, 2008 (1) (incorporated by reference to Exhibit 10.16 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) |
| 10.50 | Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett effective July 1, 2012 (1) (incorporated by reference to Exhibit 10.11 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012) |
| 10.51 | Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park effective February 4, 2010 (1) (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) |
| 10.52 | Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle effective March 1, 2015 (1) (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) |
| 10.53 | Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski effective February 4, 2010 (1) (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) |
| 10.54 | Employment Agreement between the Registrant and Michael Nolan effective March 3, 2016 (1) (incorporated by reference to Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016) |
| 10.55 | Amendment effective May 3, 2016 to Employment Agreement between the Registrant and Michael Nolan effective March 3, 2016 (1) (incorporated by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016) |
| 10.56 | Employment Agreement between the Registrant and Roger Jewkes effective March 3, 2016 (1) (incorporated by reference to Exhibit 10.9 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016) |
| 10.57 | Amendment effective May 3, 2016 to Employment Agreement between the Registrant and Roger Jewkes effective March 3, 2016 (incorporated by reference to Exhibit 10.10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016) |
| 10.58 | Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement (Time-Based) under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for March 2016 Awards (1) |
| 10.59 | Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for December 2016 Awards (1) |
| 10.60 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement (2017) (3 year vesting) under Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) |
| 10.61 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement (2017) (4 year vesting) under Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) |
| 10.62 | Amendment to the Black Knight Financial Services, Inc. Restricted Stock Award Agreement (for awards issued upon exchange of Grant Units) (1) |
| 21.1 | Subsidiaries of the Registrant |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |

| Exhibit Number | Description |
|---|---|
| 99.1 | Unaudited Attributed Financial Information for FNF Group Tracking Stock |
| 99.2 | Unaudited Attributed Financial Information for FNFV Group Tracking Stock |
| 101 | The following materials from Fidelity National Financial, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2016, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Earnings, (iii) the Consolidated Statements of Comprehensive Earnings, (iv) the Consolidated Statements of Stockholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to the Consolidated Financial Statements. |

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(c) of Form 10-K

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Fidelity National Financial, Inc.
By: */s/ Raymond R. Quirk*
Raymond R. Quirk
Chief Executive Officer and Director

Date: February 27, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| */s/ Raymond R. Quirk*<br>Raymond R. Quirk | Chief Executive Officer and Director<br>(Principal Executive Officer) | February 27, 2017 |
| */s/ Anthony J. Park*<br>Anthony J. Park | Chief Financial Officer<br>(Principal Financial and Accounting Officer) | February 27, 2017 |
| */s/ William P. Foley, II*<br>William P. Foley, II | Director and Chairman of the Board | February 27, 2017 |
| */s/ Douglas K. Ammerman*<br>Douglas K. Ammerman | Director | February 27, 2017 |
| */s/ Willie D. Davis*<br>Willie D. Davis | Director | February 27, 2017 |
| */s/ Thomas M. Hagerty*<br>Thomas M. Hagerty | Director | February 27, 2017 |
| */s/ Daniel D. (Ron) Lane*<br>Daniel D. (Ron) Lane | Director | February 27, 2017 |
| */s/ Richard N. Massey*<br>Richard N. Massey | Director | February 27, 2017 |
| */s/ John D. Rood*<br>John D. Rood | Director | February 27, 2017 |
| */s/ Peter O. Shea, Jr.*<br>Peter O. Shea, Jr. | Director | February 27, 2017 |
| */s/ Cary H. Thompson*<br>Cary H. Thompson | Director | February 27, 2017 |
| */s/ Frank P. Willey*<br>Frank P. Willey | Director | February 27, 2017 |
| */s/ Janet E. Kerr*<br>Janet E. Kerr | Director | February 27, 2017 |

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

Under date of February 27, 2017 , we reported on the Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2016 and 2015 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2016 , as contained in the Annual Report on Form 10-K for the year 2016 . In connection with our audits of the aforementioned Consolidated Financial Statements, we also audited the related financial statement schedules as listed under Item 15(a)(2). These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic Consolidated Financial Statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

Jacksonville, Florida
February 27, 2017
Certified Public Accountants

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**BALANCE SHEETS**

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| | (In millions, except share data) | |
| **ASSETS** | | |
| Cash | $ 246 | $ 293 |
| Short term investments | 1 | 163 |
| Investment in unconsolidated affiliates | 7 | — |
| Notes receivable | 622 | 621 |
| Investments in and amounts due from subsidiaries | 6,834 | 6,326 |
| Property and equipment, net | 4 | 4 |
| Prepaid expenses and other assets | 3 | 21 |
| Total assets | $ 7,717 | $ 7,428 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 42 | $ 55 |
| Income taxes payable | 65 | 45 |
| Deferred tax liability | 629 | 594 |
| Notes payable | 985 | 980 |
| Total liabilities | 1,721 | 1,674 |
| Equity: | | |
| FNF Group common stock, $0.0001 par value; authorized 487,000,000 shares as of December 31, 2016 and 2015; outstanding of 272,205,261 and 275,781,160 as of December 31, 2016 and 2015, respectively; and issued of 285,041,900 and 282,394,970 as of December 31, 2016 and 2015, respectively | — | — |
| FNFV Group common stock, $0.0001 par value; authorized 113,000,000 shares as of December 31, 2016 and 2015; outstanding of 66,416,822 and 72,217,882 as of December 31, 2016 and 2015, respectively; and issued of 80,581,675 and 80,581,466 as of December 31, 2016 and 2015, respectively | — | — |
| Additional paid-in capital | 4,848 | 4,795 |
| Retained earnings | 1,784 | 1,374 |
| Accumulated other comprehensive loss | (13) | (69) |
| Less: Treasury stock, 27,001,492 shares and 14,977,394 shares as of December 31, 2016 and 2015, respectively, at cost | (623) | (346) |
| Total equity of Fidelity National Financial, Inc. common shareholders | 5,996 | 5,754 |
| Total liabilities and equity | $ 7,717 | $ 7,428 |

See Notes to Financial Statements and
Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**STATEMENTS OF EARNINGS AND RETAINED EARNINGS**

| | Year Ended December 31, 2016 | 2015 | 2014 |
|---|---|---|---|
| | (In millions, except per share data) | | |
| **Revenues:** | | | |
| Other fees and revenue | $ 4 | $ 3 | $ 1 |
| Interest and investment income and realized gains | 24 | 86 | 168 |
| Total revenues | 28 | 89 | 169 |
| **Expenses:** | | | |
| Personnel expenses | 26 | 28 | 35 |
| Other operating expenses | 6 | 1 | (20) |
| Interest expense | 64 | 74 | 93 |
| Total expenses | 96 | 103 | 108 |
| (Losses) earnings before income tax (benefit) expense and equity in earnings of subsidiaries | (68) | (14) | 61 |
| Income tax (benefit) expense | (24) | (5) | 22 |
| (Losses) earnings before equity in earnings of subsidiaries | (44) | (9) | 39 |
| Equity in earnings of subsidiaries | 694 | 536 | 544 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 650 | $ 527 | $ 583 |
| Basic earnings per share Old FNF common shareholders | | | $ 0.33 |
| Weighted average shares outstanding Old FNF common shareholders, basic basis | | | 138 |
| Diluted earnings per share Old FNF Common shareholders | | | $ 0.32 |
| Weighted average shares outstanding Old FNF common shareholders, diluted basis | | | 142 |
| Basic earnings per share FNF Group common shareholders | $ 2.40 | $ 1.95 | $ 0.77 |
| Weighted average shares outstanding FNF Group common shareholders, basic basis | 272 | 277 | 138 |
| Diluted earnings per share FNF Group Common shareholders | $ 2.34 | $ 1.89 | $ 0.75 |
| Weighted average shares outstanding FNF Group common shareholders, diluted basis | 280 | 286 | 142 |
| Basic (loss) earnings per share FNFV Group common shareholders | $ (0.06) | $ (0.16) | $ 3.04 |
| Weighted average shares outstanding FNFV Group common shareholders, basic basis | 67 | 79 | 46 |
| Diluted (loss) earnings per share FNFV Group Common shareholders | $ (0.06) | $ (0.16) | $ 3.01 |
| Weighted average shares outstanding FNFV Group common shareholders, diluted basis | 70 | 82 | 47 |
| Retained earnings, beginning of year | $ 1,374 | $ 1,150 | $ 1,089 |
| Dividends declared | (240) | (222) | (203) |
| Distribution of Remy to FNFV Group common shareholders | — | — | (319) |
| Distribution of J. Alexander's to FNFV Group common shareholders | — | (81) | — |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 650 | 527 | 583 |
| Retained earnings, end of year | $ 1,784 | $ 1,374 | $ 1,150 |

See Notes to Financial Statements and
Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**
**STATEMENTS OF CASH FLOWS**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | (In millions) | | |
| **Cash Flows From Operating Activities:** | | | |
| Net earnings | $ 650 | $ 527 | $ 583 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Equity in earnings of unconsolidated affiliates | (2) | — | — |
| Impairment of assets | 3 | — | — |
| Equity in earnings of subsidiaries | (694) | (536) | (544) |
| Depreciation and amortization | 1 | 2 | 2 |
| Stock-based compensation | 36 | 38 | 32 |
| Net change in income taxes | 29 | 17 | 540 |
| Net decrease (increase) in prepaid expenses and other assets | 26 | (25) | 62 |
| Net (decrease) increase in accounts payable and other accrued liabilities | (13) | 2 | (80) |
| Net cash provided by operating activities | 36 | 25 | 595 |
| **Cash Flows From Investing Activities:** | | | |
| Net proceeds from (purchases of) short-term investment activities | 162 | (163) | — |
| Additions to notes receivable | (24) | (28) | (3,025) |
| Collection of notes receivable | 22 | 1,542 | 390 |
| Distributions from unconsolidated affiliates | 2 | — | — |
| Contributions to unconsolidated affiliates | (8) | — | — |
| Net cash provided by (used in) investing activities | 154 | 1,351 | (2,635) |
| **Cash Flows From Financing Activities:** | | | |
| Borrowings | — | — | 1,500 |
| Debt service payments | (2) | (1,100) | (400) |
| Equity portion of debt conversions paid in cash | (2) | — | — |
| Dividends paid | (240) | (220) | (203) |
| Purchases of treasury stock | (268) | (506) | — |
| Exercise of stock options | 19 | 26 | 40 |
| Payment for shares withheld for taxes and in treasury | (9) | (13) | (11) |
| Distribution to FNFV | — | — | (100) |
| Other financing activity | — | (15) | (8) |
| Net dividends from subsidiaries | 265 | 594 | 268 |
| Net cash (used in) provided by financing activities | (237) | (1,234) | 1,086 |
| Net change in cash and cash equivalents | (47) | 142 | (954) |
| Cash at beginning of year | 293 | 151 | 1,105 |
| Cash at end of year | $ 246 | $ 293 | $ 151 |

See Notes to Financial Statements and
See Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**NOTES TO FINANCIAL STATEMENTS**

**A. Summary of Significant Accounting Policies**

Fidelity National Financial, Inc. transacts substantially all of its business through its subsidiaries. The Parent Company Financial Statements should be read in connection with the aforementioned Consolidated Financial Statements and Notes thereto included elsewhere herein. Certain reclassifications have been made to the 2014 and 2015 presentation to conform to the classifications used in 2016.

**B. Notes Payable**

Notes payable consist of the following:

| | December 31, | |
|---|---|---|
| | 2016 | 2015 |
| | (In millions) | |
| Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022 | $ 397 | $ 397 |
| Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018 | 291 | 288 |
| Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017 | 300 | 300 |
| Revolving Credit Facility, unsecured, unused portion of $800 at December 31, 2016, due July 2018 with interest payable monthly at LIBOR + 1.45% | (3) | (5) |
| | $ 985 | $ 980 |

**C. Supplemental Cash Flow Information**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | | (In millions) | |
| Cash paid during the year: | | | |
| Interest paid | $ 63 | $ 72 | $ 103 |
| Income tax payments | 367 | 250 | 75 |

**D. Cash Dividends Received**

We have received cash dividends from subsidiaries and affiliates of $ 0.4 billion , $ 0.2 billion , and $ 0.4 billion during the years ended December 31, 2016 , 2015 , and 2014 , respectively.

See Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE V

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**
**VALUATION AND QUALIFYING ACCOUNTS**

**Years Ended December 31, 2016 , 2015 and 2014**

| Column A Description | Column B Balance at Beginning of Period | Column C Additions Charge to Costs and Expenses | Column C Additions Other (Described) | Column D Deduction (Described) | Column E Balance at End of Period |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Year ended December 31, 2016: | | | | | |
| Reserve for claim losses | $ 1,583 | $ 157 | $ (8) (2) | $ 245 (1) | $ 1,487 |
| Year ended December 31, 2015: | | | | | |
| Reserve for claim losses | $ 1,621 | $ 246 | $ 1 (2) | $ 285 (1) | $ 1,583 |
| Year ended December 31, 2014: | | | | | |
| Reserve for claim losses | $ 1,636 | $ 228 | $ 59 (3) | $ 302 (1) | $ 1,621 |

(1) Represents payments of claim losses, net of recoupments.
(2) Represents the change in reinsurance recoverable.
(3) Represents an increase of $54 million to the reserve for claim losses as a result of the acquisition of Lender Processing Services, Inc., a $2 million decrease to the reserve due to the sale of a small title operation and recording $7 million increase to the claims reserve for a reinsurance recoverable.

See Accompanying Report of Independent Registered Public Accounting Firm

## EXHIBIT INDEX

| Exhibit Number | Description |
|---|---|
| 2.1 | Securities Exchange and Distribution Agreement between Old FNF and the Registrant, dated as of June 25, 2006, as amended and restated as of September 18, 2006 (incorporated by reference to Annex A to the Registrant's Schedule 14C filed on September 19, 2006 |
| 2.2 | Agreement and Plan of Merger, dated as of May 28, 2013, among Fidelity National Financial, Inc., Lion Merger Sub, Inc. and Lender Processing Services, Inc. (incorporated by reference to Exhibit 2.1 to Fidelity National Financial, Inc.'s Current Report on Form 8-K, filed on May 28, 2013) |
| 3.1 | Fourth Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the company's Current Report on Form 8-K filed on June 30, 2014) |
| 3.2 | Fourth Amended and Restated Bylaws of Fidelity National Financial, Inc., February 1, 2017 (incorporated by reference to Exhibit 3.1 to Fidelity National Financial, Inc.'s Current Report on Form 8-K, dated February 2, 2017) |
| 4.1 | Supplemental Indenture, dated as of January 2, 2014, among Lender Processing Services, Inc., Fidelity National Financial, Inc., Black Knight Lending Solutions, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013) |
| 4.2 | Indenture between the Registrant and The Bank of New York Trust Company, N.A., dated December 8, 2005 (incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2005) |
| 4.3 | First Supplemental Indenture between the Registrant and the Bank of New York Trust Company, N.A., dated as of January 6, 2006 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on January 24, 2006) |
| 4.4 | Second Supplemental Indenture, dated May 5, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A., dated as of May 5, 2010 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.5 | Third Supplemental Indenture, dated as of June 30, 2014, between the Registrant and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on June 30, 2014) |
| 4.6 | Form of Subordinated Indenture between the Registrant and the Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.2 (A) to the Registrant's Registration Statement on Form S-3 filed on November 14, 2007) |
| 4.7 | Form of 6.60% Note due 2017 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.8 | Form of 4.25% Convertible Note due August 2018 (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed on August 2, 2011) |
| 4.9 | Specimen certificate for shares of the Registrant's FNF Group common stock, par value $0.0001 per Share (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-4/A filed on May 5, 2014) |
| 4.10 | Specimen certificate for shares of the Registrant's FNFV Group common stock, par value $0.0001 per Share (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-4/A filed on May 5, 2014) |
| 10.1 | First Amendment, dated as of October 24, 2013, to the Third Amended and Restated Credit Agreement, dated as of June 25, 2013, among the Registrant, Bank of American, N.A., as administrative agent, and the other agents parties thereto (incorporated by reference to the Current Report on Form 8-K filed on October 25, 2013) |
| 10.2 | Amendment, dated as of June 25, 2013, to the Second Amended and Restated Credit Agreement, dated as of April 16, 2012, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto, including the Third Amended and Restated Credit Agreement among the parties dated as of June 25, 2013, which is included as Exhibit A thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on June 26, 2013) |
| 10.3 | Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Appendix A to the Registrant's Schedule 14A filed on April 29, 2016) (1) |
| 10.4 | Term Loan Credit Agreement, dated as of August 19, 2013, among ABRH ,LLC, the lenders party thereto, Wells Fargo Bank N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on November 10, 2014) |
| 10.5 | Term Loan Credit Agreement, dated as of July 11, 2013, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Registrant's Current Report on Form 8-K filed on July 12, 2013) |
| 10.6 | First Amendment, dated as of October 24, 2013, to the Term Loan Credit Agreement, dated as of July 11, 2013, among the Registrant, Bank of American, N.A., as administrative agent, and the other agents parties thereto (incorporated by reference to the Current Report on Form 8-K filed on October 25, 2013) |

| Exhibit Number | Description |
|---|---|
| 10.7 | Credit Agreement, dated as of March 31, 2015, among Digital Insurance, Inc., Bank of America, N.A., as administrative agent, and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) |
| 10.8 | Credit and Guaranty Agreement, dated as of May 27, 2015, by and among Black Knight InfoServ, LLC, a Delaware limited liability company, as the borrower, JPMorgan Chase Bank, N.A. as administrative agent, the guarantors party thereto, the other agents party thereto and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 27, 2015) |
| 10.9 | Second Amendment, dated as of May 27, 2015, to Third Amended and Restated Credit Agreement, dated as of June 25, 2013, by and among Fidelity National Financial, Inc., a Delaware corporation, as the borrower, Bank of America, N.A., as administrative agent, the other agents party thereto and the financial institutions party thereto as lenders (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 27, 2015) |
| 10.10 | Fidelity National Financial, Inc. 2013 Employee Stock Purchase Plan (incorporated by reference to Annex D to the Registrant’s Schedule 14A filed on May 9, 2014)(1) |
| 10.11 | Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2015 Awards (1) (incorporated by reference to Exhibit 10.11 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.12 | Form of Notice of FNF Group Stock Option Award and FNF Group Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2015 Awards (1) (incorporated by reference to Exhibit 10.27 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.13 | Form of Notice of FNFV Group Restricted Stock Grant and FNFV Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for September 2014 Awards (incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014) (1) |
| 10.14 | Form of Notice of Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.11 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.15 | Form of Notice of Stock Option Award and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.12 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.16 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.17 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.18 | Tax Disaffiliation Agreement by and among Old FNF, the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.1 to Old FNF’s Form 8-K, filed on October 27, 2006) |
| 10.19 | Cross-Indemnity Agreement by and between the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.2 to FIS’s Form 8-K, filed on October 27, 2006) |
| 10.20 | Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.11 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.21 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.22 | Amendment effective as of July 1, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.11 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012)(1) |
| 10.23 | Amendment effective as of January 2, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.16 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2011)(1) |
| 10.24 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.15 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2009) |
| 10.25 | Amended and Restated Employment Agreement between Fidelity National Financial, Inc. and Brent B. Bickett, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.14 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008)(1) |

Table of Contents

| Exhibit Number | Description |
|---|---|
| 10.26 | Amended and Restated Employment Agreement between BKFS I Management and William P. Foley, II, effective as of January 8, 2016 (1) (incorporated by reference to Exhibit 10.26 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.27 | Director Services Agreement between Fidelity National Financial, Inc. and William P. Foley, II, effective as of January 8, 2016 (1) (incorporated by reference to Exhibit 10.27 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.28 | Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (1) (incorporated by reference to Exhibit 10.16 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) |
| 10.29 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.30 | Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of January 30, 2013 (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.31 | Amendment No. 2 to Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of March 1, 2015 (incorporated by reference to Exhibit 10.3 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) (1) |
| 10.32 | Employment Agreement by and between BKFS I Management, Inc. and Michael L. Gravelle, effective as of March 1, 2015 (incorporated by reference to Exhibit 10.3 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) (1) |
| 10.33 | Fidelity National Financial, Inc. Annual Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 29, 2016) (1) |
| 10.34 | Fidelity National Financial, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.35 | Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski, effective as of February 4, 2010 (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.36 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 1 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 10.37 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 2 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 10.38 | Black Knight Financial Services, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.39 | ServiceLink Holdings, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.2 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.40 | Form of Black Knight Financial Services, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.41 | Form of ServiceLink Holdings, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.42 | Black Knight Financial Services, LLC Incentive Plan (incorporated by reference to Exhibit 10.5 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.43 | Black Knight 2015 Omnibus Incentive Plan (incorporated by reference to to Exhibit 10.19 to Amendment No. 3 to the Form S-1 Registration Statement filed by Black Knight Financial Services, Inc. on March 30, 2015)(1) |
| 10.44 | Form of Grant Agreement for Restricted Stock Awards under the Black Knight Knight Financial Services, Inc. 2015 Omnibus Incentive Plan to be issued upon Exchange of Grant Units (incorporated by reference to Exhibit 10.31 to Amendment No. 4 to the Form S-1Registration Statement filed y Black Knight Financial Services, Inc. on May 4, 2015)(1) |
| 10.45 | Form of Restricted Stock Agreement for February 2016 Restricted Stock Awards with a three year vesting period under the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) (incorporated by reference to Exhibit 10.45 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |

| Exhibit Number | Description |
|---|---|
| 10.46 | Form of Restricted Stock Agreement for February 2016 Restricted Stock Awards with a four year vesting period under the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) (incorporated by reference to Exhibit 10.46 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.47 | ServiceLink Holdings, LLC Incentive Plan (1) (incorporated by reference to Exhibit 10.6 to the to the Registrant's Current Report on Form 8-K filed on January 9, 2014) |
| 10.48 | Amendment effective May 3, 2016 to Director Services Agreement between the Registrant and William P. Foley II effective January 8, 2016 (1) (incorporated by reference to Exhibit 10.27 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015) |
| 10.49 | Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk effective October 10, 2008 (1) (incorporated by reference to Exhibit 10.16 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) |
| 10.50 | Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett effective July 1, 2012 (1) (incorporated by reference to Exhibit 10.11 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012) |
| 10.51 | Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park effective February 4, 2010 (1) (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) |
| 10.52 | Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle effective March 1, 2015 (1) (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) |
| 10.53 | Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski effective February 4, 2010 (1) (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) |
| 10.54 | Employment Agreement between the Registrant and Michael Nolan effective March 3, 2016 (1) (incorporated by reference to Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016) |
| 10.55 | Amendment effective May 3, 2016 to Employment Agreement between the Registrant and Michael Nolan effective March 3, 2016 (1) (incorporated by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016) |
| 10.56 | Employment Agreement between the Registrant and Roger Jewkes effective March 3, 2016 (1) (incorporated by reference to Exhibit 10.9 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016) |
| 10.57 | Amendment effective May 3, 2016 to Employment Agreement between the Registrant and Roger Jewkes effective March 3, 2016 (incorporated by reference to Exhibit 10.10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016) |
| 10.58 | Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement (Time-Based) under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for March 2016 Awards (1) |
| 10.59 | Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for December 2016 Awards (1) |
| 10.60 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement (2017) (3 year vesting) under Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) |
| 10.61 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement (2017) (4 year vesting) under Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) |
| 10.62 | Amendment to the Black Knight Financial Services, Inc. Restricted Stock Award Agreement (for awards issued upon exchange of Grant Units) (1) |
| 21.1 | Subsidiaries of the Registrant |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |

| Exhibit Number | Description |
|---|---|
| 99.1 | Unaudited Attributed Financial Information for FNF Group Tracking Stock |
| 99.2 | Unaudited Attributed Financial Information for FNFV Group Tracking Stock |
| 101 | The following materials from Fidelity National Financial, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2016, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Earnings, (iii) the Consolidated Statements of Comprehensive Earnings, (iv) the Consolidated Statements of Stockholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to the Consolidated Financial Statements. |

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(c) of Form 10-K

# Fidelity National Financial, Inc.
# Amended and Restated
# 2005 Omnibus Incentive Plan

**Notice of Restricted Stock Grant**

You (the "Grantee") have been granted the following award of restricted Shares of FNF Group Common Stock (the "Restricted Stock"), par value $0.0001 per share (the "Shares"), by Fidelity National Financial, Inc. (the "Company"), pursuant to the Fidelity National Financial, Inc. Amended and Restated 2005 Omnibus Incentive Plan (the "Plan") and the terms set forth in the attached Restricted Stock Award Agreement:

| | |
|---|---|
| Name of Grantee: | |
| Number of Shares of Restricted Stock Granted: | |
| Effective Date of Grant: | , 2016 |
| Vesting and Period of Restriction: | Subject to the terms of the Plan and the Restricted Stock Award Agreement attached hereto, the Period of Restriction shall lapse, and the Shares shall vest and become free of the forfeiture provisions contained in the Restricted Stock Award Agreement, with respect to one third of the shares on each anniversary of the Effective Date of Grant, as more specifically described on Exhibit A hereto. |

By your electronic acceptance/signature below, you agree and acknowledge that the Restricted Stock is granted under and governed by the terms and conditions of the Plan and the attached Restricted Stock Award Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Restricted Stock Award Agreement.

**Fidelity National Financial, Inc.**
**Amended and Restated 2005 Omnibus Incentive Plan**

**Restricted Stock Award Agreement**

**Section 1. GRANT OF RESTRICTED STOCK**

(a) **Restricted Stock** . On the terms and conditions set forth in the Notice of Restricted Stock Grant and this Restricted Stock Award Agreement (the "Agreement"), the Company grants to the Grantee on the Effective Date of Grant the Shares of Restricted Stock (the "Restricted Stock") set forth in the Notice of Restricted Stock Grant.

(b) **Plan and Defined Terms** . The Restricted Stock is granted pursuant to the Plan. All terms, provisions, and conditions applicable to the Restricted Stock set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice of Restricted Stock Grant or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

**Section 2. FORFEITURE AND TRANSFER RESTRICTIONS**

(a) **Forfeiture** . Except as otherwise provided in Grantee's employment, director services or similar agreement in effect at the time of the employment termination:

(i) If the Grantee's employment or service as a Director or Consultant is terminated for any reason other than death, or Disability (as defined below), the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination.

(ii) If the Grantee's employment or service as a Director or Consultant is terminated due to the Grantee's death or Disability, a portion of the Shares which on the date of termination of employment remain subject to a Period of Restriction (as defined in Exhibit A) shall vest and become free of the forfeiture and transfer restrictions contained in the Agreement (except as otherwise provided in Section 2(b) of this Agreement). The portion which shall vest shall be determined by the following formula (rounded to the nearest whole Share):

(A x B) - C, where

A = the total number of Shares granted under this Agreement,

B = the number of completed months to the date of termination of employment since the Effective Date of Grant divided by 36, and

C = the number of Shares granted under this Agreement which vested on or prior to the date of termination of employment.

All Shares that are subject to a Period of Restriction on the date of termination of employment or service as a Director or Consultant and which will not be vested pursuant to Section 2(a)(ii) above, shall be forfeited to the Company, for no consideration.

(iii) The term "Disability" shall have the meaning ascribed to such term in the Grantee's employment, director services or similar agreement with the Company. If the Grantee's employment, director services or similar agreement does not define the term "Disability," or if the Grantee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term "Disability" shall mean the Grantee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

(b) **Transfer Restrictions** . During the Period of Restriction, the Restricted Stock may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, to the extent such Shares are subject to a Period of Restriction.

(c) **Holding Period** . If and when (i) the Grantee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President - Agency Operations, and (ii) Grantee does not hold Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, then Grantee must retain 50% of the Shares acquired by Grantee as a result of the lapse of a Period of Restriction (excluding from the calculation any Shares withheld for purposes of satisfying Grantee's tax obligations in connection with such lapse of a Period of Restriction) until such time as the value of the Shares of FNF Group Common Stock remaining in Grantee's possession following any sale, assignment, pledge, exchange, gift or other transfer of the Shares shall be sufficient to meet any applicable stock ownership guidelines of the Company in place at that time. For the avoidance of doubt, at any time when Grantee holds, in the aggregate, Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, Grantee may enter into a transaction with respect to any Shares acquired by Grantee as a result of the lapse of a Period of

Restriction without regard to the holding period requirement contained in this Section 2(b) so long as Grantee shall continue to satisfy such stock ownership guidelines following such transaction.

(d) **Lapse of Restrictions** . The Period of Restriction shall lapse as to the Restricted Stock in accordance with the Notice of Restricted Stock Grant and the terms of this Agreement. Subject to the terms of the Plan and Section 6(a) hereof, upon lapse of the Period of Restriction, the Grantee shall own the Shares that are subject to this Agreement free of all restrictions other than the holding period described in Section 2(c) above. 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 Period of Restriction or other restriction imposed on the Restricted Stock that has not previously lapsed, including the holding period described in Section 2(c) above, shall lapse.

**Section 3. STOCK CERTIFICATES**

As soon as practicable following the grant of Restricted Stock, the Shares of Restricted Stock shall be registered in the Grantee's name in certificate or book-entry form. If a certificate is issued, it shall bear an appropriate legend referring to the restrictions and it shall be held by the Company, or its agent, on behalf of the Grantee until the Period of Restriction has lapsed. If the Shares are registered in book-entry form, the restrictions shall be placed on the book-entry registration. The Grantee may be required to execute and return to the Company a blank stock power for each Restricted Stock certificate (or instruction letter, with respect to Shares registered in book-entry form), which will permit transfer to the Company, without further action, of all or any portion of the Restricted Stock that is forfeited in accordance with this Agreement.

**Section 4. SHAREHOLDER RIGHTS**

Except for the transfer and dividend restrictions, and subject to such other restrictions, if any, as determined by the Committee, the Grantee shall have all other rights of a holder of Shares, including the right to vote (or to execute proxies for voting) such Shares. Unless otherwise determined by the Committee, if all or part of a dividend in respect of the Restricted Stock is paid in Shares or any other security issued by the Company, such Shares or other securities shall be held by the Company subject to the same restrictions as the Restricted Stock in respect of which the dividend was paid.

**Section 5. DIVIDENDS**

(a) Any dividends paid with respect to Shares which remain subject to a Period of Restriction shall not be paid to the Grantee but shall be held by the Company.

(b) Such held dividends shall be subject to the same Period of Restriction as the Shares to which they relate.

(c) Any dividends held pursuant to this Section 5 which are attributable to Shares which vest pursuant to this Agreement shall be paid to the Grantee within 30 days of the applicable vesting date.

(d) Dividends attributable to Shares forfeited pursuant to Section 2 of this Agreement shall be forfeited to the Company on the date such Shares are forfeited.

**Section 6. MISCELLANEOUS PROVISIONS**

(a) **Tax Withholding** . Pursuant to Article 20 of the Plan, the Committee shall have the power and right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Grantee's FICA obligations) required by law to be withheld with respect to this Award. The Committee may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including payroll taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(b) **Ratification of Actions** . By accepting this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated the Grantee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice of Restricted Stock Grant by the Company, the Board or the Committee.

(c) **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

(d) **Choice of Law** . This Agreement and the Notice of Restricted Stock Grant shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice of Restricted Stock Grant to be governed by or construed in accordance with the substantive law of another jurisdiction.

(e) **Arbitration** . Subject to, and in accordance with the provisions of Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice of Restricted Stock Grant shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice of Restricted Stock Grant, provided that all substantive questions of law shall be determined in accordance with the state and federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

(f) **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(g) **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(h) **References to Plan** . All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

(i) **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

**EXHIBIT A**

**Vesting and Restrictions**

This grant is subject to a Time-Based Restriction, as described below (the “Period of Restriction”).

**Time-Based Restrictions**

| Anniversary Date | % of Restricted Stock to Vest |
|---|---|
| First (1 st ) anniversary of the Effective Date of Grant | 33.33% |
| Second (2 nd ) anniversary of the Effective Date of Grant | 33.33% |
| Third (3 rd ) anniversary of the Effective Date of Grant | 33.34% |

EXHIBIT 10.59

# Fidelity National Financial, Inc.
# Amended and Restated
# 2005 Omnibus Incentive Plan

**Notice of Restricted Stock Grant**

You (the "Grantee") have been granted the following award of restricted Shares of FNF Group Common Stock (the "Restricted Stock"), par value $0.0001 per share (the "Shares"), by Fidelity National Financial, Inc. (the "Company"), pursuant to the Fidelity National Financial, Inc. Amended and Restated 2005 Omnibus Incentive Plan (the "Plan") and the terms set forth in the attached Restricted Stock Award Agreement:

| | |
|---|---|
| Name of Grantee: | |
| Number of Shares of Restricted Stock Granted: | |
| Effective Date of Grant: | December 21, 2016 |
| Vesting and Period of Restriction: | Subject to the terms of the Plan and the Restricted Stock Award Agreement attached hereto, the Period of Restriction shall lapse, and the Shares shall vest and become free of the forfeiture provisions contained in the Restricted Stock Award Agreement, with respect to one third of the shares on each anniversary of the Effective Date of Grant and satisfaction of the Performance Restriction as set forth on Exhibit A of the Restricted Stock Award Agreement, attached hereto. |

By your electronic acceptance/signature below, you agree and acknowledge that the Restricted Stock is granted under and governed by the terms and conditions of the Plan and the attached Restricted Stock Award Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Restricted Stock Award Agreement. If you have not accepted or declined this Restricted Stock Grant, including the terms of this Notice and Restricted Stock Award Agreement, prior to the first anniversary of the Effective Date of Grant, you are hereby advised and acknowledge that you shall be deemed to have accepted the terms of this Notice and Restricted Stock Award Agreement on such first anniversary of the Effective Date of Grant.

**Fidelity National Financial, Inc.**
**Amended and Restated 2005 Omnibus Incentive Plan**

**Restricted Stock Award Agreement**

**Section 1. GRANT OF RESTRICTED STOCK**

(a) **Restricted Stock** . On the terms and conditions set forth in the Notice of Restricted Stock Grant and this Restricted Stock Award Agreement (the "Agreement"), the Company grants to the Grantee on the Effective Date of Grant the Shares of Restricted Stock (the "Restricted Stock") set forth in the Notice of Restricted Stock Grant.

(b) **Plan and Defined Terms** . The Restricted Stock is granted pursuant to the Plan. All terms, provisions, and conditions applicable to the Restricted Stock set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice of Restricted Stock Grant or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

**Section 2. FORFEITURE AND TRANSFER RESTRICTIONS**

(a) **Forfeiture** . Except as otherwise provided in Grantee's employment, director services or similar agreement in effect at the time of the employment termination:

(i) If the Grantee's employment or service as a Director or Consultant is terminated for any reason other than death, or Disability (as defined below), the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination.

(ii) If the Grantee's employment or service as a Director or Consultant is terminated due to the Grantee's death or Disability, a portion of the Shares which on the date of termination of employment remain subject to a Time-Based Restriction and/or the Performance Restriction (as defined in Exhibit A) shall vest and become free of the forfeiture and transfer restrictions contained in the Agreement (except as otherwise provided in Section 2(b) of this Agreement). The portion which shall vest shall be determined by the following formula (rounded to the nearest whole Share):

(A x B) - C, where

A = the total number of Shares granted under this Agreement,

B = the number of completed months to the date of termination of employment since the Effective Date of Grant divided by 36, and

C = the number of Shares granted under this Agreement which vested on or prior to the date of termination of employment.

All Shares that are subject to a Period of Restriction on the date of termination of employment or service as a Director or Consultant and which will not be vested pursuant to Section 2(a)(ii) above, shall be forfeited to the Company, for no consideration.

(iii) The term "Disability" shall have the meaning ascribed to such term in the Grantee's employment, director services or similar agreement with the Company. If the Grantee's employment, director services or similar agreement does not define the term "Disability," or if the Grantee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term "Disability" shall mean the Grantee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

(iv) If the Performance Restriction is not satisfied during the Measurement Period, all of the Shares that do not satisfy the performance criteria for the applicable Performance Period, shall be forfeited to the Company, for no consideration.

(b) **Transfer Restrictions** . During the Period of Restriction, the Restricted Stock may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, to the extent such Shares are subject to a Period of Restriction.

(c) **Holding Period** . If and when (i) the Grantee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President - Agency Operations, and (ii) Grantee does not hold Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, then Grantee must retain 50% of the Shares acquired by Grantee as a result of the lapse of a Period of Restriction (excluding from the calculation any Shares withheld for purposes of satisfying Grantee's tax obligations in connection with such lapse of a Period of Restriction) until such time as the value of the Shares of FNF Group Common Stock remaining in Grantee's possession following any sale, assignment, pledge, exchange, gift or other transfer of the Shares shall be sufficient to meet any applicable stock ownership guidelines of the Company in place at that time. For the avoidance of doubt, at any time when Grantee holds, in the aggregate, Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, Grantee may enter into a transaction with respect to any Shares acquired by Grantee as a result of the lapse of a Period of

Restriction without regard to the holding period requirement contained in this Section 2(b) so long as Grantee shall continue to satisfy such stock ownership guidelines following such transaction.

(d) **Lapse of Restrictions** . The Period of Restriction shall lapse as to the Restricted Stock in accordance with the Notice of Restricted Stock Grant and the terms of this Agreement. Subject to the terms of the Plan and Section 6(a) hereof, upon lapse of the Period of Restriction, the Grantee shall own the Shares that are subject to this Agreement free of all restrictions other than the holding period described in Section 2(c) above. 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 Period of Restriction or other restriction imposed on the Restricted Stock that has not previously lapsed, including the holding period described in Section 2(c) above, shall lapse.

**Section 3. STOCK CERTIFICATES**

As soon as practicable following the grant of Restricted Stock, the Shares of Restricted Stock shall be registered in the Grantee's name in certificate or book-entry form. If a certificate is issued, it shall bear an appropriate legend referring to the restrictions and it shall be held by the Company, or its agent, on behalf of the Grantee until the Period of Restriction has lapsed. If the Shares are registered in book-entry form, the restrictions shall be placed on the book-entry registration. The Grantee may be required to execute and return to the Company a blank stock power for each Restricted Stock certificate (or instruction letter, with respect to Shares registered in book-entry form), which will permit transfer to the Company, without further action, of all or any portion of the Restricted Stock that is forfeited in accordance with this Agreement.

**Section 4. SHAREHOLDER RIGHTS**

Except for the transfer and dividend restrictions, and subject to such other restrictions, if any, as determined by the Committee, the Grantee shall have all other rights of a holder of Shares, including the right to vote (or to execute proxies for voting) such Shares. Unless otherwise determined by the Committee, if all or part of a dividend in respect of the Restricted Stock is paid in Shares or any other security issued by the Company, such Shares or other securities shall be held by the Company subject to the same restrictions as the Restricted Stock in respect of which the dividend was paid.

**Section 5. DIVIDENDS**

(a) Any dividends paid with respect to Shares which remain subject to a Period of Restriction shall not be paid to the Grantee but shall be held by the Company.

(b) Such held dividends shall be subject to the same Period of Restriction as the Shares to which they relate.

(c) Any dividends held pursuant to this Section 5 which are attributable to Shares which vest pursuant to this Agreement shall be paid to the Grantee within 30 days of the applicable vesting date.

(d) Dividends attributable to Shares forfeited pursuant to Section 2 of this Agreement shall be forfeited to the Company on the date such Shares are forfeited.

**Section 6. MISCELLANEOUS PROVISIONS**

(a) **Tax Withholding** . Pursuant to Article 20 of the Plan, the Committee shall have the power and right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Grantee's FICA obligations) required by law to be withheld with respect to this Award. The Committee may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including payroll taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(b) **Ratification of Actions** . By accepting this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated the Grantee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice of Restricted Stock Grant by the Company, the Board or the Committee.

(c) **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

(d) **Choice of Law** . This Agreement and the Notice of Restricted Stock Grant shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice of Restricted Stock Grant to be governed by or construed in accordance with the substantive law of another jurisdiction.

(e) **Arbitration** . Subject to, and in accordance with the provisions of Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice of Restricted Stock Grant shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice of Restricted Stock Grant, provided that all substantive questions of law shall be determined in accordance with the state and federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

(f) **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(g) **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(h) **References to Plan** . All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

(i) **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

## EXHIBIT A

### Vesting and Restrictions

This grant is subject to both a Performance Restriction and a Time-Based Restriction, as described below (collectively, the "Period of Restriction").

### Performance Restriction

In order for the Restricted Stock to vest, the Compensation Committee of the Board of Directors of the Company (the "Committee") must determine that the Company has achieved 8.0% or greater Title Operating Margin (as defined below) in at least two calendar quarters of any of the next six calendar quarters starting January 1, 2017 (the "Performance Restriction"). The six calendar quarters starting January 1, 2017 and ending June 30, 2018 are referred to as the "Measurement Period." "Title Operating Margin" shall mean the Title Pre-Tax Margin as used for the annual bonus plan. Calculation of Title Operating Margin will exclude claim loss reserve adjustments (positive or negative) for prior period loss development, extraordinary events or accounting adjustments, acquisitions, divestitures, major restructuring charges, and non-budgeted discontinued operations. The Committee will evaluate whether the Title Operating Margin has been achieved following the completion of each calendar quarter during the Measurement Period.

### Time-Based Restrictions

| Anniversary Date | % of Restricted Stock |
|---|---|
| First (1 st ) anniversary of the Effective Date of Grant | 33.33% |
| Second (2 nd ) anniversary of the Effective Date of Grant | 33.33% |
| Third (3 rd ) anniversary of the Effective Date of Grant | 33.34% |

### Vesting

If the Performance Restriction has been achieved as of an Anniversary Date, the percentage of the Restricted Stock indicated next to such Anniversary Date shall vest on such indicated Anniversary Date (such three year vesting schedule referred to as the "Time-Based Restrictions"). If the Performance Restriction has not been achieved as of an Anniversary Date, but is achieved on or before the end of the Measurement Period, then the percentage of the Restricted Stock indicated next to such Anniversary Date shall vest at such time as the Committee determines that the Company has achieved the Performance Restriction. If the Performance Restriction is not achieved during the Measurement Period, none of the Restricted Stock granted hereunder shall vest and, for no consideration, will be automatically forfeited to the Company.

**EXHIBIT 10.60**

# Black Knight Financial Services, Inc.
# 2015 Omnibus Incentive Plan

**Notice of Restricted Stock Grant**

You (the "Grantee") have been granted the following award of restricted Shares of Class A common stock (the "Restricted Stock"), par value $0.0001 per share (the "Shares"), by Black Knight Financial Services, Inc. (the "Company"), pursuant to the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (the "Plan") and the terms set forth in the attached Restricted Stock Award Agreement:

| | |
|---|---|
| Name of Grantee: | |
| Number of Shares of Restricted Stock Granted: | |
| Effective Date of Grant: | February 3, 2017 |
| Vesting and Period of Restriction: | Subject to the terms of the Plan and the Restricted Stock Award Agreement attached hereto, the Period of Restriction shall lapse, and the Shares shall vest and become free of the forfeiture provisions contained in the Restricted Stock Award Agreement, with respect to one-third of the shares on each anniversary of the Effective Date of Grant and satisfaction of the Performance Restriction as set forth on Exhibit A of the Restricted Stock Award Agreement, attached hereto. |

By your electronic acceptance/signature below, you agree and acknowledge that the Restricted Stock is granted under and governed by the terms and conditions of the Plan and the attached Restricted Stock Award Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Restricted Stock Award Agreement. If you have not accepted or declined this Restricted Stock Grant, including the terms of this Notice and Restricted Stock Award Agreement, prior to the first anniversary of the Effective Date of Grant, you are hereby advised and acknowledge that you shall be deemed to have accepted the terms of this Notice and Restricted Stock Award Agreement on such first anniversary of the Effective Date of Grant.

**Black Knight Financial Services, Inc.**
**2015 Omnibus Incentive Plan**

**Restricted Stock Award Agreement**
**(Subject to Time-Based Restriction and Performance Restriction)**

**Section 1. GRANT OF RESTRICTED STOCK**

(a) **Restricted Stock** . On the terms and conditions set forth in the Notice of Restricted Stock Grant (the "Notice") and this Restricted Stock Award Agreement (the "Agreement"), the Company grants to the Grantee on the Effective Date of Grant the Shares of Restricted Stock (the "Restricted Stock") set forth in the Notice.

(b) **Plan and Defined Terms** . The Restricted Stock is granted pursuant to the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (the "Plan"). All terms, provisions, and conditions applicable to the Restricted Stock set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

**Section 2. FORFEITURE AND TRANSFER RESTRICTIONS**

(a) **Forfeiture** . Except as otherwise provided in Grantee's employment, director services or similar agreement in effect at the time of the employment termination:

(i) If the Grantee's employment or service as a Director or Consultant is terminated for any reason other than death, or Disability (as defined below), the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination.

(ii) If the Grantee's employment or service as a Director or Consultant is terminated due to the Grantee's death or Disability, a portion of the Shares which on the date of termination of employment remain subject to a Time-Based Restriction and/or the Performance Restriction (as defined in Exhibit A) shall vest and become free of the forfeiture and transfer restrictions contained in the Agreement (except as otherwise provided in Section 2(b) of this Agreement). The portion which shall vest shall be determined by the following formula (rounded to the nearest whole Share):

(A x B) - C, where

A = the total number of Shares granted under this Agreement,

B = the number of completed months to the date of termination of employment since the Effective Date of Grant divided by 36, and

C = the number of Shares granted under this Agreement which vested on or prior to the date of termination of employment.

All Shares that are subject to a Period of Restriction on the date of termination of employment or service as a Director or Consultant and which will not be vested pursuant to Section 2(a)(ii) above, shall be forfeited to the Company, for no consideration.

(iii) The term "Disability" shall have the meaning ascribed to such term in the Grantee's employment, director services or similar agreement with the Company. If the Grantee's employment, director services or similar agreement does not define the term "Disability," or if the Grantee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term "Disability" shall mean the Grantee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

(iv) If the Performance Restriction is not satisfied during the Measurement Period, all of the Shares that do not satisfy the performance criteria for the applicable Performance Period, shall be forfeited to the Company, for no consideration.

(b) **Transfer Restrictions** . During the Period of Restriction, the Restricted Stock may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, to the extent such Shares are subject to a Period of Restriction.

(c) **Holding Period** . If and when (i) the Grantee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President of Data and Analytics, President of Origination Technology or President of Servicing Technology, and (ii) Grantee does not hold Shares with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, then Grantee must retain 50% of the Shares acquired by Grantee as a result of the lapse of a Period of Restriction (excluding from the calculation any Shares withheld for purposes of satisfying Grantee's tax obligations in connection with such lapse of a Period of Restriction) until such time as the value of the Shares remaining in Grantee's possession following any sale, assignment, pledge, exchange, gift or other transfer of the Shares shall be sufficient to meet any applicable stock ownership guidelines of the Company in place at that time. For the avoidance of doubt, at any time when Grantee holds, in the aggregate, Shares with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, Grantee may enter into a transaction with respect to any Shares acquired by Grantee as a result of the lapse of a Period of Restriction without regard to the holding period requirement contained in this Section 2(b) so long as Grantee shall continue to satisfy such stock ownership guidelines following such transaction.

(d) **Lapse of Restrictions** . The Period of Restriction shall lapse as to the Restricted Stock in accordance with the Notice and the terms of this Agreement. Subject to the terms of the Plan and Section 6(a) hereof, upon lapse of the Period of Restriction, the Grantee shall own the Shares that are subject to this Agreement free of all restrictions, other than the holding period described in Section 2(c) above. 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 Period of Restriction or other restriction imposed on the Restricted Stock that has not previously lapsed, including the holding period described in Section 2(c) above, shall lapse.

**Section 3. STOCK CERTIFICATES**

As soon as practicable following the grant of Restricted Stock, the Shares of Restricted Stock shall be registered in the Grantee's name in certificate or book-entry form. If a certificate is issued, it shall bear an appropriate legend referring to the restrictions and it shall be held by the Company, or its agent, on behalf of the Grantee until the Period of Restriction has lapsed. If the Shares are registered in book-entry form, the restrictions shall be placed on the book-entry registration. The Grantee may be required to execute and return to the Company a blank stock power for each Restricted Stock certificate (or instruction letter, with respect to Shares registered in book-entry form), which will permit transfer to the Company, without further action, of all or any portion of the Restricted Stock that is forfeited in accordance with this Agreement.

**Section 4. SHAREHOLDER RIGHTS**

Except for the transfer and dividend restrictions, and subject to such other restrictions, if any, as determined by the Committee, the Grantee shall have all other rights of a holder of Shares, including the right to vote (or to execute proxies for voting) such Shares. Unless otherwise determined by the Committee, if all or part of a dividend in respect of the Restricted Stock is paid in Shares or any other security issued by the Company, such Shares or other securities shall be held by the Company subject to the same restrictions as the Restricted Stock in respect of which the dividend was paid.

**Section 5. DIVIDENDS**

(a) Any dividends paid with respect to Shares which remain subject to a Period of Restriction shall not be paid to the Grantee but shall be held by the Company.

(b) Such held dividends shall be subject to the same Period of Restriction as the Shares to which they relate.

(c) Any dividends held pursuant to this Section 5 which are attributable to Shares which vest pursuant to this Agreement shall be paid to the Grantee within 30 days of the applicable vesting date.

(d) Dividends attributable to Shares forfeited pursuant to Section 2 of this Agreement shall be forfeited to the Company on the date such Shares are forfeited.

**Section 6. MISCELLANEOUS PROVISIONS**

(a) **Tax Withholding** . Pursuant to Article 20 of the Plan, the Committee shall have the power and right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Grantee's FICA obligations) required by law to be withheld with respect to this Award. The Committee may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including payroll taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(b) **Black Knight Spin-Off.** For the avoidance of doubt, the tax-free distribution by Fidelity National Financial, Inc. (" FNF ") of all 83.3 million shares of the Company's Class A common stock currently owned by FNF to the holders of its FNF Group common stock (the " Spin-Off "), as previously announced by FNF and the Company in press releases dated December 7, 2016, which Spin-Off shall be deemed to include any transactions related thereto, including but not limited to any reorganization, merger, share exchange, consolidation or sale or other disposition intended to effectuate the Spin-Off, shall not constitute the occurrence of a Change in Control under the Plan, as that term is defined in Section 2.5 of the Plan.

(c) **Ratification of Actions** . By accepting this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated the Grantee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice by the Company, the Board or the Committee.

(d) **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

(e) **Choice of Law** . This Agreement and the Notice shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice to be governed by or construed in accordance with the substantive law of another jurisdiction.

(f) **Arbitration** . Subject to, and in accordance with the provisions of Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice, provided that all substantive questions of law shall be determined in accordance with the state and federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

(g) **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(h) **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(i) **References to Plan** . All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

(j) **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

**EXHIBIT A**

**Vesting and Restrictions**

This grant is subject to both a Performance Restriction and a Time-Based Restriction, as described below (collectively, the “Period of Restriction”).

**Performance Restriction**

In order for the Restricted Stock to vest, the Compensation Committee of the Board of Directors of the Company (the “Committee”) must determine that the Company has achieved Adjusted EBITDA of $464 million (the “Performance Restriction”) for the period of January 1, 2017 to December 31, 2017 (the “Measurement Period”). Adjusted EBITDA shall be defined as net earnings from continuing operations, with adjustments to reflect the addition or elimination of certain income statement items including, but not limited to: (i) depreciation and amortization; (ii) interest expense; (iii) income tax expense; (iv) the deferred revenue purchase accounting adjustment recorded in accordance with GAAP; (v) equity-based compensation; (vi) charges associated with significant legal and regulatory matters; (vii) exit costs, impairments and other charges; (viii) costs associated with debt and equity offerings, including the planned FNF spin-off; (ix) acquisition related costs; and (x) other expenses, net. The Committee will evaluate whether the Performance Restriction has been achieved following the completion of the Measurement Period.

**Time-Based Restrictions**

| Anniversary Date | % of Restricted Stock |
|---|---|
| First ($1^{st}$) anniversary of the Effective Date of Grant | 33.33% |
| Second ($2^{nd}$) anniversary of the Effective Date of Grant | 33.33% |
| Third ($3^{rd}$) anniversary of the Effective Date of Grant | 33.34% |

**Vesting**

If the Performance Restriction has been achieved as of an Anniversary Date, the percentage of the Restricted Stock indicated next to such Anniversary Date shall vest on such indicated Anniversary Date (such three year vesting schedule referred to as the “Time-Based Restrictions”). If the Performance Restriction has not been achieved as of an Anniversary Date, but is achieved on or before the end of the Measurement Period, then the percentage of the Restricted Stock indicated next to such Anniversary Date shall vest at such time as the Committee determines that the Company has achieved the Performance Restriction. If the Performance Restriction is not achieved during the Measurement Period, none of the Restricted Stock granted hereunder shall vest and, for no consideration, will be automatically forfeited to the Company.

**EXHIBIT 10.61**

# Black Knight Financial Services, Inc.
# 2015 Omnibus Incentive Plan

**Notice of Restricted Stock Grant**

You (the "Grantee") have been granted the following award of restricted Shares of Class A common stock (the "Restricted Stock"), par value $0.0001 per share (the "Shares"), by Black Knight Financial Services, Inc. (the "Company"), pursuant to the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (the "Plan") and the terms set forth in the attached Restricted Stock Award Agreement:

| | |
|---|---|
| Name of Grantee: | |
| Number of Shares of Restricted Stock Granted: | |
| Effective Date of Grant: | February 3, 2017 |
| Vesting and Period of Restriction: | Subject to the terms of the Plan and the Restricted Stock Award Agreement attached hereto, the Period of Restriction shall lapse, and the Shares shall vest and become free of the forfeiture provisions contained in the Restricted Stock Award Agreement, with respect to one-fourth of the shares on each anniversary of the Effective Date of Grant and satisfaction of the Performance Restriction as set forth on Exhibit A of the Restricted Stock Award Agreement, attached hereto. |

By your electronic acceptance/signature below, you agree and acknowledge that the Restricted Stock is granted under and governed by the terms and conditions of the Plan and the attached Restricted Stock Award Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Restricted Stock Award Agreement. If you have not accepted or declined this Restricted Stock Grant, including the terms of this Notice and Restricted Stock Award Agreement, prior to the first anniversary of the Effective Date of Grant, you are hereby advised and acknowledge that you shall be deemed to have accepted the terms of this Notice and Restricted Stock Award Agreement on such first anniversary of the Effective Date of Grant.

**Black Knight Financial Services, Inc.**
**2015 Omnibus Incentive Plan**

**Restricted Stock Award Agreement**
**(Subject to Time-Based Restriction and Performance Restriction)**

**Section 1. GRANT OF RESTRICTED STOCK**

(a) **Restricted Stock** . On the terms and conditions set forth in the Notice of Restricted Stock Grant (the “Notice”) and this Restricted Stock Award Agreement (the “Agreement”), the Company grants to the Grantee on the Effective Date of Grant the Shares of Restricted Stock (the “Restricted Stock”) set forth in the Notice.

(b) **Plan and Defined Terms** . The Restricted Stock is granted pursuant to the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (the “Plan”). All terms, provisions, and conditions applicable to the Restricted Stock set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

**Section 2. FORFEITURE AND TRANSFER RESTRICTIONS**

(a) **Forfeiture** . Except as otherwise provided in Grantee’s employment, director services or similar agreement in effect at the time of the employment termination:

(i) If the Grantee’s employment or service as a Director or Consultant is terminated for any reason other than death, or Disability (as defined below), the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination.

(ii) If the Grantee’s employment or service as a Director or Consultant is terminated due to the Grantee’s death or Disability, a portion of the Shares which on the date of termination of employment remain subject to a Time-Based Restriction and/or the Performance Restriction (as defined in Exhibit A) shall vest and become free of the forfeiture and transfer restrictions contained in the Agreement (except as otherwise provided in Section 2(b) of this Agreement). The portion which shall vest shall be determined by the following formula (rounded to the nearest whole Share):

(A x B) - C, where

A = the total number of Shares granted under this Agreement,

B = the number of completed months to the date of termination of employment since the Effective Date of Grant divided by 48, and

C = the number of Shares granted under this Agreement which vested on or prior to the date of termination of employment.

All Shares that are subject to a Period of Restriction on the date of termination of employment or service as a Director or Consultant and which will not be vested pursuant to Section 2(a)(ii) above, shall be forfeited to the Company, for no consideration.

(iii) The term “Disability” shall have the meaning ascribed to such term in the Grantee’s employment, director services or similar agreement with the Company. If the Grantee’s employment, director services or similar agreement does not define the term “Disability,” or if the Grantee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term “Disability” shall mean the Grantee’s entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company’s employees participate.

(iv) If the Performance Restriction is not satisfied during the Measurement Period, all of the Shares that do not satisfy the performance criteria for the applicable Performance Period, shall be forfeited to the Company, for no consideration.

(b) **Transfer Restrictions** . During the Period of Restriction, the Restricted Stock may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, to the extent such Shares are subject to a Period of Restriction.

(c) **Holding Period** . If and when (i) the Grantee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President of Data and Analytics, President of Origination Technology or President of Servicing Technology, and (ii) Grantee does not hold Shares with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, then Grantee must retain 50% of the Shares acquired by Grantee as a result of the lapse of a Period of Restriction (excluding from the calculation any Shares withheld for purposes of satisfying Grantee’s tax obligations in connection with such lapse of a Period of Restriction) until such time as the value of the Shares remaining in Grantee’s possession following any sale, assignment, pledge, exchange, gift or other transfer of the Shares shall be sufficient to meet any applicable stock ownership guidelines of the Company in place at that time. For the avoidance of doubt, at any time when Grantee holds, in the aggregate, Shares with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, Grantee may enter into a transaction with respect to any Shares acquired by Grantee as a result of the lapse of a Period of Restriction without regard to the holding period requirement contained in this Section 2(b) so long as Grantee shall continue to satisfy such stock ownership guidelines following such transaction.

(d) **Lapse of Restrictions** . The Period of Restriction shall lapse as to the Restricted Stock in accordance with the Notice and the terms of this Agreement. Subject to the terms of the Plan and Section 6(a) hereof, upon lapse of the Period of Restriction, the Grantee shall own the Shares that are subject to this Agreement free of all restrictions, other than the holding period described in Section 2(c) above. 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 Period of Restriction or other restriction imposed on the Restricted Stock that has not previously lapsed, including the holding period described in Section 2(c) above, shall lapse.

**Section 3. STOCK CERTIFICATES**

As soon as practicable following the grant of Restricted Stock, the Shares of Restricted Stock shall be registered in the Grantee's name in certificate or book-entry form. If a certificate is issued, it shall bear an appropriate legend referring to the restrictions and it shall be held by the Company, or its agent, on behalf of the Grantee until the Period of Restriction has lapsed. If the Shares are registered in book-entry form, the restrictions shall be placed on the book-entry registration. The Grantee may be required to execute and return to the Company a blank stock power for each Restricted Stock certificate (or instruction letter, with respect to Shares registered in book-entry form), which will permit transfer to the Company, without further action, of all or any portion of the Restricted Stock that is forfeited in accordance with this Agreement.

**Section 4. SHAREHOLDER RIGHTS**

Except for the transfer and dividend restrictions, and subject to such other restrictions, if any, as determined by the Committee, the Grantee shall have all other rights of a holder of Shares, including the right to vote (or to execute proxies for voting) such Shares. Unless otherwise determined by the Committee, if all or part of a dividend in respect of the Restricted Stock is paid in Shares or any other security issued by the Company, such Shares or other securities shall be held by the Company subject to the same restrictions as the Restricted Stock in respect of which the dividend was paid.

**Section 5. DIVIDENDS**

(a) Any dividends paid with respect to Shares which remain subject to a Period of Restriction shall not be paid to the Grantee but shall be held by the Company.

(b) Such held dividends shall be subject to the same Period of Restriction as the Shares to which they relate.

(c) Any dividends held pursuant to this Section 5 which are attributable to Shares which vest pursuant to this Agreement shall be paid to the Grantee within 30 days of the applicable vesting date.

(d) Dividends attributable to Shares forfeited pursuant to Section 2 of this Agreement shall be forfeited to the Company on the date such Shares are forfeited.

**Section 6. MISCELLANEOUS PROVISIONS**

(a) **Tax Withholding** . Pursuant to Article 20 of the Plan, the Committee shall have the power and right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Grantee's FICA obligations) required by law to be withheld with respect to this Award. The Committee may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including payroll taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(b) **Black Knight Spin-Off.** For the avoidance of doubt, the tax-free distribution by Fidelity National Financial, Inc. (" FNF ") of all 83.3 million shares of the Company's Class A common stock currently owned by FNF to the holders of its FNF Group common stock (the " Spin-Off "), as previously announced by FNF and the Company in press releases dated December 7, 2016, which Spin-Off shall be deemed to include any transactions related thereto, including but not limited to any reorganization, merger, share exchange, consolidation or sale or other disposition intended to effectuate the Spin-Off, shall not constitute the occurrence of a Change in Control under the Plan, as that term is defined in Section 2.5 of the Plan.

(c) **Ratification of Actions** . By accepting this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated the Grantee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice by the Company, the Board or the Committee.

(d) **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

(e) **Choice of Law** . This Agreement and the Notice shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice to be governed by or construed in accordance with the substantive law of another jurisdiction.

(f) **Arbitration** . Subject to, and in accordance with the provisions of Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice, provided that all substantive questions of law shall be determined in accordance with the state and federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

(g) **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(h) **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(i) **References to Plan** . All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

(j) **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

**EXHIBIT A**

**Vesting and Restrictions**

This grant is subject to both a Performance Restriction and a Time-Based Restriction, as described below (collectively, the “Period of Restriction”).

**Performance Restriction**

In order for the Restricted Stock to vest, the Compensation Committee of the Board of Directors of the Company (the “Committee”) must determine that the Company has achieved Adjusted EBITDA of $464 million (the “Performance Restriction”) for the period of January 1, 2017 to December 31, 2017 (the “Measurement Period”). Adjusted EBITDA shall be defined as net earnings from continuing operations, with adjustments to reflect the addition or elimination of certain income statement items including, but not limited to: (i) depreciation and amortization; (ii) interest expense; (iii) income tax expense; (iv) the deferred revenue purchase accounting adjustment recorded in accordance with GAAP; (v) equity-based compensation; (vi) charges associated with significant legal and regulatory matters; (vii) exit costs, impairments and other charges; (viii) costs associated with debt and equity offerings, including the planned FNF spin-off; (ix) acquisition related costs; and (x) other expenses, net. The Committee will evaluate whether the Performance Restriction has been achieved following the completion of the Measurement Period.

**Time-Based Restrictions**

| Anniversary Date | % of Restricted Stock |
|---|---|
| First (1 st ) anniversary of the Effective Date of Grant | 25% |
| Second (2 nd ) anniversary of the Effective Date of Grant | 25% |
| Third (3 rd ) anniversary of the Effective Date of Grant | 25% |
| Fourth (4 th ) anniversary of the Effective Date of Grant | 25% |

**Vesting**

If the Performance Restriction has been achieved as of an Anniversary Date, the percentage of the Restricted Stock indicated next to such Anniversary Date shall vest on such indicated Anniversary Date (such four year vesting schedule referred to as the “Time-Based Restrictions”). If the Performance Restriction has not been achieved as of an Anniversary Date, but is achieved on or before the end of the Measurement Period, then the percentage of the Restricted Stock indicated next to such Anniversary Date shall vest at such time as the Committee determines that the Company has achieved the Performance Restriction. If the Performance Restriction is not achieved during the Measurement Period, none of the Restricted Stock granted hereunder shall vest and, for no consideration, will be automatically forfeited to the Company.

**EXHIBIT 10.62**

**Amendment**

**to the**

**Restricted Stock Award Agreement**
**(Subject to Time-Based Restriction)**

This AMENDMENT (the " Amendment "), effective as of August 19, 2016, is by and between Black Knight Financial Services, Inc., a Delaware corporation (the " Company "), and [ ] (the "Grantee").

WHEREAS, the Grantee was previously granted an award (the " Award ") of restricted shares of the Company's Class A common stock on May 26, 2015, in exchange for the Grantee's profits interest award of Class B Units in Black Knight Financial Services, LLC granted to Grantee on [ ], 201[ ]; and

WHEREAS, the Company and the Executive wish to amend the Restricted Stock Award Agreement, pursuant to which the Award was granted (the " Award Agreement ");

NOW, THEREFORE, intending to be bound, the parties hereby agree as follows.

1. Section 2(a)(i) of the Award Agreement is amended to read as follows:

"If the Grantee's (A) employment or service as a Director or Consultant is terminated by the Company or a Subsidiary without Cause or (B) employment agreement with the Company or a Subsidiary provides for severance benefits upon a termination for "Good Reason" and the Grantee terminates employment for Good Reason in accordance with the employment agreement, then any Shares of Restricted Stock that would have vested within the 12 months immediately following the date of the Grantee's termination (had the Grantee's employment or services not terminated) shall vest as of the date of termination. Except as otherwise provided in the previous sentence, if the Grantee's employment or service as a Director or Consultant is terminated by the Company or Grantee for any reason, including as a result of the Grantee's death or Disability, the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination."

2. A new Section (iv) shall be added after Section 2(a)(iii) to read as follows:

"(iv) The term "Disability" shall have the meaning ascribed to such term in the Grantee's employment, director services or similar agreement with the Company or a Subsidiary. If the Grantee's employment, director services or similar agreement does not define the term "Disability," or if the Grantee has not entered into an employment, director services or similar agreement with the Company or a Subsidiary, the term "Disability" shall mean a total or permanent disability of Grantee that would entitle the Grantee to long-term disability benefits under the Company's or a Subsidiary's long-term disability plan in which Grantee is eligible to participate."

IN WITNESS WHEREOF, the Company and the Grantee have caused this Amendment to be duly executed, effective as of the date first set forth above.

BLACK KNIGHT FINANCIAL SERVICES, INC.

By: ______________________________
Thomas J. Sanzone
President and Chief Executive Officer

GRANTEE

__________________________________
[ ]

EXHIBIT 21.1

**FIDELITY NATIONAL FINANCIAL, INC.**
**List of Subsidiaries December 31, 2016**
**Significant Subsidiaries**

| COMPANY | INCORPORATION |
|---|---|
| FNTG Holdings, LLC | Delaware |
| Chicago Title Insurance Company | Nebraska |
| Fidelity National Title Group, Inc. | Delaware |
| Fidelity National Title Insurance Company | California |
| Black Knight Financial Services, LLC | Delaware |
| Black Knight Holdings, Inc. | Delaware |
| Black Knight Technology Solutions, LLC | Delaware |

**Exhibit 23.1**

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors
Fidelity National Financial, Inc.:

We consent to the incorporation by reference in the Registration Statements (Nos. 333-198187, 333-197249, 333-197124, 333-193825, 333-190527, 333-157643, 333-132843, 333-138254, 333-129886, 333-129016, 333-176395 and 333-213427) on Form S-8, Registration Statements (Nos. 333-157123, 333-147391, and 333-174650) on Form S-3, and Registration Statements (Nos. 333-194938 and 333-190902) on Form S-4 of Fidelity National Financial, Inc. of our reports dated February 27, 2017 , with respect to the Consolidated Balance Sheets of Fidelity National Financial, Inc. as of December 31, 2016 and 2015 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity, and Cash Flows for each of the years in the three-year period ended December 31, 2016 , and all related financial statement schedules, and the effectiveness of internal control over financial reporting as of December 31, 2016 , which reports appear in the December 31, 2016 annual report on Form 10-K of Fidelity National Financial, Inc.

/s/ KPMG LLP

Jacksonville, Florida
February 27, 2017
Certified Public Accountants

**Exhibit 31.1**

**CERTIFICATIONS**

I, Raymond R. Quirk, certify that:

1. I have reviewed this annual report on Form 10-K of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2017

By: */s/ Raymond R. Quirk*

Raymond R. Quirk
Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATIONS**

I, Anthony J. Park, certify that:

1. I have reviewed this annual report on Form 10-K of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2017

By: */s/ Anthony J. Park*

Anthony J. Park

Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Executive Officer of Fidelity National Financial, Inc., a Delaware corporation (the “Company”), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: February 27, 2017

By: */s/ Raymond R. Quirk*
Raymond R. Quirk
Chief Executive Officer

**Exhibit 32.2**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Financial Officer of Fidelity National Financial, Inc., a Delaware corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: February 27, 2017

By: */s/ Anthony J. Park*

Anthony J. Park

Chief Financial Officer

**Unaudited Attributed Financial Information for Fidelity National Financial Group Tracking Stock**

The following tables present our assets, liabilities, revenues, expenses and cash flows that are attributed to our FNF core business, known as FNF Group ("we" or "our"). The financial information in this Exhibit should be read in conjunction with our consolidated financial statements for the period ended December 31, 2016 included in this Annual Report on Form 10-K.

FNF Group is comprised of three operating segments as follows:

- *Title.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title-related services including trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty products. This segment also includes our transaction services business, which includes other title-related services used in the production and management of mortgage loans, including mortgage loans that experience default.

- *Black Knight.* This segment consists of the operations of Black Knight, which, through leading software systems and information solutions, provides mission critical technology and data and analytics services that facilitate and automate many of the business processes across the life cycle of a mortgage.

- *FNF Group Corporate and Other.* This segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other real estate operations.

We have adopted certain expense allocation policies, each of which are reflected in the attributed financial information of the FNF Group and the FNFV Group (see Exhibit 99.2). In general, corporate overhead is allocated to each group based upon the use of services by that group where practicable. Corporate overhead primarily includes costs of personnel and employee benefits, legal, accounting and auditing, insurance, investor relations and stockholder services and services related to FNF's board of directors. We allocate in a similar manner a portion of costs of administrative shared services, such as information technology services. Where determinations based on use alone are not practical, we use other methods and criteria that we believe are equitable and that provide a reasonable estimate of the cost attributable to each group.

Notwithstanding the following attribution of assets, liabilities, revenue, expenses and cash flows to FNF Group, Fidelity National Financial, Inc.'s ("FNF, Inc.") tracking stock structure does not affect the ownership or the respective legal title to FNF Inc.'s assets or responsibility for FNF, Inc.'s liabilities. FNF, Inc. and its subsidiaries are each responsible for their respective liabilities. Holders of FNF Group common stock are subject to risks associated with an investment in FNF, Inc. and all of its businesses, assets and liabilities. See "Item 1A. *Risk Factors* - Risks Relating to the Ownership of Our FNFV Group Common Stock due to our Tracking Stock Capitalization" for further discussion of risks associated with our tracking stock structure.

**FIDELITY NATIONAL FINANCIAL GROUP OPERATIONS**
**Balance Sheet Information**
(In millions)

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| | (Unaudited) | |
| **ASSETS** | | |
| Investments: | | |
| Fixed maturities available for sale, at fair value, at December 31, 2016 and 2015, includes pledged fixed maturities of $332 and $342, respectively, related to secured trust deposits | $ 2,407 | $ 2,558 |
| Preferred stock available for sale, at fair value | 315 | 289 |
| Equity securities available for sale, at fair value | 386 | 309 |
| Investments in unconsolidated affiliates | 150 | 125 |
| Other long-term investments | 42 | 78 |
| Short-term investments, includes pledged short term investments of $212 and $266 at December 31, 2016 and 2015, respectively, related to secured trust deposits | 486 | 790 |
| Total investments | 3,786 | 4,149 |
| Cash and cash equivalents, at December 31, 2016 and 2015, includes pledged cash of $331 and $108, respectively, related to secured trust deposits | 1,179 | 749 |
| Trade and notes receivables, net of allowance of $26 and $31 at December 31, 2016 and December 31, 2015, respectively | 479 | 457 |
| Due from affiliates | 17 | 10 |
| Goodwill | 4,859 | 4,568 |
| Prepaid expenses and other assets | 588 | 551 |
| Capitalized software, net | 564 | 543 |
| Other intangible assets, net | 831 | 802 |
| Title plant | 395 | 395 |
| Property and equipment, net | 365 | 278 |
| Total assets | $ 13,063 | $ 12,502 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 993 | $ 878 |
| Income taxes payable | 47 | 38 |
| Deferred revenue | 228 | 191 |
| Reserve for title claim losses | 1,487 | 1,583 |
| Secured trust deposits | 860 | 701 |
| Notes payable | 2,513 | 2,593 |
| Deferred tax liability | 725 | 669 |
| Total liabilities | 6,853 | 6,653 |
| Commitments and Contingencies: | | |
| Redeemable non-controlling interest by 21% minority holder of ServiceLink Holdings, LLC | 344 | 344 |
| Equity: | | |
| FNF Group common stock, $0.0001 par value; authorized 487,000,000 shares as of December 31, 2016 and 2015; outstanding of 272,205,261 and 275,781,160 as of December 31, 2016 and 2015, respectively; and issued of 285,041,900 and 282,394,970 as of December 31, 2016 and 2015, respectively | — | — |
| Additional paid-in capital | 3,685 | 3,639 |
| Retained earnings | 1,791 | 1,377 |
| Accumulated other comprehensive earnings | 55 | 7 |
| Less: treasury stock, 12,836,639 and 6,613,810 shares as of December 31, 2016 and December 31, 2015, respectively | (451) | (238) |
| Total Fidelity National Financial Group shareholders' equity | 5,080 | 4,785 |
| Noncontrolling interests | 786 | 720 |
| Total equity | 5,866 | 5,505 |
| Total liabilities, redeemable noncontrolling interest and equity | $ 13,063 | $ 12,502 |

See Notes to Unaudited Attributed Financial Information for FNF Group Tracking Stock

**FIDELITY NATIONAL FINANCIAL GROUP OPERATIONS**
**Statements of Earnings Information**
(In millions)

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | | (Unaudited) | |
| Revenues: | | | |
| Direct title insurance premiums | $ 2,097 | $ 2,009 | $ 1,727 |
| Agency title insurance premiums | 2,626 | 2,277 | 1,944 |
| Escrow, title related and other fees | 3,378 | 3,121 | 2,694 |
| Interest and investment income | 126 | 121 | 121 |
| Realized gains and losses, net | (8) | 6 | 4 |
| Total revenues | 8,219 | 7,534 | 6,490 |
| Expenses: | | | |
| Personnel costs | 2,668 | 2,514 | 2,370 |
| Agent commissions | 1,998 | 1,731 | 1,471 |
| Other operating expenses | 1,837 | 1,714 | 1,557 |
| Depreciation and amortization | 369 | 345 | 336 |
| Claim loss expense | 157 | 246 | 228 |
| Interest expense | 126 | 122 | 122 |
| Total expenses | 7,155 | 6,672 | 6,084 |
| Earnings from continuing operations before income taxes and equity in earnings of unconsolidated affiliates | 1,064 | 862 | 406 |
| Income tax expense | 383 | 310 | 162 |
| Earnings from continuing operations before equity in earnings of unconsolidated affiliates | 681 | 552 | 244 |
| Equity in earnings of unconsolidated affiliates | 15 | 6 | 4 |
| Net earnings from continuing operations | 696 | 558 | 248 |
| Loss from discontinued operations, net of tax | — | — | (1) |
| Net earnings | 696 | 558 | 247 |
| Less: Net earnings (loss) attributable to non-controlling interests | 42 | 18 | (68) |
| Net earnings attributable to FNF Group common shareholders | $ 654 | $ 540 | $ 315 |
| **Earnings Per Share** | | | |
| *Basic* | | | |
| Net earnings per share attributable to Old FNF common shareholders | $ — | $ — | $ 0.37 |
| Net earnings per share attributable to FNF Group common shareholders | $ 2.40 | $ 1.95 | $ 0.77 |
| *Diluted* | | | |
| Net earnings per share attributable to Old FNF common shareholders | $ — | $ — | $ 0.37 |
| Net earnings per share attributable to FNF Group common shareholders | $ 2.34 | $ 1.89 | $ 0.75 |
| Weighted average shares outstanding Old FNF common stock, basic basis (1) | — | — | 138 |
| Weighted average shares outstanding Old FNF common stock, diluted basis (1) | — | — | 142 |
| Weighted average shares outstanding FNF Group common stock, basic basis | 272 | 277 | 138 |
| Weighted average shares outstanding FNF Group common stock, diluted basis | 280 | 286 | 142 |

(1) The recapitalization of our stock took place on July 1, 2014. Accordingly, the outstanding shares of Old FNF common stock are presented and used to calculate earnings per share for the first six months of the twelve months ended December 31, 2014.

See Notes to Unaudited Attributed Financial Information for FNF Group Tracking Stock

**FIDELITY NATIONAL FINANCIAL GROUP OPERATIONS**
**Statement of Cash Flows Information**
(In millions)

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | (Unaudited) | | |
| Cash flows from operating activities: | | | |
| Net earnings | $ 696 | $ 558 | $ 247 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Depreciation and amortization | 369 | 345 | 336 |
| Equity in earnings of unconsolidated affiliates | (15) | (6) | (4) |
| Loss (gain) on sales of investments and other assets, net | 8 | (6) | (4) |
| Stock-based compensation cost | 51 | 47 | 39 |
| Changes in assets and liabilities, net of effects from acquisitions: | | | |
| Net increase in pledged cash, pledged investments, and secured trust deposits | — | (2) | — |
| Net (increase) decrease in trade receivables | (7) | 8 | (35) |
| Net (increase) decrease in prepaid expenses and other assets | (20) | (107) | 24 |
| Net increase (decrease) in accounts payable, accrued liabilities, deferred revenue and other | 90 | 22 | (130) |
| Net decrease in reserve for title claim losses | (96) | (38) | (67) |
| Net change in amount due to affiliates | (7) | (10) | (13) |
| Net change in income taxes | 12 | 111 | 98 |
| Net cash provided by operating activities | 1,081 | 922 | 491 |
| Cash flows from investing activities: | | | |
| Proceeds from sales of investment securities available for sale | 238 | 775 | 778 |
| Proceeds from calls and maturities of investment securities available for sale | 452 | 383 | 458 |
| Proceeds from sale of other assets | 6 | 10 | 4 |
| Additions to property and equipment and capitalized software | (227) | (179) | (124) |
| Purchases of investment securities available for sale | (558) | (1,073) | (1,032) |
| Net proceeds from (purchases of) short-term investment securities | 251 | (486) | (161) |
| Purchases of other long-term investments | — | (26) | (34) |
| Contributions to investments in unconsolidated affiliates | (97) | (92) | — |
| Distributions from investments in unconsolidated affiliates | 96 | 44 | 7 |
| Net other investing activities | (6) | (6) | (17) |
| Acquisition of Lender Processing Services, Inc., net of cash acquired | — | — | (2,254) |
| Acquisition of BPG Holdings, LLC, net of cash acquired | — | (43) | — |
| Acquisition of Commissions, Inc., net of cash acquired | (229) | — | — |
| Acquisition of eLynx Holdings, Inc., net of cash acquired | (115) | — | — |
| Other acquisitions/disposals of businesses, net of cash acquired | (132) | (44) | (41) |
| Net cash used in investing activities | (321) | (737) | (2,416) |
| Cash flows from financing activities: | | | |
| Borrowings | 55 | 1,229 | 1,504 |
| Debt service payments | (155) | (1,328) | (875) |
| Additional investment in non-controlling interest | (1) | (6) | (1) |
| Proceeds from sale of 35% of Black Knight Financial Services, LLC and ServiceLink, LLC to minority interest holder | — | — | 687 |
| Proceeds from BKFS IPO | — | 475 | — |
| Dividends paid | (239) | (220) | (201) |
| Subsidiary dividends paid to non-controlling interest shareholders | (8) | (6) | (10) |
| Exercise of stock options | 19 | 25 | 40 |
| Equity and debt issuance costs | — | — | (1) |
| Equity portion of debt conversions paid in cash | (2) | — | — |
| Payment of contingent consideration for prior period acquisitions | (4) | — | — |
| Payment for shares withheld for taxes and in treasury | (7) | (13) | — |
| Distributions by BKFS to member | — | (17) | — |

| | | | |
|---|---|---|---|
| Purchases of treasury stock | (211) | (208) | — |
| Contributions to subsidiaries | — | — | (168) |
| Net cash (used in) provided by financing activities | (553) | (69) | 975 |
| Net increase (decrease) in cash and cash equivalents, excluding pledged cash related to secured trust deposits | 207 | 116 | (950) |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits at beginning of period | 641 | 525 | 1,475 |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits at end of period | $ 848 | $ 641 | $ 525 |

See Notes to Unaudited Attributed Financial Information for FNF Group Tracking Stock

**Notes to Unaudited Attributed Financial Information for Fidelity National Financial Group Tracking Stock**
**Period Ended December 31, 2016**
**(unaudited)**

## Note A. Basis of Presentation

### *Description of the Business*

Through FNF Group, we are a leading provider of (i) title insurance, escrow and other title-related services, including trust activities, trustee sales guarantees, recordings and reconveyances and home warranty products and (ii) technology and transaction services to the real estate and mortgage industries. FNF Group is the nation's largest title insurance company operating through its title insurance underwriters - Fidelity National Title Insurance Company, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Alamo Title Insurance and National Title Insurance of New York Inc. - which collectively issue more title insurance policies than any other title company in the United States. Through our subsidiary ServiceLink Holdings, LLC ("ServiceLink"), we provide mortgage transaction services including title-related services and facilitation of production and management of mortgage loans. FNF Group also provides industry-leading mortgage technology solutions, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiary, Black Knight Financial Services, Inc. ("Black Knight").

### *Recent Developments*

On February 27, 2017, Black Knight announced that it has completed the repricing of its existing Term B Facility under its senior secured credit facility (the "Repricing"). The Term B Facility was repriced from 300 basis points to 225 basis points over LIBOR. The LIBOR floor remains at 75 basis points. The repriced loans continue to be due in full on May 27, 2022. See Note J to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report for further discussion of the terms of the Black Knight Term B Facility. In conjunction with the Repricing, Black Knight's lenders consented to the previously announced tax-free distribution in which we intend to distribute all 83.3 million shares of Black Knight Financial Services, Inc. common stock that we currently own to FNF Group shareholders.

On February 1, 2017, our Board of Directors adopted a resolution to increase the size of the of our Board of Directors to twelve and elected Raymond R. Quirk to serve on our Board of Directors. Mr. Quirk is the Chief Executive Officer of FNF and has served in that capacity since December 2013. Previously, he served as the President of FNF beginning in April 2008. Since joining FNF in 1985, Mr. Quirk has served in numerous other executive and management positions, including Executive Vice President, Co-Chief Operating Officer, Division Manager and Regional Manager, with responsibilities for managing direct and agency title operations nationally.

On January 31, 2017, Black Knight's Board of Directors authorized a three-year share repurchase program, effective February 3, 2017, under which Black Knight may repurchase up to 10 million shares of its Class A common stock. The timing and volume of share repurchases will be determined by Black Knight's management based on its ongoing assessments of the capital needs of the business, the market price of its common stock and general market conditions. The repurchase program authorizes Black Knight to purchase its common stock from time to time through February 2, 2020, through open market purchases, negotiated transactions or other means, in accordance with applicable securities laws and other restrictions.

Effective January 1, 2017, Property Insight ("PI"), a Black Knight subsidiary that provides information used by title insurance underwriters, title agents and closing attorneys to source and underwrite title insurance for real property sales and transfers, realigned its commercial relationship with us. In connection with the realignment, responsibility for title plant posting and maintenance, as well as the related Property Insight employees, are now managed by us. Black Knight will continue to own the title plant technology and retain sales responsibility for third parties. The realignment will not have a material impact on our financial condition or results of operations.

On December 7, 2016, we announced that our Board of Directors has approved a tax-free plan (the "Plan") whereby we intend to distribute all 83.3 million shares of Black Knight Financial Services Inc. common stock that we currently own to FNF Group shareholders. Following the distribution, FNF and Black Knight will each be independent, fully-distributed, publicly-traded common stocks with FNF no longer being a tracking stock. FNF and Black Knight should be eligible for index inclusion in the S&P Midcap 400 and potentially the S&P 500. The Plan is subject to the receipt of private letter rulings from the Internal Revenue Service approving the distribution of Black Knight, filing and acceptance of a registration statement for the Black Knight transaction with the Securities and Exchange Commission, the refinancing of Black Knight senior notes, which are subject to the FNF guarantee, on reasonable terms, Black Knight shareholder approval and other customary closing conditions. The closing of the distributions is expected by the end of the third quarter of 2017.

On August 23, 2016, FNF Group completed its acquisition of Commissions, Inc. ("CINC"), a leading provider of web-based real estate marketing and customer relationship management software for elite Realtors® and agent teams across North America, for $229 million . CINC's product offerings include software, marketing and services designed to enhance the productivity and sales results of elite Realtors® and agent teams through lead generation and proactive lead management. See discussion in *Acquisitions* in Note B to the Consolidated Financial Statements included in Part II, Item 8 of this Report for further discussion.

During the second quarter of 2016 we invested $30 million in CF Corporation (“CF Corp”, NYSE: CFCOU), a blank check company co-founded by William P. Foley, the Chairman of our Board of Directors. Mr. Foley also serves as the Co-Executive Chairman of CF Corp. As of December 31, 2016 , our investment in CF Corp has a fair value of $31 million and is included in Equity securities available for sale on the corresponding Condensed Consolidated Balance Sheet.

On May 16, 2016, Black Knight completed its acquisition of eLynx Holdings, Inc. ("eLynx"), a leading lending document and data delivery platform, for $115 million . eLynx helps clients in the financial services and real estate industries electronically capture and manage documents and associated data throughout the document lifecycle. This acquisition positions Black Knight to electronically support the full mortgage origination process. See discussion in *Acquisitions* in Note B to the Consolidated Financial Statements included in Part II, Item 8 of this Report for further discussion.

On April 29, 2016, pursuant to the terms of a certain “synthetic lease” agreement, dated as of June 29, 2004, as amended on June 27, 2011, we exercised our option to purchase the land and various real property improvements associated with our corporate campus and headquarters in Jacksonville, Florida from SunTrust Bank for $71 million .

***EPS***

Included in the calculation of diluted earnings per share are convertible senior notes (the “Notes”) issued on August 2, 2011 by Fidelity National Financial, Inc. Under the terms of the indenture, if converted, a portion of the settlement may include shares of FNFV common stock. As the debt is the obligation of FNF Group, if FNF were to settle a portion of the Notes with FNFV common stock, FNF Group would reimburse FNFV Group for the shares issued upon settlement.

## Unaudited Attributed Financial Information for Fidelity National Financial Ventures Group Tracking Stock

The following tables present our assets, liabilities, revenue, expenses and cash flows that are attributed to our Fidelity National Financial Ventures business (“we,” “our,” or “FNFV”). The financial information in this Exhibit should be read in conjunction with our consolidated financial statements for the period ended December 31, 2016 included in this Annual Report on Form 10-K.

FNFV Group common stock is intended to reflect the separate performance of our FNFV Group. We own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), Ceridian HCM, Inc. ("Ceridian"), and Digital Insurance, Inc. ("OneDigital").

FNFV Group is comprised of two operating segments as follows:

- *Restaurant Group*. This segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH and its affiliates are the owners and operators of the O'Charley's, Ninety Nine Restaurants, Village Inn, Bakers Square, and Legendary Baking restaurant and food service concepts. This segment also included the results of operations of J. Alexander's, Inc. ("J. Alexander's") through the date which it was distributed to FNFV shareholders, September 28, 2015, and the Max & Erma's concept, which was sold pursuant to an Asset Purchase Agreement on January 25, 2016.

- *FNFV Corporate and Other*. This segment primarily consists of our share in the operations of certain equity investments, including Ceridian, as well as consolidated investments, including OneDigital, in which we own 96% , and other smaller investments which are not title-related.

We have adopted certain expense allocation policies, each of which are reflected in the attributed financial information of the FNF Group (see Exhibit 99.1) and the FNFV Group. In general, corporate overhead is allocated to each group based upon the use of services by that group where practicable. Corporate overhead primarily includes costs of personnel and employee benefits, legal, accounting and auditing, insurance, investor relations and stockholder services and services related to FNF’s board of directors. We allocate in a similar manner a portion of costs of administrative shared services, such as information technology services. Where determinations based on use alone are not practical, we use other methods and criteria that we believe are equitable and that provide a reasonable estimate of the cost attributable to each group.

Notwithstanding the following attribution of assets, liabilities, revenue, expenses and cash flows to FNFV, Fidelity National Financial, Inc.'s ("FNF, Inc.") tracking stock structure does not affect the ownership or the respective legal title to FNF, Inc.'s assets or responsibility for FNF, Inc.'s liabilities. FNF, Inc. and its subsidiaries are each responsible for their respective liabilities. Holders of FNFV Group common stock are subject to risks associated with an investment in FNF, Inc. and all of its businesses, assets and liabilities. The issuance of FNFV Group common stock does not affect the rights of FNF, Inc.'s creditors or creditors of its subsidiaries. See "Item 1A. *Risk Factors* - Risks Relating to the Ownership of Our FNFV Group Common Stock due to our Tracking Stock Capitalization" for further discussion of risks associated with our tracking stock structure.

**FIDELITY NATIONAL FINANCIAL VENTURES GROUP**
**Balance Sheet Information**
(In millions)

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| | (Unaudited) | |
| **ASSETS** | | |
| Investments: | | |
| Fixed maturity securities available for sale, at fair value | $ 25 | $ — |
| Equity securities available for sale, at fair value | 52 | 36 |
| Investments in unconsolidated affiliates | 407 | 396 |
| Other long-term investments | 12 | 27 |
| Short-term investments | 2 | 244 |
| Total investments | 498 | 703 |
| Cash and cash equivalents | 144 | 31 |
| Trade and notes receivables, net of allowance | 52 | 43 |
| Goodwill | 206 | 188 |
| Prepaid expenses and other assets | 51 | 64 |
| Capitalized software, net | 16 | 11 |
| Other intangible assets, net | 200 | 166 |
| Property and equipment, net | 251 | 233 |
| Deferred tax asset | 96 | 75 |
| Total assets | $ 1,514 | $ 1,514 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 189 | $ 191 |
| Income taxes payable | 18 | 6 |
| Deferred revenue | 25 | 24 |
| Notes payable | 233 | 200 |
| Due to affiliates | 17 | 10 |
| Total liabilities | 482 | 431 |
| Equity: | | |
| FNFV Group common stock, $0.0001 par value; authorized 113,000,000 shares as of December 31, 2016 and 2015; outstanding of 66,416,822 and 72,217,882 as of December 31, 2016 and 2015, respectively; and issued of 80,581,675 and 80,581,466 as of December 31, 2016 and 2015, respectively | — | — |
| Additional paid-in capital | 1,163 | 1,156 |
| Retained deficit | (7) | (3) |
| Accumulated other comprehensive loss | (68) | (76) |
| Less: treasury stock, 14,164,853 and 8,363,584 shares as of December 31, 2016 and December 31, 2015, respectively | (172) | (108) |
| Total Fidelity National Financial Ventures shareholders' equity | 916 | 969 |
| Noncontrolling interests | 116 | 114 |
| Total equity | 1,032 | 1,083 |
| Total liabilities and equity | $ 1,514 | $ 1,514 |

See Notes to Unaudited Attributed Financial Information for FNFV

## FIDELITY NATIONAL FINANCIAL VENTURES GROUP
### Statements of Operations Information
(In millions)

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| | | (Unaudited) | |
| Revenues: | | | |
| Operating revenue | $ 1,326 | $ 1,615 | $ 1,546 |
| Interest and investment income | 3 | 2 | 5 |
| Realized gains and losses, net | 6 | (19) | (17) |
| Total revenues | 1,335 | 1,598 | 1,534 |
| Expenses: | | | |
| Personnel costs | 164 | 157 | 170 |
| Other operating expenses | 107 | 167 | 86 |
| Cost of restaurant revenue | 984 | 1,195 | 1,220 |
| Depreciation and amortization | 62 | 65 | 67 |
| Interest expense | 10 | 9 | 5 |
| Total expenses | 1,327 | 1,593 | 1,548 |
| Earnings (loss) from continuing operations before income taxes and equity in losses of unconsolidated affiliates | 8 | 5 | (14) |
| Income tax (benefit) expense | (11) | (20) | 150 |
| Earnings (loss) from continuing operations before equity in (losses) earnings of unconsolidated affiliates | 19 | 25 | (164) |
| Equity in (losses) earnings of unconsolidated affiliates | (23) | (22) | 428 |
| Net (loss) earnings from continuing operations | (4) | 3 | 264 |
| Net earnings from discontinued operations, net of tax | — | — | 8 |
| Net (loss) earnings | (4) | 3 | 272 |
| Less: Net earnings attributable to non-controlling interests | — | 16 | 4 |
| Net (loss) earnings attributable to FNFV Group common shareholders | $ (4) | $ (13) | $ 268 |
| **Earnings Per Share** | | | |
| *Basic* | | | |
| Net loss per share from continuing operations attributable to Old FNF common shareholders | $ — | $ — | $ (0.09) |
| Net earnings per share from discontinued operations attributable to Old FNF common shareholders | $ — | $ — | $ 0.05 |
| Net loss per share attributable to Old FNF common shareholders | $ — | $ — | $ (0.04) |
| Net (loss) earnings per share from continuing operations attributable to FNFV Group common shareholders | $ (0.06) | $ (0.16) | $ 3.08 |
| Net loss per share from discontinued operations attributable to FNFV Group common shareholders | $ — | $ — | $ (0.04) |
| Net (loss) earnings per share from continuing operations attributable to FNFV Group common shareholders | $ (0.06) | $ (0.16) | $ 3.04 |
| *Diluted* | | | |
| Net loss per share from continuing operations attributable to Old FNF common shareholders | $ — | $ — | $ (0.09) |
| Net earnings per share from discontinued operations attributable to Old FNF common shareholders | $ — | $ — | $ 0.05 |
| Net loss per share attributable to Old FNF common shareholders | $ — | $ — | $ (0.04) |
| Net (loss) earnings per share from continuing operations attributable to FNFV Group common shareholders | $ (0.06) | $ (0.16) | $ 3.05 |
| Net loss per share from discontinued operations attributable to FNFV Group common shareholders | $ — | $ — | $ (0.04) |
| Net (loss) earnings per share attributable to FNFV Group common shareholders | $ (0.06) | $ (0.16) | $ 3.01 |
| Weighted average shares outstanding Old FNF common stock, basic basis (1) | — | — | 138 |
| Weighted average shares outstanding Old FNF common stock, diluted basis (1) | — | — | 142 |
| Weighted average shares outstanding FNFV Group common stock, basic basis | 67 | 79 | 46 |
| Weighted average shares outstanding FNFV Group common stock, diluted basis | 70 | 82 | 47 |

(1) The recapitalization of our stock took place on July 1, 2014. Accordingly, the outstanding shares of Old FNF common stock are presented and used to calculate earnings per share for the first six months of the twelve months ended December 31, 2014.

See Notes to Unaudited Attributed Financial Information for FNFV

**FIDELITY NATIONAL FINANCIAL VENTURES GROUP**
**Statement of Cash Flows Information**
(In millions)

| | Year Ended December 31, 2016 | 2015 | 2014 |
|---|---|---|---|
| | | (Unaudited) | |
| Cash flows from operating activities: | | | |
| Net (loss) earnings | $ (4) | $ 3 | $ 272 |
| Adjustments to reconcile net (loss) earnings to net cash provided by operating activities: | | | |
| Depreciation and amortization | 62 | 65 | 137 |
| Equity in losses (earnings) of unconsolidated affiliates | 23 | 22 | (428) |
| (Gain) loss on sales of investments and other assets, net | (6) | 18 | 17 |
| Gain on sale of Cascade Timberlands | — | (12) | — |
| Stock-based compensation cost | 7 | 9 | 11 |
| Changes in assets and liabilities, net of effects from acquisitions: | | | |
| Net (increase) decrease in trade receivables | (6) | (2) | 13 |
| Net decrease (increase) in prepaid expenses and other assets | 15 | 13 | (54) |
| Net (decrease) increase in accounts payable, accrued liabilities, deferred revenue and other | (2) | (23) | 3 |
| Net change in amount due to affiliates | 7 | 10 | 23 |
| Net change in income taxes | (15) | (74) | 99 |
| Net cash provided by operating activities | 81 | 29 | 93 |
| Cash flows from investing activities: | | | |
| Proceeds from the sale of cost method and other investments | 36 | 6 | 1 |
| Additions to property and equipment and capitalized software | (63) | (61) | (86) |
| Purchases of investment securities available for sale | (40) | (29) | (164) |
| Contributions to investments in unconsolidated affiliates | (69) | (5) | — |
| Net proceeds from (purchases of) short-term investment securities | 243 | (80) | — |
| Net purchases of other long-term investments | — | — | (37) |
| Distributions from investments in unconsolidated affiliates | 42 | 309 | 43 |
| Net other investing activities | (1) | (6) | 7 |
| Acquisition of USA Industries, Inc., net of cash acquired | — | — | (40) |
| Proceeds from sale of Cascade Timberlands | — | 56 | — |
| Other acquisitions/disposals of businesses, net of cash acquired | (81) | (24) | (28) |
| Net cash provided by (used in) investing activities | 67 | 166 | (304) |
| Cash flows from financing activities: | | | |
| Borrowings | 77 | 132 | 261 |
| Debt service payments | (45) | (31) | (202) |
| Cash transferred in Remy spin-off | — | — | (86) |
| Cash transferred in J. Alexander's spin-off | — | (13) | — |
| Subsidiary dividends paid to non-controlling interest shareholders | (1) | — | (39) |
| Payment for shares withheld for taxes and in treasury | (2) | — | — |
| Equity and debt issuance costs | — | (1) | (4) |
| Purchases of treasury stock | (64) | (289) | (2) |
| Dilution loss on equity method investments | — | (1) | — |
| Contributions from Parent | — | — | 167 |
| Net cash (used in) provided by financing activities | (35) | (203) | 95 |
| Net increase (decrease) in cash and cash equivalents | 113 | (8) | (116) |
| Cash and cash equivalents at beginning of period | 31 | 39 | 155 |
| Cash and cash equivalents at end of period | $ 144 | $ 31 | $ 39 |

See Notes to Unaudited Attributed Financial Information for FNFV

**Notes to Unaudited Attributed Financial Information for Fidelity National Financial Ventures Group**
**Period Ended December 31, 2016**
**(unaudited)**

## Note A. Basis of Presentation

### *Description of FNFV*

On June 30, 2014, we completed the recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Each share of the previously outstanding FNF Class A common stock ("Old FNF common stock") was converted into one share of FNF Group common stock, which now trades on the New York Stock Exchange under the current trading symbol "FNF," and 0.3333 of a share of FNFV Group common stock, which now trades on the New York Stock Exchange under the trading symbol "FNFV." Both FNF and FNFV began regular trading on July 1, 2014.

In our FNFV group, we own majority and minority equity investment stakes in a number of entities, including ABRH, Ceridian, and OneDigital.

### *Recent Developments*

On December 7, 2016, we announced that our Board of Directors has approved a tax-free plan (the "Plan") whereby we intend to redeem all FNFV shares in exchange for shares of common stock of FNFV. Following the distributions, FNF and FNFV will each be independent, fully-distributed, publicly-traded common stocks, with FNF and FNFV no longer being tracking stocks. FNF should be eligible for index inclusion in the S&P Midcap 400 and potentially the S&P 500. The Plan is subject to the receipt of private letter rulings from the Internal Revenue Service approving the distribution of FNFV shares, the filing and acceptance of a registration statement for the FNFV transaction with the Securities and Exchange Commission, FNFV shareholder approvals and other customary closing conditions. The closing of the tax-free distributions is expected in the third quarter of 2017.

On May 2, 2016, we purchased certain shares of common and preferred stock of Ceridian Holding, LLC, the ultimate parent of Ceridian, from third-party minority interest holders for $17 million . As a result of this purchase, our ownership of Ceridian increased from 32% to 33% .

On March 30, 2016, Ceridian HCM Holding, Inc., a wholly-owned subsidiary of Ceridian, completed its offering (the "Offering") of senior convertible preferred shares for aggregate proceeds of $150 million . As part of the Offering, FNF purchased a number of shares equal to its pro-rata ownership in Ceridian for $47 million . FNF's ownership percentage in Ceridian did not change as a result of the transaction.

On February 18, 2016, our Board of Directors approved a new FNFV Group three-year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through February 28, 2019.

### *EPS*

Included in the calculation of diluted earnings per share are convertible senior notes (the “Notes”) issued on August 2, 2011 by Fidelity National Financial, Inc. Under the terms of the indenture, if converted, a portion of the settlement may include shares of FNFV common stock. As the debt is the obligation of FNF Group, if FNF were to settle a portion of the Notes with FNFV common stock, FNF Group would reimburse FNFV Group for the shares issued upon settlement.

### Note B. Investments in Consolidated and Unconsolidated Affiliates

The following table provides information about our investments in consolidated and unconsolidated affiliates attributable to FNFV, including allocations of certain corporate assets and liabilities primarily related to taxes:

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| *Majority owned subsidiaries consolidated into the results of FNFV:* | | |
| American Blue Ribbon Holdings, LLC | $ 173 | $ 169 |
| OneDigital | 75 | 73 |
| *Minority owned subsidiaries or other ventures:* | | |
| Ceridian (33% minority equity interest) | 386 | 363 |
| Del Frisco's Restaurant Group | 49 | 34 |
| Holding company cash and short term investments | 129 | 245 |
| Other ventures | 104 | 85 |
| Total FNFV Book Value | $ 916 | $ 969 |

### Note C. FNFV Common Stock

FNFV Group common stock has voting and redemption rights. Holders of FNFV Group common stock are entitled to one vote for each share of such stock held. Holders of FNFV Group common stock will vote as one class with holders of FNF Group common stock on all matters that are submitted to a vote of its stockholders unless a separate class vote is required by the terms of the current charter or Delaware law. In connection with certain dispositions of FNFV Group assets, the FNF board of directors may determine to seek approval of the holders of FNFV common stock, voting together as a separate class, to avoid effecting a mandatory dividend, redemption or conversion under the restated charter.

FNF may not redeem outstanding shares of FNFV Group common stock for shares of common stock of a subsidiary that holds assets and liabilities attributed to the FNFV Group unless its board of directors seeks and receives the approval to such redemption of holders of FNFV common stock, voting together as a separate class, and, if such subsidiary also holds assets and liabilities of the FNF Group, the approval of holders of FNF Group common stock to the corresponding FNF Group common stock redemption, with each affected group voting as a separate class. FNF can convert each share of FNFV Group common stock into a number of shares of the FNF Group common stock at a ratio that provides FNFV stockholders with the applicable Conversion Premium to which they are entitled.

# FIDELITY NATIONAL FINANCIAL, INC.

## FORM 10-K
(Annual Report)

## Filed 02/23/16 for the Period Ending 12/31/15

| | |
|---|---|
| Address | 601 RIVERSIDE AVENUE<br>,<br>JACKSONVILLE, FL 32204 |
| Telephone | 904-854-8100 |
| CIK | 0001331875 |
| Symbol | FNF |
| SIC Code | 6361 - Title Insurance |
| Industry | Insurance (Prop. & Casualty) |
| Sector | Financial |
| Fiscal Year | 12/31 |

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**
# Form 10-K

**(Mark One)**

R **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2015**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File No. 1-32630**

# Fidelity National Financial, Inc.

*(Exact name of registrant as specified in its charter)*

| | |
|---|---|
| **Delaware** | **16-1725106** |
| *(State or other jurisdiction of incorporation or organization)* | *(I.R.S. Employer Identification No.)* |
| **601 Riverside Avenue**<br>**Jacksonville, Florida 32204**<br>*(Address of principal executive offices, including zip code)* | **(904) 854-8100**<br>*(Registrant's telephone number, including area code)* |

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|
| Common Stock, $0.0001 par value | New York Stock Exchange |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

| | | | |
|---|---|---|---|
| Large accelerated filer ☑ | Accelerated filer ☐ | Non-accelerated filer ☐<br>(Do not check if a smaller reporting company) | Smaller reporting company ☐ |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the shares of the FNF Group and FNFV Group common stock held by non-affiliates of the registrant as of June 30, 2015 was $9,851,084,436 and $1,109,029,038 , respectively, based on the closing price of $36.99 and $15.38, respectively, as reported by The New York Stock Exchange.

As of January 31, 2016 there were 275,555,941 shares of FNF Group common stock outstanding and 71,842,882 shares of FNFV Group common stock outstanding.

The information in Part III hereof for the fiscal year ended December 31, 2015 , will be filed within 120 days after the close of the fiscal year that is the subject of this Report.

**FIDELITY NATIONAL FINANCIAL, INC.**
**FORM 10-K**
**TABLE OF CONTENTS**

# PART I

## Item 1. *Business*

We have organized our business into two groups, FNF Core Operations and FNF Ventures ("FNFV").

Through our Core Operations, FNF is a leading provider of (i) title insurance, escrow and other title related services, including collection and trust activities, trustee sales guarantees, recordings and reconveyances and home warranty insurance and (ii) technology and transaction services to the real estate and mortgage industries. FNF is the nation’s largest title insurance company operating through its title insurance underwriters - Fidelity National Title Insurance Company, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Alamo Title Insurance and National Title Insurance of New York Inc. - that collectively issue more title insurance policies than any other title company in the United States. Through our subsidiary ServiceLink Holdings, LLC ("ServiceLink"), we provide mortgage transaction services including title-related services and facilitation of production and management of mortgage loans. FNF also provides industry-leading mortgage technology solutions, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiary, Black Knight Financial Services, Inc. ("Black Knight").

Through our FNFV group, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), Ceridian HCM, Inc. and Fleetcor Technologies, Inc. (collectively "Ceridian") and Digital Insurance, Inc. ("Digital Insurance").

As of December 31, 2015 , we had the following reporting segments:

FNF Core Operations

- *Title.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty insurance. This segment also includes the transaction services business acquired from Lender Processing Services, Inc. ("LPS"), now combined with our ServiceLink business. Transaction services include other title-related services used in the production and management of mortgage loans, including mortgage loans that experience default.
- *Black Knight.* This segment consists of the operations of Black Knight, which, through leading software systems and information solutions, provides mission critical technology and data and analytics services that facilitate and automate many of the business processes across the life cycle of a mortgage.
- *FNF Core Corporate and Other.* This segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance-related operations.

FNFV

- *Restaurant Group.* This segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH and its affiliates are the owners and operators of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Legendary Baking concepts. This segment also includes the results of J. Alexander's, Inc. ("J. Alexander's") through September 28, 2015, the date it was distributed to FNFV shareholders. See the Recent Developments section in Item 7 for further discussion of the distribution of J. Alexander's. On January 25, 2016, substantially all of the assets of the Max & Erma's restaurant concept were sold pursuant to an Asset Purchase Agreement.
- *FNFV Corporate and Other.* This segment primarily consists of our share in the operations of certain equity investments, including Ceridian, as well as consolidated investments, including Digital Insurance, in which we own 96% , and other smaller operations which are not title related.

### C ***ompetitive Strengths***

We believe that our competitive strengths include the following:

*Corporate principles.* A cornerstone of our management philosophy and operating success is the six fundamental precepts upon which we were founded, which are:

- Autonomy and entrepreneurship;
- Bias for action;
- Customer-oriented and motivated;
- Minimize bureaucracy;
- Employee ownership; and
- Highest standard of conduct.

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

*Competitive cost structure.* We have been able to maintain competitive operating margins in part by monitoring our businesses in a disciplined manner through continual evaluation of title order activity and management of our cost structure. When compared to our industry competitors, we also believe that our structure is more efficiently designed, which allows us to operate with lower overhead costs.

We believe that our competitive strengths position us well to take advantage of future changes to the real estate market.

***Title***

*Leading title insurance company.* We are the largest title insurance company in the United States and a leading provider of title insurance and escrow and other title-related services for real estate transactions. Through the third quarter of 2015 , our insurance companies had a 32.9% share of the U.S. title insurance market, according to the American Land Title Association ("ALTA").

*Established relationships with our customers.* We have strong relationships with the customers who use our title services. Our distribution network, which includes approximately 1,200 direct residential title offices and approximately 5,000 agents , is among the largest in the United States. We also benefit from strong brand recognition in our multiple 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 brands.

*Strong value proposition for our customers.* We provide our customers with title insurance and escrow and other title-related 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.

*Commercial title insurance.* While residential title insurance comprises the majority of our business, we are also a significant 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 that require the underwriting and issuing of larger commercial title policies.

***Black Knight***

*Market leadership with comprehensive and integrated solutions* . We are a leading provider of comprehensive and integrated solutions to the mortgage industry. Our solutions are utilized to service approximately 59% of all U.S. first lien mortgages as of December 31, 2015 according to the Black Knight Mortgage Monitor Report and operate one of the industry’s largest exchanges connecting originators, agents, settlement services providers and investors. We believe our leadership position is, in part, the result of our unique expertise and insight developed from over 50 years serving the needs of customers in the mortgage industry. We have used this insight to develop an integrated and comprehensive suite of proprietary technology, data, and analytics solutions to automate many of the mission-critical business processes across the entire mortgage loan life cycle. These integrated solutions are designed to reduce manual processes, assist in improving organizational compliance and mitigating risk, and ultimately deliver significant cost savings to our clients.

*Broad and deep client relationships with significant recurring revenue* . We have deep and long-standing relationships with our largest clients. We frequently enter into long-term contracts with our mortgage servicing and loan origination clients that contain volume minimums and provide for annual increases. Our products are typically embedded within our clients’ mission-critical workflow and decision processes across various parts of their organizations.

*Extensive data assets and analytics capabilities* . We develop and maintain large, accurate and comprehensive data sets on the mortgage and housing industry that we believe are competitively differentiated. Our data sets represent metropolitan statistical areas that cover 99.99% of the U.S. population and 96% of all mortgage transactions according to 2012 U.S. census data. Our unique data sets provide a combination of public and proprietary data in real-time and each of our data records feature a large number of attributes. Our data scientists utilize our data sets, subject to any applicable use restrictions, and comprehensive analytical capabilities to create highly customized reports, including models of customer behavior for originators and servicers, portfolio analytics for capital markets and government agencies and proprietary market insights for real estate agencies. Our data and analytics capabilities are also embedded into our technology platform and workflow products, providing our clients with integrated and comprehensive solutions.

*Scalable and cost effective operating model* . We believe we have a highly attractive and scalable operating model derived from our market leadership, hosted technology platforms and the large number of clients we serve across the mortgage industry. Our scalable operating model provides us with significant benefits. Our scale and operating leverage allows us to add incremental clients to our existing platforms with limited incremental cost. As a result, our operating model drives attractive margins and generates significant cash flow. Also, by leveraging our scale and leading market position, we are able to make cost effective investments in our technology platform to meet evolving regulatory and compliance requirements, further increasing our value proposition to clients.

*World class management team with depth of experience and track record of success* . Our management team has an average of over 20 years of experience in the banking technology and mortgage processing industries and a proven track record of strong execution capabilities. Over the past two years we have significantly improved our operations and enhanced our go-to-market strategy, further integrated our technology platforms, expanded our data and analytics capabilities and introduced several new innovative products. We executed all of these projects while delivering attractive revenue growth and strong profitability.

***Strategy***

***Title***

Our strategy in the title 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 do the following:

- *Continue to operate multiple title brands independently* . We believe that in order to maintain and strengthen our title insurance customer base, we must operate our strongest brands in a given marketplace independently of each other. Our national and regional brands include Fidelity National Title, Chicago Title, Commonwealth Land Title, Lawyers Title, Ticor Title, Alamo Title, and National Title of New York. In our largest markets, we operate multiple brands. This approach allows us to continue to attract customers who identify with a particular brand 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 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 industry 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. We continue to monitor, evaluate and execute upon the consolidation of administrative functions, legal entity structure, and office consolidation, as necessary, to respond to the continually changing marketplace. We maintain shorter durations on our investment portfolio to mitigate our interest rate risk. A more detailed discussion of our investment strategies is included in “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 continuing to deploy new information system technologies to our direct and agency operations. We expect to improve the process of ordering title and escrow services and improve the delivery of our products to our customers.
- *Maintain values supporting our strategy.* We believe that our continued focus on and support of our long-established corporate culture will reinforce and support our business strategy. Our goal is to foster and support a corporate culture where our employees and agents seek to operate independently and maintain profitability 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 support 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.

***Black Knight***

Black Knight's comprehensive and integrated technology platforms, robust data and analytic capabilities, differentiated business model, broad and deep client relationships and other competitive strengths enable it to pursue multiple growth opportunities. Black Knight intends to continue to expand its business and grow through the following key strategies:

- *Further penetration of our solutions with existing clients* . We believe our established client base presents a substantial opportunity for growth. We seek to capitalize on the trend of standardization and increased adoption of leading third-party solutions and increase the number of solutions provided to our existing client base. We intend to broaden and deepen our client relationships by cross-selling our suite of end-to-end technology solutions, as well as our robust data and analytics. We have established incentives within our sales force, as well as a core team of account managers, to encourage cross-selling of our full range of solutions to our existing clients. By helping our clients understand the full extent of our comprehensive solutions and the value of leveraging the multiple solutions that we offer, we believe we can expand our existing relationships by freeing our clients to focus on their core businesses and their customers.
- *Win new clients in existing markets* . We intend to attract new clients in the mortgage industry by leveraging the value proposition provided by our technology platform and comprehensive solutions offering. In particular, we believe there is a significant opportunity to penetrate the underserved mid-tier mortgage originators and servicers market. We believe that these institutions can benefit from our proven solutions suite in order to address increasingly complex regulatory requirements and compete more effectively in the evolving mortgage market. We intend to continue to pursue this channel and benefit from the low incremental cost of adding new customers to our scaled technology infrastructure.
- *Continue to innovate and introduce new solutions* . Our long-term vision is to be the industry-leading provider for participants of the mortgage industry for their platform, data, and analytic needs. We intend to enhance what we believe is a leadership position in the industry by continuing to innovate our solutions and refine the insight we provide to our clients. We have a strong track record of introducing and developing new solutions that span the mortgage loan life cycle, are tailored to specific industry trends and that enhance our clients' core operating functions. By working in partnership with key clients, we have been able to develop and market new and advanced solutions to our client base that meet the evolving demands of the mortgage industry. In addition, we will continue to develop and leverage insights from our large public and proprietary data assets to further improve our customer value proposition.
- *Powerful focus and dedication to staying up-to-date with regulatory requirements* . We have dedicated significant technological and management resources to build and maintain a regulatory infrastructure and human capital base to assist our clients with increased regulatory oversight and requirements. We are able to leverage our consistent investment in this area through our SaaS technology solutions and our market-leading scale. We intend to continue our strategy of building and investing in solutions that help our clients with the regulatory environment.
- *Selectively pursue strategic acquisitions* . The core focus of our strategy is to grow organically. However, we may selectively evaluate strategic acquisition opportunities that may allow us to expand our footprint, broaden our client base and deepen our product and service offerings. We believe that there are meaningful synergies that result from acquiring small companies that provide best-of-breed single point solutions. The potential revenue synergies would result from integrating and cross-selling these point solutions into our broader client base and cost synergies would result from integrating acquisitions into our efficient operating environment.

***FNFV***

Through FNFV we actively manage a group of companies and investments with a net asset value of approximately $ 969 million as of December 31, 2015 . The businesses within FNFV primarily consist of our majority ownership positions in ABRH and Digital Insurance and our 32% minority investment in Ceridian. Our strategy for the Group is to continue our activities with respect to such business investments to achieve superior financial performance, maximize and ultimately monetize the value of those assets and to continue to pursue similar investments in businesses and to grow and achieve superior financial performance with respect to such newly acquired businesses.

*Restaurant Group*

Our restaurant operations are focused in the family dining and casual dining segments. The Restaurant Group's strategy is to achieve long-term profit growth and drive increases in same store sales and guest counts. We have a highly experienced management team that is focused on enhancing the guest experience at our restaurants and building team member engagement. We also utilize a shared service platform that takes advantage of the combined synergies of our operating companies to provide purchasing power and other shared service functions. We expect to continue to maintain a strong balance sheet for our Restaurant Group to support future acquisitions and to provide stability in all operating environments.

*FNFV Corporate and Other*

***Acquisitions, Dispositions, Minority Owned Operating Subsidiaries and Financings***

Acquisitions have been an important part of our growth strategy. D ispositions have been an important aspect of our strategy of returning value to shareholders. On an ongoing basis, with assistance from our advisors, we actively evaluate possible transactions, such as acquisitions and dispositions of business units and operating assets and business combination transactions.

In the future, we may seek to sell certain investments or other assets to increase our liquidity. Further, our management has stated that we may make acquisitions in lines of business that are not directly tied to, or synergistic with, our core operating segments. In the past we have obtained majority and minority investments in entities and securities where we see the potential to achieve above market returns. Fundamentally our goal is to acquire quality companies that are well-positioned in their respective industries, run by best in class management teams in industries that have attractive organic and acquired growth opportunities. We leverage our operational expertise and track record of growing industry leading companies and also our active interaction with the acquired company's management directly or through our board of directors, to ultimately provide value for our shareholders.

There can be no assurance that any suitable opportunities will arise or that any particular transaction will be completed. We have made a number of acquisitions and dispositions over the past several years to strengthen and expand our service offerings and customer base in our various businesses, to expand into other businesses or where we otherwise saw value, and to monetize investments in assets and businesses.

**Title Insurance**

*Market for title insurance.* According to Demotech Performance of Title Insurance Companies 2015 Edition, an annual compilation of financial information from the title insurance industry that is published by Demotech Inc., an independent firm ("Demotech"), total operating income for the entire U.S. title insurance industry has increased over the last 5 years from approximately $ 10.3 billion in 2010 to $ 12.2 billion in 2014, which is a $ 1.2 billion decrease from 2013. The size of the industry is closely tied to various macroeconomic factors, including, but not limited to, growth in the gross domestic product, inflation, unemployment, the availability of credit, consumer confidence, interest rates, and sales volumes and prices for new and existing homes, as well as the volume of 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 the 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 or depreciation in the overall value of the real estate market are major factors in total industry revenues. Industry revenues are also driven by factors affecting the volume of real estate closings, such as the state of the economy, the availability of mortgage funding, and changes in interest rates, which affect demand for new mortgage loans and refinancing transactions. Both the volume and the average price of residential real estate transactions declined from 2007-2011. Beginning in 2008 and continuing through 2011, the mortgage delinquency and default rates caused negative operating results at a number of banks and financial institutions. Multiple banks failed during this time, reducing the capacity of the mortgage industry to make loans. Since this time, lenders have tightened their underwriting standards which has made it more difficult for buyers to qualify for new loans. However, during this same period, interest rates declined to historically low levels, which spurred higher refinance activity in the period 2009 through 2012. During 2013 and continuing through 2015, refinance activity declined due to rising interest rates which followed a period of historically low interest rates experienced from 2008 through 2012. However, over the same period from 2013 through 2015, we experienced an increase in the purchase volume and average price of residential real estate. Overall, our title premiums increased in 2015 compared to 2014. Our revenues in future periods will continue to be subject to these and other factors which are beyond our control and, as a result, are likely to fluctuate.

The U.S. title insurance industry is concentrated among a handful of industry participants. According to Demotech, the top four title insurance groups accounted for 87 % of net premiums written in 2014 . Approximately 32 independent title insurance companies accounted for the remaining 13 % of net premiums written in 2014 . 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.

*Title Insurance Policies.* Generally, real estate buyers and mortgage lenders purchase title insurance to insure good and marketable title to real estate and priority of lien. 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 real estate transactions 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. In 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 are a percentage of) either the amount of the mortgage loan or the purchase price of the property insured. Applicable state insurance regulations or regulatory practices may limit the maximum, or in some cases the minimum, premium that can be charged on a policy. Title insurance premiums are due in full at the closing of the real estate transaction. A 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. 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 payments on the mortgage loan. A title insurer also generally does not know when a property has been sold or refinanced except when it issues the replacement coverage. 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 affiliated title agencies, or 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 insurance company typically performs or directs the title 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 title 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 insurance 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 insurance company is obligated to pay title claims in accordance with the terms of its policies, regardless of whether the title insurance 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 title searches and examinations. A title insurance company's predominant expense relates to such searches and examinations, the preparation of preliminary title reports, policies or commitments, the maintenance of "title plants," which are indexed compilations of public records, maps and other relevant historical documents, and the facilitation and closing of real estate transactions. Claim losses generally result from errors made in the title search and examination process, from hidden defects such as fraud, forgery, incapacity, or missing heirs of the property, and from closing related errors.

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. Residential real estate transaction volume is primarily affected by macroeconomic and seasonal factors while commercial real estate transaction volume is affected primarily by fluctuations in local supply and demand conditions for commercial space.

*Direct and Agency Operations.* 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 our 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 1,200 offices throughout the U.S. primarily providing residential real estate title insurance. We continuously monitor the number of direct offices to make sure that it remains in line with our strategy and the current economic environment. 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 Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, New York, Philadelphia, Phoenix, Seattle and Washington D.C.

*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, and in some states are fixed by insurance regulatory requirements. 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 and strategically manage the number of agents with which we transact business in an effort to reduce future expenses and manage risks. As of December 31, 2015 , we transact business with approximately 5,000 agents.

*Fees and Premiums.* One method of analyzing our business is to examine 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:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2015 | | 2014 | | 2013 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Direct | $ 2,009 | 46.9% | $ 1,727 | 47.0% | $ 1,800 | 43.4% |
| Agency | 2,277 | 53.1 | 1,944 | 53.0 | 2,352 | 56.6 |
| Total title insurance premiums | $ 4,286 | 100.0% | $ 3,671 | 100.0% | $ 4,152 | 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.

*Escrow, Title-Related and Other Fees.* 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 collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty services. The escrow and other services provided by us include all of those typically required in connection with residential and commercial real estate purchases and refinance activities. Escrow, title-related and other fees included in our Title segment represented approximately 31.2% , 32.8%, and 27.1% of our revenues in 2015 , 2014 , and 2013 , respectively.

*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 are an 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 the ability of service providers to meet their information systems requirements for electronic product delivery.

*Claims.* An important part of our operations is the handling of title and escrow claims. We employ a large staff of attorneys in our claims department. Our claims processing centers are located in Omaha, Nebraska and Jacksonville, Florida. In-house claims counsel are also located in other parts of the country.

Claims result from a wide range of causes. These causes generally include, but are not limited to, search and exam errors, forgeries, incorrect legal descriptions, signature and notary errors, unrecorded liens, mechanics' liens, the failure to pay off existing liens, mortgage lending fraud, mishandling or theft of settlement funds (including independent agency theft), and mistakes in the escrow process. Under our policies, we are required to defend insureds when covered claims are filed against their interest in the property. Some claimants seek damages in excess of policy limits. Those claims are based on various legal theories, including in some cases allegations of negligence or an intentional tort. We occasionally incur losses in excess of policy limits. Experience shows that most policy claims and claim payments are made in the first five years after the policy has been issued, although claims may also be reported and paid many years later.

Title losses due to independent agency defalcations typically occur when the independent agency misappropriates funds from escrow accounts under its control. Such losses are usually discovered when the independent agency fails to pay off an outstanding mortgage loan at closing (or immediately thereafter) from the proceeds of the new loan. Once the previous lender determines that its loan has not been paid off timely, it will file a claim against the title insurer.

Claims can be complex, vary greatly in dollar amounts and are affected by economic and market conditions and the legal environment existing at the time claims are processed. In our commercial title business, we may issue polices with face amounts well in excess of $100 million, and from time to time claims are submitted with respect to large policies. We believe we are appropriately reserved with respect to all claims (large and small) that we currently face. Occasionally we experience large losses from title policies that have been issued or from our escrow operations, or overall worsening loss payment experience, which require us to increase our title loss reserves. These events are unpredictable and adversely affect our earnings. Claims can result in litigation in which we may represent our insured and/or ourselves. We consider this type of litigation to be an ordinary course aspect of the conduct of our business.

*Reinsurance and Coinsurance.* We limit our maximum loss exposure by reinsuring risks with other insurers under excess of loss and case-by-case ("facultative") reinsurance agreements. Reinsurance agreements generally provide 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 to the insured whether or not the reinsurer is able to meet its contractual obligations. Facultative reinsurance agreements are entered into with other title insurers when the transaction to be insured will exceed state statutory or self-imposed limits. Excess of loss reinsurance coverage protects us from a large loss from a single loss occurrence. Through February 23, 2016 , our excess of loss reinsurance coverage is split into two tiers. The first tier provides coverage for residential and commercial transactions up to $100 million per loss occurrence, subject to a $20 million retention per loss occurrence. The second tier provides additional coverage for commercial transactions in excess of $100 million of loss per occurrence up to $400 million per loss occurrence, with the Company participating at approximately 10%. We have not yet finalized the terms and conditions of our 2016 - 2017 coverages, but do not expect there to be substantial changes in the terms and conditions.

In addition to reinsurance, we carry errors and omissions insurance and fidelity bond coverage, each of which can provide protection to us in the event of certain types of losses that can occur in our businesses.

Our policy is to be selective in choosing our reinsurers, seeking only those companies that we consider to be financially stable and adequately capitalized. In an effort to minimize exposure to the insolvency of a reinsurer, we periodically review the financial condition of our reinsurers.

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 assume.

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.

*Competition.* 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 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 First American Financial Corporation, Old Republic International Corporation and Stewart Information Services Corporation, as well as numerous smaller title insurance companies, underwritten title companies and independent agency operations at the regional and local level. As a result of the significant decrease in the real estate market from 2008 through 2012, several of our smaller competitors closed their operations. The addition or removal of regulatory barriers might result in changes to competition in the title insurance business. 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.

*Regulation.* Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, are subject to extensive regulation under applicable state laws. Each of the insurers is subject to a holding company act in its state of domicile, which regulates, among other matters, the ability to pay dividends and enter into transactions with affiliates. 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. The process of state regulation of changes in rates ranges from states which set rates, to states where individual companies or associations of companies prepare rate filings which are submitted for approval, to a few states in which rate changes do not need to be filed for approval.

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

Pursuant to statutory accounting requirements of the various states in which our title insurers are domiciled, these insurers must defer a portion of premiums as an unearned premium reserve for the protection of policyholders (in addition to their reserves for known claims) 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 a 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, 2015 , the combined statutory unearned premium reserve required and reported for our title insurers was $ 1,728 million. In addition to statutory unearned premium reserves and reserves for known claims, each of our insurers maintains surplus funds for policyholder protection and business operations.

Each of our insurance subsidiaries is regulated by the insurance regulatory authority in its respective state of domicile, as well as that of each state in which it is licensed. The insurance commissioners of their respective states of domicile are the primary regulators of our insurance subsidiaries. Each of the insurers is subject to periodic regulatory financial examination by regulatory authorities.

Under the statutes governing insurance holding companies in most states, insurers may not enter into certain transactions, including sales, reinsurance agreements and service or management contracts, with their affiliates unless the regulatory authority 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 to, or has approved, the transaction within the 30-day period.

In addition to state-level regulation, segments of our FNF core businesses are subject to regulation by federal agencies, including the Consumer Financial Protection Bureau ("CFPB"). The CFPB was established under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank") which also included regulation over financial services and other lending related businesses including Black Knight. The CFPB has been given broad authority to regulate, among other areas, the mortgage and real estate markets in matters pertaining to consumers. This authority includes the enforcement of the Real Estate Settlement Procedures Act formerly placed with the Department of Housing and Urban Development.  On July 9, 2012, the CFPB introduced a number of proposed rules related to the enforcement of the Real Estate Settlement Procedures Act and the Truth in Lending Act, including, among others, measures designed to (i) simplify financing documentation and (ii) require lenders to deliver to consumers a statement of final financing charges (and the related annual percentage rate) at least three business days prior to the closing.  These rules became effective on January 10, 2014.

On November 20, 2013, the CFPB issued additional rules regarding mortgage forms and other mortgage related disclosures with the intent to provide "easier-to-use" mortgage disclosure forms for the consumer. The additional disclosure requirements require participants in the mortgage market, including us, to make significant changes to the manner in which they create, process, and deliver certain disclosures to consumers in connection with mortgage loan applications. The additional disclosures are effective for mortgage loan applications made on or after October 3, 2015. The main provisions of the additional disclosures include amending Regulation Z (the Truth in Lending Act) and Regulation X (Real Estate Settlement Procedures Act) (collectively, the "TILA-RESPA Integrated Disclosure" or "TRID") to consolidate existing loan disclosures under TILA and RESPA for closed-end credit transactions secured by real property. TRID will require (i) timely delivery of a loan estimate upon receipt a consumer's application and (ii) timely delivery of a closing disclosure prior to consummation. TRID will also impose certain restrictions, including the prohibition of imposing fees prior to provision of an estimate and the prohibition of providing estimates prior to a consumer's submission of verifying documents. These changes could lead to lower mortgage volumes and/or delays in mortgage processing, particularly in the early stages of implementation. We do not believe the changes will have a significant effect on long term mortgage volumes, but could have the effect of delaying mortgage closings to 2016 that absent the rule may have closed in 2015. We do not anticipate this having a material impact on our current year results from operations.

Readiness for and compliance with TRID required extensive planning; changes to systems, forms and processes; as well as heightened coordination among market participants. Although there can be no assurance that FNF, its agents or other market participants will be successful in their implementation efforts, we have reviewed the new requirements, and reviewed and updated our policies, procedures and technology resources as appropriate. It is our experience that mortgage lenders have become more focused on the risk of non-compliance with these evolving regulations and are focused on technologies and solutions that help them to comply with the increased regulatory oversight and burdens. Black Knight has developed solutions that target this need, which has resulted in additional revenue at Black Knight.

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, and to pay any dividends to our shareholders. The payment of dividends or other distributions to us by our insurers 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 to or has approved the payment within the 30-day period. In general, an “extraordinary” dividend or distribution is statutorily defined as a dividend or distribution that, together with other dividends and distributions made within the preceding 12 months, exceeds the greater of:

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

The laws and regulations of some jurisdictions also prohibit an insurer from declaring or paying a dividend except out of its earned surplus or require the insurer to obtain prior regulatory approval. During 2016 , our directly owned title insurers can pay dividends or make distributions to us of approximately $ 334 million; h owever, insurance regulators have the authority to prohibit the payment of ordinary dividends or other payments by our title insurers to us (such as a payment under a tax sharing agreement or for other services) if they determine that such payment could be adverse to our policyholders. There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders.

The combined statutory capital and surplus of our title insurers was approximately $ 1,412 million and $ 1,472 million as of December 31, 2015 and 2014 , respectively. The combined statutory earnings of our title insurers were $ 381 million, $ 276 million, and $ 352 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively.

As a condition to continued authority to underwrite policies in the states in which our insurers 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 insurers are domiciled, such insurers must maintain certain levels of minimum capital and surplus. Required levels of minimum capital and surplus are not significant to the insurers individually or in the aggregate. Each of our insurers has complied with the minimum statutory requirements as of December 31, 2015 .

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 requirements for each underwritten title company is less than $1 million. These companies were in compliance with their respective minimum net worth requirements at December 31, 2015 .

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions. For further discussion, see item 3, Legal Proceedings.

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 in which the 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 acquirer’s plans for the insurer’s Board of Directors and executive officers, the acquirer’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 insurers, the insurance change of control laws would likely apply to such a transaction.

The National Association of Insurance Commissioners ("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 insurers are domiciled require adherence to NAIC filing procedures, each such insurer, unless it qualifies for an exemption, must file an actuarial opinion with respect to the adequacy of its reserves.

*Title Insurance Ratings*

Our title insurance underwriters are regularly assigned ratings by independent agencies designed to indicate their financial condition and/or claims paying ability. The rating agencies determine ratings by quantitatively and qualitatively analyzing financial data and other information. Our title subsidiaries include Alamo Title, Chicago Title, Commonwealth Land Title, Fidelity National Title and National Title of New York. Standard & Poor’s Ratings Group (“S&P”), Moody’s Investors Service (“Moody’s”), and A. M. Best Company ("A.M. Best") provide ratings for the entire FNF family of companies as a whole as follows:

| | S&P | Moody’s | A.M. Best |
|---|---|---|---|
| FNF family of companies | A | A3 | A |

The relative position of each of our ratings among the ratings scale assigned by each rating agency is as follows:

- An S&P "A" rating is the third highest rating of 11 ratings for S&P. S&P states that an “A” rating means that, in its opinion, the insurer has strong financial security characteristics.
- A Moody's "A3" rating is the third highest rating of 9 ratings for Moody's. Moody's states that insurance companies rated “A3” offer good financial security.
- An A.M. Best "A" rating is the third highest rating of 18 ratings for A.M. Best. 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.

Demotech provides financial strength/stability ratings for each of our principal title insurance underwriters individually, as follows:

| | |
|---|---|
| Alamo Title Insurance | A' |
| Chicago Title Insurance Company | A" |
| Commonwealth Land Title Insurance Company | A' |
| Fidelity National Title Insurance Company | A' |
| National Title Insurance of New York | A' |

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 two highest ratings of Demotech's five ratings.

The ratings of S&P, Moody’s, A.M. Best, and Demotech described above are not designed to be, and do not serve as, measures of protection or valuation offered to investors. These financial strength ratings should not be relied on with respect to making an investment in our securities. See “Item 1A. *Risk Factors* — If the rating agencies downgrade our Company, our results of operations and competitive position in the title insurance industry may suffer” for further information.

**Black Knight**

Our Black Knight segment offers technology and data and analytics services through leading software systems and information solutions that facilitate and automate many of the business processes across the life cycle of a mortgage. Our customers use our technology and services to reduce their operating costs, improve their customer service and enhance the quality and consistency of various aspects of their mortgage servicing. We continually work with our customers to customize and integrate our software and services in order to assist them in achieving the value proposition that we offer to them.

Our principal technology solutions are software applications provided to mortgage lenders and other lending institutions, together with related support and services. Our technology solutions primarily consist of mortgage processing and workflow management software applications. The long term nature of most of our contracts in this business provides us with substantial recurring revenues. Our revenues from servicing technology are generally based on the number of active mortgages on our mortgage servicing platform in a given period. Our other technology solutions include our origination and default technology, from which we generally earn revenues on a per transaction basis. Our data and analytics offerings primarily consist of our alternative valuation services, real estate and mortgage data, modeling and forecasting and analytical tools.

The U.S. mortgage market has seen significant change over the past few years and is expected to continue to evolve going forward. Increased origination volatility and key regulatory actions arising from the recent financial crisis, such as the Dodd-Frank Act and the establishment of the Consumer Financial Protection Bureau (the "CFPB"), impose new and evolving standards for market participants. These regulatory changes have spurred lenders and servicers to seek technology solutions that facilitate compliance obligations in the face of a changing regulatory environment while remaining efficient and profitable.

The current market conditions for Black Knight's services include the following:

*Increased regulation* . Most U.S. mortgage market participants have become subject to increasing regulatory oversight and regulatory requirements as federal and state governments have enacted various new laws, rules and regulations. One example of such legislation is the Dodd-Frank Act, which contains broad changes for many sectors of the financial services and lending industries and established the CFPB, a new federal regulatory agency responsible for regulating consumer financial protection within the United States. It is our experience that mortgage lenders have become more focused on minimizing the risk of non-compliance with these evolving regulations and are looking towards technologies and solutions that help them to comply with the increased regulatory oversight and burdens.

*Lenders increasingly focused on core operations* . As a result of greater regulatory scrutiny and the higher cost of doing business, we believe lenders have become more focused on their core operations and customers. We believe lenders are increasingly shifting from in-house technologies to solutions with third-party providers who can provide better technology and services more efficiently. Lenders require these vendors to provide best-in-class technology and deep domain expertise and to assist them in maintaining regulatory compliance.

*Growing role of technology in the U.S. mortgage industry* . Banks and other lenders and servicers have become increasingly focused on technology automation and workflow management to operate more efficiently and meet their regulatory guidelines. We believe that vendors must be able to support the complexity in the market, display extensive industry knowledge and possess the financial resources to make the necessary investments in technology to support lenders.

*Increased demand for enhanced transparency and analytic insight* . As U.S. mortgage market participants work to minimize the risk in lending, servicing and capital markets, they increasingly rely on data and analytics to integrate with technologies that enhance the decision making process. These industry participants rely on large comprehensive third party databases coupled with enhanced analytics to achieve these goals.

**Intellectual Property**

We rely on a combination of contractual restrictions, internal security practices, and copyright and trade secret law to establish and protect our software, technology, and expertise across our businesses. Further, we have developed a number of brands that have accumulated substantial goodwill in the marketplace, and we rely on trademark law to protect our rights in that area. We intend to continue our policy of taking all measures we deem necessary to protect our copyright, trade secret, and trademark rights. These legal protections and arrangements afford only limited protection of our proprietary rights, and there is no assurance that our competitors will not independently develop or license products, services, or capabilities that are substantially equivalent or superior to ours.

**Technology and Research and Development**

*Title Business*

As a national provider of real estate transaction products and services, we participate in an industry that is subject to significant regulatory requirements, frequent new product and service introductions, and evolving industry standards. We believe that our future success depends in part on our ability to anticipate industry changes and offer products and services that meet evolving industry standards. In connection with our title segment service offerings, we are continuing to deploy new information system technologies to our direct and agency operations. We continue to improve the process of ordering title and escrow services and improve the delivery of our products to our customers. In order to meet new regulatory requirements, we also continue to expand our data collection and reporting abilities. We have made enhancements to certain of our systems to comply with the CFPB’s Integrated Mortgage Disclosure rules that went into effect on October 3, 2015. See further discussion of the new rules in Item 7. *Management’s Discussion and Analysis of Financial Condition and Results of Operations* - Business Trends and Conditions.

*Black Knight*

Black Knight's technology and research and development activities relate primarily to the design, development and enhancement of our processing systems and related software applications. We expect to continue our practice of investing an appropriate level of resources to maintain, enhance and extend the functionality of our proprietary systems and existing software applications, to develop new and innovative software applications and systems in response to the needs of our clients, and to enhance the capabilities surrounding our infrastructure. We work with our clients to determine the appropriate timing and approach to introducing technology or infrastructure changes to our applications and services. We have made enhancements to certain of our systems to comply with the CFPB's Integrated Mortgage Disclosure rules that went into effect on October 3, 2015. See further discussion of the new rules in Item 7. *Management’s Discussion and Analysis of Financial Condition and Results of Operations* - Business Trends and Conditions.

**Investment Policies and Investment Portfolio**

Our investment policy is designed to maximize total return through investment income and capital appreciation consistent with moderate risk of principal, while providing adequate liquidity. Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, are subject to extensive regulation under applicable state laws. The various states in which we operate our underwriters regulate the types of assets that qualify for purposes of capital, surplus, and statutory unearned premium reserves. Our investment policy specifically limits duration and non-investment grade allocations in the FNF core fixed-income portfolio. Maintaining shorter durations on the investment portfolio allows for the mitigation of interest rate risk. Equity securities and preferred stock are utilized to take advantage of perceived value or for strategic purposes. Due to the magnitude of the investment portfolio in relation to our claims loss reserves, durations of investments are not specifically matched to the cash outflows required to pay claims.

As of December 31, 2015 and 2014 , the carrying amount of total investments, which approximates the fair value, excluding investments in unconsolidated affiliates, was $ 4.3 billion and $ 3.9 billion, respectively.

We purchase investment grade fixed maturity securities, selected non-investment grade fixed maturity securities, preferred stock 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 securities and preferred stock portfolio at December 31, 2015 and 2014 :

| | December 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2015 | | | | 2014 | | | |
| Rating(1) | Amortized Cost | % of Total | Fair Value | % of Total | Amortized Cost | % of Total | Fair Value | % of Total |
| | (Dollars in millions) | | | | | | | |
| Aaa/AAA | $ 439 | 15.4% | $ 430 | 15.1% | $ 373 | 11.7% | $ 379 | 11.7% |
| Aa/AA | 553 | 19.4 | 565 | 19.9 | 701 | 22.0 | 721 | 22.2 |
| A | 930 | 32.6 | 943 | 33.1 | 1,061 | 33.3 | 1,085 | 33.4 |
| Baa/BBB | 744 | 26.1 | 744 | 26.1 | 764 | 24.0 | 778 | 24.0 |
| Ba/BB/B | 84 | 3.0 | 80 | 2.8 | 186 | 5.8 | 184 | 5.7 |
| Lower | 58 | 2.0 | 39 | 1.4 | 60 | 1.9 | 60 | 1.8 |
| Other (2) | 44 | 1.5 | 46 | 1.6 | 41 | 1.3 | 41 | 1.2 |
| | $ 2,852 | 100.0% | $ 2,847 | 100.0% | $ 3,186 | 100.0% | $ 3,248 | 100.0% |

(1) Ratings as assigned by Moody’s Investors Service or Standard & Poor’s Ratings Group if a Moody's rating is unavailable.
(2) This category is composed of unrated securities.

The following table presents certain information regarding contractual maturities of our fixed maturity securities:

| | December 31, 2015 | | | |
|---|---|---|---|---|
| Maturity | Amortized Cost | % of Total | Fair Value | % of Total |
| | (Dollars in millions) | | | |
| One year or less | $ 405 | 15.8% | $ 404 | 15.8% |
| After one year through five years | 1,829 | 71.4 | 1,828 | 71.5 |
| After five years through ten years | 232 | 9.1 | 229 | 9.0 |
| After ten years | 26 | 1.0 | 26 | 1.0 |
| Mortgage-backed/asset-backed securities | 68 | 2.7 | 71 | 2.8 |
| | $ 2,560 | 100% | $ 2,558 | 100% |

At December 31, 2015 , all of our mortgage-backed and asset-backed securities are rated AAA by Moody's. The mortgage-backed and asset-backed securities are made up of $ 49 million of agency-backed mortgage-backed securities, $ 8 million of agency-backed collateralized mortgage obligations, and $ 14 million in asset-backed securities.

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. Because of the potential for prepayment on mortgage-backed and asset-backed securities, they are not categorized by contractual maturity.

Our equity securities at December 31, 2015 and 2014 consisted of investments with a cost basis of $ 276 million and $ 72 million , respectively, and fair value of $ 345 million and $ 145 million , respectively.

At December 31, 2015 and 2014 , we also held $ 521 million and $ 770 million, respectively, in investments that are accounted for using the equity method of accounting, principally our ownership interests in Ceridian.

As of December 31, 2015 and 2014 , other long-term investments included investments accounted for using the cost method of accounting of $ 74 million and $ 144 million, as of December 31, 2015 and 2014 , respectively.

Short-term investments, which consist primarily of 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, 2015 and 2014 , short-term investments amounted to $ 1,034 million and $ 334 million, respectively.

Our investment results for the years ended December 31, 2015 , 2014 and 2013 were as follows:

| | December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2015 | | 2014 | | 2013 | |
| | (Dollars in millions) | | | | | |
| Net investment income (1) | $ | 137 | $ | 139 | $ | 147 |
| Average invested assets | $ | 4,020 | $ | 3,819 | $ | 3,627 |
| Effective return on average invested assets | | 3.4% | | 3.6% | | 4.1% |

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

**Loss Reserves**

For information about our loss reserves, see Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* — Critical Accounting Estimates.

**Geographic Operations**

Our direct title operations are divided into approximately 150 profit centers. 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 approximately 5,000 agents, primarily in those areas in which agents are the more prevalent title insurance provider. Substantially all of our revenues are generated in the United States.

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

| | Year Ended December 31, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2015 | | | 2014 | | | 2013 | | |
| | Amount | | % | Amount | | % | Amount | | % |
| | (Dollars in millions) | | | | | | | | |
| California | $ | 649 | 15.1% | $ | 552 | 15.0% | $ | 632 | 15.2% |
| Texas | | 616 | 14.4 | | 567 | 15.4 | | 597 | 14.4 |
| New York | | 349 | 8.1 | | 289 | 7.9 | | 305 | 7.4 |
| Florida | | 349 | 8.1 | | 286 | 7.8 | | 316 | 7.6 |
| Illinois | | 243 | 5.7 | | 214 | 5.8 | | 222 | 5.3 |
| All others | | 2,080 | 48.6 | | 1,763 | 48.1 | | 2,080 | 50.1 |
| Totals | $ | 4,286 | 100.0% | $ | 3,671 | 100.0% | $ | 4,152 | 100.0% |

Our Restaurant Group operates and franchises restaurants in 42 states throughout the United States. All of our Restaurant Group's revenues are generated in those states.

**Employees**

As of January 22, 2016, we had 54,091 full-time equivalent employees, which includes 20,681 in our Title segment, 28,414 in our Restaurant Group segment, 4,099 in the Black Knight segment and 897 in our remaining businesses. We monitor our staffing levels based on current economic activity. None of our employees are subject to collective bargaining agreements. We believe that our relations with employees are generally good.

**Financial Information by Operating Segment**

For financial information by operating segment, see Note R of the Notes to Consolidated Financial Statements.

**Statement Regarding Forward-Looking Information**

The statements contained in this Form 10-K or in our other documents or in oral presentations or other statements made by our management that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding our expectations, hopes, intentions, or strategies regarding the future. These statements relate to, among other things, future financial and operating results of the Company. In many cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of these terms and other comparable terminology. Actual results could differ materially from those anticipated in these statements as a result of a number of factors, including, but not limited to the following:

- changes in general economic, business, and political conditions, including changes in the financial markets;
- the severity of our title insurance claims;
- downgrade of our credit rating by rating agencies;
- adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding, increased mortgage defaults, or a weak U.S. economy;
- compliance with extensive government regulation of our operating subsidiaries and adverse changes in applicable laws or regulations or in their application by regulators;
- regulatory investigations of the title insurance industry;
- loss of key personnel that could negatively affect our financial results and impair our operating abilities;
- our business concentration in the States of California and Texas are the source of approximately 15.1% and 14.4% , respectively, of our title insurance premiums;
- our potential inability to find suitable acquisition candidates, as well as the risks associated with acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus, or difficulties integrating acquisitions;
- our dependence on distributions from our title insurance underwriters as our main source of cash flow;
- competition from other title insurance companies; and
- other risks detailed in "Risk Factors" below and elsewhere in this document and in our other filings with the SEC.

We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider the possibility that actual results may differ materially from our forward-looking statements.

**Additional Information**

Our website address is www.fnf.com. We make available free of charge on or through our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. However, the information found on our website is not part of this or any other report.

## Item 1A. *Risk Factors*

In addition to the normal risks of business, we are subject to significant risks and uncertainties, including those listed below and others described elsewhere in this Annual Report on Form 10-K. Any of the risks described herein could result in a significant or material adverse effect on our results of operations or financial condition.

### General

***We have recorded goodwill as a result of prior acquisitions, and an economic downturn could cause these balances to become impaired, requiring write-downs that would reduce our operating income.***

Goodwill aggregated approximately $ 4,760 million, or 34.2% of our total assets, as of December 31, 2015 . Current accounting rules require that goodwill be assessed for impairment at least annually or whenever changes in circumstances indicate that the carrying amount may not be recoverable from estimated future cash flows. Factors that may be considered a change in circumstance indicating the carrying value of our intangible assets, including goodwill, may not be recoverable include, but are not limited to, significant underperformance relative to historical or projected future operating results, a significant decline in our stock price and market capitalization, and negative industry or economic trends. No goodwill impairment charge was recorded in 2015 . However, if there is an economic downturn in the future, the carrying amount of our goodwill may no longer be recoverable, and we may be required to record an impairment charge, which would have a negative impact on our results of operations and financial condition. We will continue to monitor our market capitalization and the impact of the economy to determine if there is an impairment of goodwill in future periods.

***Our management has articulated a willingness to seek growth through acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus or geographic areas. This expansion of our business subjects us to associated***

***risks, such as the diversion of management's attention and lack of experience in operating such businesses, and may affect our credit and ability to repay our debt.***

Our management has stated that we may make acquisitions in lines of business that are not directly tied to or synergistic with our core operations. Accordingly, we have in the past acquired, and may in the future acquire, businesses in industries or geographic areas with which management is less familiar than we are with our core businesses. These activities involve risks that could adversely affect our operating results, such as diversion of management's attention and lack of substantial experience in operating such businesses. There can be no guarantee that we will not enter into transactions or make acquisitions that will cause us to incur additional debt, increase our exposure to market and other risks and cause our credit or financial strength ratings to decline.

***We are a holding company and depend on distributions from our subsidiaries for cash.***

We are a holding company whose primary assets are the securities of our operating subsidiaries. Our ability to pay interest on our outstanding debt and our other obligations and to pay dividends is dependent on the ability of our subsidiaries to pay dividends or make other distributions or payments to us. If our operating subsidiaries are not able to pay dividends to us, we may not be able to meet our obligations or pay dividends on our common stock.

Our title insurance subsidiaries must comply with state 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 2016 , our title insurers may pay dividends or make distributions to us of approximately $ 334 million, however, insurance regulators have the authority to prohibit the payment of ordinary dividends or other payments by our title insurers to us if they determine that such payment could be adverse to our policyholders.

The maximum dividend permitted by law is not necessarily indicative of an insurer's actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer's ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in interpretation of statutory accounting requirements by regulators.

***The loss of key personnel could negatively affect our financial results and impair our operating abilities.***

Our success substantially depends on our ability to attract and retain key members of our senior management team and officers. If we lose one or more of these key employees, our operating results and in turn the value of our common stock could be materially adversely affected. Although we have employment agreements with many of our officers, there can be no assurance that the entire term of the employment agreement will be served or that the employment agreement will be renewed upon expiration.

***Failure of our information security systems or processes could result in a loss or disclosure of confidential information, damage to our reputation, monetary losses, additional costs and impairment of our ability to conduct business effectively.***

Our core operations are highly dependent upon the effective operation of our computer systems. As part of our core operations, we electronically receive, process, store and transmit sensitive personal consumer data (such as names and addresses, social security numbers, driver's license numbers, credit card and bank account information) and important business information of our customers. We also electronically manage substantial cash, investment asset and escrow account balances on behalf of ourselves and our customers, as well as financial information about our businesses generally. The integrity of our information systems and the protection of the information that resides on such systems are important to our successful operation. If we fail to maintain an adequate security infrastructure, adapt to emerging security threats or follow our internal business processes with respect to security, the information or assets we hold could be compromised. Further, even if we (or third parties to which we outsource certain IT services) maintain a reasonable, industry standard information security infrastructure, it is possible that unauthorized persons still could obtain access to information or assets we hold. These risks are increased when we transmit information over the internet and due to increasing security risks posed by organized crime. While, to date, we believe that we have not experienced a material breach of our information security systems, the existence or scope of such events is not always apparent. If additional information regarding an incident previously considered immaterial is discovered, or a new event were to occur, it could potentially have a material adverse effect on us. In addition, some laws and certain of our contracts require notification of various parties, including consumers or customers, in the event that confidential or personal information has or may have been taken or accessed by unauthorized third parties. Such notifications can result, among other things, in adverse publicity, distraction of management's time and energy, the attention of regulatory authorities, and fines and disruptions in sales, the effects of which may be material.

Further, our financial institution customers have obligations to safeguard their information technology systems and information. In certain of our businesses, we are bound contractually and/or by regulation to comply with the same requirements. If we fail to comply with these regulations and requirements, we could be exposed to suits for breach of contract, governmental proceedings or the imposition of fines. In addition, if more restrictive privacy laws, rules or industry security requirements are adopted in the future on the federal or state level or by a specific industry in which we do business, that could have an adverse impact on us through increased costs or restrictions on business processes. Any inability to prevent security or privacy breaches, or the perception that such breaches may occur, could inhibit our ability to retain existing customers or attract new customers and/or result in financial losses, litigation, increased costs or other adverse consequences to our business.

***If economic and credit market conditions deteriorate, it could have a material adverse impact on our investment portfolio.***

Our investment portfolio is exposed to economic and financial market risks, including changes in interest rates, credit markets and prices of marketable equity and fixed-income securities. Our investment policy is designed to maximize total return through investment income and capital appreciation consistent with moderate risk of principal, while providing adequate liquidity and complying with internal and regulatory guidelines. To achieve this objective, our marketable debt investments are primarily investment grade, liquid, fixed-income securities and money market instruments denominated in U.S. dollars. We make investments in certain equity securities and preferred stock in order to take advantage of perceived value and for strategic purposes. In the past, economic and credit market conditions have adversely affected the ability of some issuers of investment securities to repay their obligations and have affected the values of investment securities. If the carrying value of our investments exceeds the fair value, and the decline in fair value is deemed to be other-than-temporary, we will be required to write down the value of our investments, which could have a material negative impact on our results of operations and financial condition.

W e own a minority interest in Ceridian, a leading provider of global human capital management and payment solutions. If the fair value of this company were to decline below book value, we would be required to write down the value of our investment, which could have a material negative impact on our results of operations and financial condition. If this company were to experience significant negative volatility in its results of operations it would have a material adverse effect on our own results of operations due to our inclusion of our portion of its earnings in our results of operations.

***Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under our indebtedness.***

As of December 31, 2015, our outstanding debt was $2,793 million , including $1,403 million in variable rate debt. Our high degree of leverage could have important consequences, including the following: (i) a substantial portion of our cash flow from operations is dedicated to the payment of principal and interest on indebtedness, thereby reducing the funds available for operations, future business opportunities and capital expenditures; (ii) our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate purposes in the future may be limited; (iii) certain of the borrowings are at variable rates of interest, which will increase our vulnerability to increases in interest rates; (iv) we may be unable to adjust rapidly to changing market conditions; (v) the debt service requirements of our other indebtedness could make it more difficult for us to satisfy our financial obligations; and (vi) we may be vulnerable in a downturn in general economic conditions or in our business and we may be unable to carry out activities that are important to our growth.

Our ability to make scheduled payments of the principal of, or to pay interest on, or to refinance indebtedness depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control. If we are unable to generate sufficient cash flow to service our debt or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, which could cause us to default on our obligations and impair our liquidity. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more stringent covenants that could further restrict our business operations. We from time to time may increase the amount of our indebtedness, modify the terms of our financing arrangements, issue dividends, make capital expenditures and take other actions that may substantially increase our leverage.

**Title**

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

Title insurance revenue is closely related to the level of real estate activity which includes sales, mortgage financing 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, including high unemployment levels.

Declines in the level of real estate activity or the average price of real estate sales are likely to adversely affect our title insurance revenues. The Mortgage Bankers Association's ("MBA") Mortgage Finance Forecast as of February 18, 2016 estimates an approximately $ 1.5 trillion mortgage origination market for 2016 , which would be a decrease of 6.3% from 2015 . The MBA forecasts that the 6.3% decrease will result from a decrease in refinance activity, offset by a slight increase in forecast purchase transactions. Our revenues in future periods will continue to be subject to these and other factors which are beyond our control and, as a result, are likely to fluctuate.

***If financial institutions at which we hold escrow funds fail, it could have a material adverse impact on our company.***

We hold customers' assets in escrow at various financial institutions, pending completion of real estate transactions. These assets are maintained in segregated bank accounts and have not been included in the accompanying Consolidated Balance Sheets. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to $ 14.3 billion at December 31, 2015 . Failure of one or more of these financial institutions may lead us to become liable for the funds owed to third parties and there is no guarantee that we would recover the funds deposited, whether through Federal Deposit Insurance Corporation coverage or otherwise.

***If we experience changes in the rate or severity of title insurance claims, it may be necessary for us to record additional charges to our claim loss reserve. This may result in lower net earnings and the potential for earnings volatility.***

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. From time to time, we experience large losses or an overall worsening of our loss payment experience in regard to the frequency or severity of claims that require us to record additional charges to our claims loss reserve. There are currently pending several large claims which we believe can be defended successfully without material loss payments. However, if unanticipated material payments are required to settle these claims, it could result in or contribute to additional charges to our claim loss reserves. These loss events are unpredictable and adversely affect our earnings.

At each quarter end, our recorded reserve for claim losses is initially the result of taking the prior recorded reserve for claim losses, adding the current provision to that balance and subtracting actual paid claims from that balance, resulting in an amount that management then compares to our actuary's central estimate provided in the actuarial calculation. Due to the uncertainty and judgment used by both management and our actuary, our ultimate liability may be greater or less than our current reserves and/or our actuary’s calculation. If the recorded amount is within a reasonable range of the actuary’s central estimate, but not at the central estimate, management assesses other factors in order to determine our best estimate. These factors, which are both qualitative and quantitative, can change from period to period and include items such as current trends in the real estate industry (which management can assess, but for which there is a time lag in the development of the data used by our actuary), any adjustments from the actuarial estimates needed for the effects of unusually large or small claims, improvements in our claims management processes, and other cost saving measures. Depending upon our assessment of these factors, we may or may not adjust the recorded reserve. If the recorded amount is not within a reasonable range of the actuary’s central estimate, we would record a charge or credit and reassess the provision rate on a go forward basis.

Our average provision for claim losses was 5.7% of title premiums in 2015 . We will reassess the provision to be recorded in future periods consistent with this methodology and can make no assurance that we will not need to record additional charges in the future to increase reserves in respect of prior periods.

***Our insurance subsidiaries must comply with extensive regulations. These regulations may increase our costs or impede or impose burdensome conditions on actions that we might seek to take to increase the revenues of those subsidiaries.***

Our insurance businesses are subject to extensive regulation by state insurance authorities in each state in which they 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;
- disclosure requirements on key terms of mortgage loans;
- 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. In addition, we may incur significant costs in the course of complying with regulatory requirements. Further, various state legislatures have in the past considered offering a public alternative to the title industry in their states, as a means to increase state government revenues.

Although we think this situation is unlikely, if one or more such takeovers were to occur they could adversely affect our business. We cannot be assured that future legislative or regulatory changes will not adversely affect our business operations. See “Item 1. *Business* — Regulation.”

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

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

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

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

***Because we are dependent upon California and Texas for approximately 15.1% and 14.4% and of our title insurance premiums, respectively, our business may be adversely affected by regulatory conditions in Texas and/or California.***

California and Texas are the two largest sources of revenue for our title segment and, in 2015 , California-based premiums accounted for 29.0 % of premiums earned by our direct operations and 1.1% of our agency premium revenues. Texas-based premiums accounted for 17.7 % of premiums earned by our direct operations and 11.0% of our agency premium revenues. In the aggregate, California and Texas accounted for approximately 15.1% and 14.4% , respectively, of our total title insurance premiums for 2015 . A significant part of our revenues and profitability are therefore subject to our operations in California and Texas and to the prevailing regulatory conditions in California and Texas. Adverse regulatory developments in Texas and 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 Texas and California title insurance regulatory framework, could have a material adverse effect on our results of operations and financial condition.

***If the rating agencies downgrade our insurance companies, our results of operations and competitive position in the title insurance industry may suffer.***

Ratings have always been an important factor in establishing the competitive position of insurance companies. Our title insurance subsidiaries are rated by S&P, Moody’s, A.M. Best, and Demotech. Ratings reflect the opinion of a rating agency with regard to an insurance company’s or insurance holding company’s financial strength, operating performance and ability to meet its obligations to policyholders and are not evaluations directed to investors. Our ratings are subject to continued periodic review by rating agencies 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.

**Black Knight**

***Black Knight's clients and Black Knight are subject to various governmental regulations, and a failure to comply with government regulations or changes in these regulations could result in penalties, restrict or limit it or its clients’ operations or make it more burdensome to conduct such operations, any of which could have a material adverse effect on its business, financial condition and results of operations.***

Many of Black Knight's clients and its businesses are subject to various federal, state, local and foreign laws and regulations. Black Knight's failure to comply with applicable laws and regulations could restrict its ability to provide certain services or result in imposition of civil fines and criminal penalties, substantial regulatory and compliance costs, litigation expense, adverse publicity and loss of revenue.

As a provider of electronic data processing to financial institutions, such as banks and credit unions, Black Knight is subject to regulatory oversight and examination by the Federal Financial Institutions Examination Council, an interagency body of the Federal Reserve Board, the Office of the Comptroller of the Currency, or the OCC, the Federal Deposit Insurance Corporation, or the FDIC, and various other federal and state regulatory authorities. In addition, independent auditors annually review several of the Black Knight operations to provide reports on internal controls for its clients’ auditors and regulators. Black Knight may be subject to review by state agencies that regulate banks in each state in which it conducts its electronic processing activities.

In addition, Black Knight is subject to an increasing degree of compliance oversight by regulators and by its clients. Specifically, the CFPB has authority to write rules affecting the business of, supervise, conduct examinations of, and enforce compliance as to federal consumer financial protection laws and regulations with respect to certain “non-depository covered persons” determined by the CFPB to be “larger participants” that offer consumer financial products and services. The CFPB and other financial institution regulators such as the OCC also have the authority to examine Black Knight in its role as a service provider to large financial institutions, although it is yet unclear how broadly they will apply this authority going forward. In addition, some of Black Knight's largest bank clients are subject to consent orders with the OCC and/or are parties to the National Mortgage Settlement, both of which require them to exercise greater oversight and perform more rigorous audits of their key vendors such as Black Knight.

The Real Estate Settlement Procedures Act, or RESPA, and related regulations generally prohibit the payment or receipt of fees or any other item of value for the referral of real estate-related settlement services. RESPA also prohibits fee shares or splits or unearned fees in connection with the provision of residential real estate settlement services, such as mortgage brokerage and real estate brokerage. Notwithstanding these prohibitions, RESPA permits payments for goods furnished or for services actually performed, so long as those payments bear a reasonable relationship to the market value of the goods or services provided. RESPA and related regulations may to some extent restrict our real estate-related businesses from entering into certain preferred alliance arrangements. The CFPB is responsible for enforcing RESPA.

Changes to laws and regulations and enhanced regulatory oversight of our clients and us may compel us to increase our prices in certain situations or decrease our prices in other situations, may restrict our ability to implement price increases, or otherwise limit the manner in which Black Knight conducts its business. In addition, in response to increased regulatory oversight, participants in the mortgage lending industry may develop policies pursuant to which they limit the extent to which they can rely on any one vendor or service provider. If we are unable to adapt our products and services to conform to the new laws and regulations, or if these laws and regulations have a negative impact on our clients, we may experience client losses or increased operating costs, which could have a material adverse effect on our business, financial condition and results of operations.

***Black Knight relies on its top clients for a significant portion of its revenue and profit, which makes it susceptible to the same macro-economic and regulatory factors that impact its clients. If these clients are negatively impacted by current economic or regulatory conditions or otherwise experience financial hardship or stress, or if the terms of its relationships with these clients change, it could have a material adverse effect on its business, financial condition and results of operations.***

Black Knight operates in a consolidated industry and as a result, a small number of its clients have accounted for a significant portion of its revenues. We expect that a limited number of Black Knight's clients will continue to represent a significant portion of its revenues for the foreseeable future. During the year ended December 31, 2015, Black Knight's largest client, Wells Fargo, N.A., or Wells Fargo, accounted for approximately 12% of its consolidated revenues. During the year ended December 31, 2015, Black Knight's five largest clients accounted for approximately 37% of its consolidated revenues.

Black Knight's clients face continued pressure in the current economic and regulatory climate. Many of Black Knight's relationships with these clients are long-standing and are important to its business and results of operations, but there is no guarantee that Black Knight will be able to retain or renew existing agreements or maintain its relationships on acceptable terms or at all. Additionally, Black Knight relies on cross-selling its products and services to its existing clients as a source of growth. The deterioration in or termination of any of these relationships could significantly reduce its revenue and could have a material adverse effect on its business, financial condition and results of operations. As a result, Black Knight may be disproportionately affected by declining revenue from, or loss of, a significant Black Knight client. In addition, by virtue of their significant relationships with us, these clients may be able to exert pressure on Black Knight with respect to the pricing of their services.

***There may be consolidation in Black Knight's end client market, which would reduce the use of its services by its clients and could have a material adverse effect on its business, financial condition and results of operations.***

Mergers or consolidations among existing or potential clients could reduce the number of Black Knight's clients and potential clients. If Black Knight's clients merge with or are acquired by other entities that are not Black Knight's clients, or that use fewer of Black Knight's services, they may discontinue or reduce their use of Black Knight's services. In addition, if potential clients merge, Black Knight's ability to increase its client base may be adversely affected and the ability of Black Knight's customers to exert pressure on Black Knight's pricing may increase. Any of these developments could have a material adverse effect on Black Knight's business, financial condition and results of operations.

***If Black Knight fails to adapt its solutions to technological changes or evolving industry standards, or if Black Knight's ongoing efforts to upgrade its technology are not successful, Black Knight could lose clients and have difficulty attracting new clients for its solutions, which could have a material adverse effect on its business, financial condition and results of operations.***

The markets for Black Knight's solutions are characterized by constant technological changes, frequent introductions of new products and services and evolving industry standards. Black Knight's future success will be significantly affected by Black Knight's ability to successfully enhance Black Knight's current solutions, and develop and introduce new solutions and services that address the increasingly sophisticated needs of Black Knight's clients and their customers. These initiatives carry the risks associated with any new product or service development effort, including cost overruns, delays in delivery and performance issues. There can be no assurance that Black Knight will be successful in developing, marketing and selling new solutions and services that meet these changing demands, that Black Knight will not experience difficulties that could delay or prevent the successful development, introduction, and marketing of these solutions and services, or that Black Knight's new solutions and services and their enhancements will adequately meet the demands of the marketplace and achieve market acceptance. If Black Knight's efforts are unsuccessful, it could have a material adverse effect on Black Knight's business, financial condition and results of operations.

***Black Knight operates in a competitive business environment and, if Black Knight is unable to compete effectively, it could have a material adverse effect on its business, financial condition and results of operations.***

The markets for Black Knight's solutions are intensely competitive. Black Knight's competitors vary in size and in the scope and breadth of the services they offer. Some of Black Knight's competitors have substantial resources. In addition, Black Knight expects that the markets in which Black Knight competes will continue to attract new competitors and new technologies. There can be no assurance that Black Knight will be able to compete successfully against current or future competitors or that competitive pressures Black Knight faces in the markets in which Black Knight operates will not have a material adverse effect on its business, financial condition and results of operations.

Further, because many of Black Knight's larger potential clients have historically developed their key processing applications in-house and therefore view their system requirements from a make-versus-buy perspective, Black Knight often competes against Black Knight's potential clients' in-house capacities. There can be no assurance that Black Knight's strategies for overcoming potential clients' reluctance to change will be successful, and if Black Knight is unsuccessful, it could have a material adverse effect on Black Knight's business, financial condition and results of operations.

***Black Knight relies on proprietary technology and information rights, and if Black Knight is unable to protect its rights, it could have a material adverse effect on Black Knight's business, financial condition and results of operations.***

Black Knight's success depends, in part, upon its intellectual property rights. Black Knight relies primarily on a combination of patents, copyrights, trade secrets, and trademark laws and nondisclosure and other contractual restrictions on copying, distribution and creation of derivative products to protect Black Knight's proprietary technology and information. This protection is limited, and Black Knight's intellectual property could be used by others without their consent. In addition, patents may not be issued with respect to Black Knight's pending or future patent applications, and Black Knight's patents may not be upheld as valid or may not prevent the development of competitive products. Any infringement, disclosure, loss, invalidity of, or failure to protect Black Knight's intellectual property could have a material adverse effect on its business, financial condition and results of operations. Moreover, litigation may be necessary to enforce or protect its intellectual property rights, to protect its trade secrets, or to determine the validity and scope of the proprietary rights of others. Such litigation could be time-consuming, result in substantial costs and diversion of resources and could have a material adverse effect on its business, financial condition and results of operations.

***Because Black Knight's revenue from clients in the mortgage lending industry is affected by the strength of the economy and the housing market generally, including the volume of real estate transactions, a change in any of these conditions could have a material adverse effect on its business, financial condition and results of operations.***

Black Knight's revenue is primarily generated from technology, data and analytics Black Knight provides to the mortgage lending industry and, as a result, a weak economy or housing market may have a material adverse effect on Black Knight's business, financial condition and results of operations. The volume of mortgage origination and residential real estate transactions is highly variable and reductions in these transaction volumes could have a direct impact on the revenues Black Knight generates.

The revenues Black Knight generates from its servicing technology depend upon the total number of mortgage loans processed on its MSP platform, which tends to be comparatively consistent regardless of economic conditions. However, in the event that a difficult economy or other factors lead to a decline in levels of home ownership and a reduction in the number of mortgage loans outstanding and Black Knight is not able to counter the impact of those events with increased market share or higher fees, Black Knight's mortgage processing revenues could be adversely affected. Moreover, negative economic conditions, including increased unemployment or interest rates or a downturn in other general economic factors, among other things, could adversely affect the performance and financial condition of some of Black Knight's clients in many of its businesses, which may have a material adverse effect on its business, financial condition and results of operations if these clients exit certain businesses.

A weaker economy and housing market tend to increase the volume of consumer mortgage defaults, which can increase revenues from Black Knight's applications focused on supporting default management functions. However, government regulation of the mortgage industry in general, and the default and foreclosure process in particular, has greatly slowed the processing of defaulted mortgages in recent years and has changed the way many of its clients address mortgage loans in default. A downturn in the origination market and a concurrent slowdown or change in the way mortgage loans in default are addressed could have a material adverse effect on its business, financial condition and results of operations.

**FNFV**

***Our operations could be adversely affected by the results of our acquired restaurant companies due to the risks inherent in that segment.***

Our acquired restaurant companies face certain risks that could negatively impact their results of operations. These risks include such things as the risks of unfavorable economic conditions, changing consumer preferences, unfavorable publicity, increasing food and labor costs, effectiveness of marketing campaigns, and the ability to compete successfully with other restaurants. In addition, risks related to supply chain, food quality, and protecting guests' personal information are inherent to the restaurant business. These companies are also subject to compliance with extensive government laws and regulations related to employment practices and policies and the manufacture, preparation, and sale of food and alcohol. If our restaurant companies are not able to respond effectively to one or more of these risks, it could have a material adverse impact on the results of operations of those businesses.

**Risks Relating to the Ownership of Our FNFV Group Common Stock due to our Tracking Stock Capitalization**

***Holders of FNF Group common stock and FNFV Group common stock are common shareholders of FNF and are, therefore, subject to risks associated with an investment in FNF as a whole, even if a holder does not own shares of common stock of both of our groups.***

Even though we have attributed, for financial reporting purposes, all of our consolidated assets, liabilities, revenue, expenses to either the FNF Group or the FNFV Group in order to prepare separate financial results for each of these groups included herein, we retain legal title to all of our assets and our capitalization does not limit our legal responsibility, or that of our subsidiaries, for the liabilities included in any disclosed financial results. Holders of FNF Group common stock and FNFV Group common stock do not have any legal rights related to specific assets attributed to the FNF Group or the FNFV Group and, in any liquidation, holders of FNF Group common stock and holders of FNFV Group common stock will be entitled to receive a pro rata share of our available net assets based on their respective numbers of liquidation units as specified in our certificate of incorporation (our "Corporate Charter").

***Our Board of Directors' ability to reattribute businesses, assets and expenses between tracking stock groups may make it difficult to assess the future prospects of either tracking stock group based on its past performance.***

Our Board of Directors is vested with discretion to reattribute businesses, assets and liabilities that are attributed to one tracking stock group to the other tracking stock group, without the approval of any of our shareholders, in accordance with our management and allocation policies and our Corporate Charter. Any such reattribution made by our Board of Directors, as well as the existence of the right in and of itself to effect a reattribution, may impact the ability of investors to assess the future prospects of either tracking stock group, including its liquidity and capital resource needs, based on its past performance. Shareholders may also have difficulty evaluating the liquidity and capital resources of each group based on past performance, as our Board of Directors may use one group's liquidity to fund the other group's liquidity and capital expenditure requirements through the use of inter-group loans and inter-group interests.

***We could be required to use assets attributed to one group to pay liabilities attributed to the other group.***

The assets attributed to one group are potentially subject to the liabilities attributed to the other group, even if those liabilities arise from lawsuits, contracts or indebtedness that are attributed to such other group. While our current management and allocation policies provide that reattributions of assets between groups will result in the creation of an inter-group loan or an inter-group interest or an offsetting reattribution of cash or other assets, no provision of our Corporate Charter prevents us from satisfying liabilities of one group with assets of the other group, and our creditors will not in any way be limited by our tracking stock capitalization from proceeding against any assets they could have proceeded against if we did not have a tracking stock capitalization.

***The market price of FNF Group common stock and FNFV Group common stock may not reflect the performance of the FNF Group and the FNFV Group, respectively, as we intend.***

We cannot assure you that the market price of the common stock of a group will, in fact, reflect the performance of the group of businesses, assets and liabilities attributed to that group. Holders of FNF Group common stock and FNFV Group common stock are common shareholders of FNF as a whole and, as such, will be subject to all risks associated with an investment in FNF and all of our businesses, assets and liabilities. As a result, the market price of each class of stock of a group may simply reflect the performance of FNF as a whole or may more independently reflect the performance of some or all of the group of assets attributed to such group. In addition, investors may discount the value of the stock of a group because it is part of a common enterprise rather than a stand-alone entity.

***The market price of FNF Group common stock and FNFV Group common stock may be volatile, could fluctuate substantially and could be affected by factors that do not affect traditional common stock.***

To the extent the market prices of FNF Group common stock and FNFV Group common stock track the performance of more focused groups of businesses, assets and liabilities than the historic FNF Class A common stock did, the market prices of these new tracking stocks may be more volatile than the market price of FNF Class A common stock was historically. The market prices of FNF Group common stock and FNFV Group common stock may be materially affected by, among other things:

- actual or anticipated fluctuations in a group's operating results or in the operating results of particular companies attributable to such group;
- potential acquisition activity by FNF or the companies in which we invest;
- issuances of debt or equity securities to raise capital by FNF or the companies in which we invest and the manner in which that debt or the proceeds of an equity issuance are attributed to each of the groups;
- changes in financial estimates by securities analysts regarding FNF Group common stock or FNFV Group common stock or the companies attributable to either of our tracking stock groups;
- the complex nature and the potential difficulties investors may have in understanding the terms of both of our tracking stocks, as well as concerns regarding the possible effect of certain of those terms on an investment in our stock; and
- general market conditions.

***The market value of FNF Group common stock and FNFV Group common stock could be adversely affected by events involving the assets and businesses attributed to either of the groups.***

Because we are the issuer of FNF Group common stock and FNFV Group common stock, an adverse market reaction to events relating to the assets and businesses attributed to either of our groups, such as earnings announcements or announcements of new products or services, acquisitions or dispositions that the market does not view favorably, may cause an adverse reaction to the common stock of the other group. This could occur even if the triggering event is not material to us as a whole. A certain triggering event may also have a greater impact on one group than the same triggering event would have on the other group due to the asset composition of the affected group. In addition, the incurrence of significant indebtedness by us or any of our subsidiaries on behalf of one group, including indebtedness incurred or assumed in connection with acquisitions of or investments in businesses, could affect our credit rating and that of our subsidiaries and, therefore, could increase the borrowing costs of businesses attributable to our other group or the borrowing costs of FNF as a whole.

***We may not pay dividends equally or at all on FNF Group common stock or FNFV Group common stock.***

FNF has historically paid quarterly dividends to its shareholders. We have the right to pay dividends on the shares of common stock of each group in equal or unequal amounts, and we may pay dividends on the shares of common stock of one group and not pay dividends on shares of common stock of the other group. In addition, any dividends or distributions on, or repurchases of, shares relating to either group will reduce our assets legally available to be paid as dividends on the shares relating to the other group.

***Our tracking stock capital structure could create conflicts of interest, and our Board of Directors may make decisions that could adversely affect only some holders of our common stock.***

Our tracking stock capital structure could give rise to occasions when the interests of holders of stock of one group might diverge or appear to diverge from the interests of holders of stock of the other group. In addition, given the nature of their businesses, there may be inherent conflicts of interests between the FNF Group and the FNFV Group. Our tracking stock groups are not separate entities and thus holders of FNF Group common stock and FNFV Group common stock do not have the right to elect separate Boards of Directors. As a result, our FNF's officers and directors owe fiduciary duties to FNF as a whole and all of our shareholders as opposed to only holders of a particular group. Decisions deemed to be in the best interest of our Company and all of our shareholders may not be in the best interest of a particular group when considered independently. Examples include:

- decisions as to the terms of any business relationships that may be created between the FNF Group and the FNFV Group or the terms of any reattributions of assets between the groups;
- decisions as to the allocation of consideration among the holders of FNF Group common stock and FNFV Group common stock to be received in connection with a merger involving FNF;
- decisions as to the allocation of corporate opportunities between the groups, especially where the opportunities might meet the strategic business objectives of both groups;
- decisions as to operational and financial matters that could be considered detrimental to one group but beneficial to the other;
- decisions as to the conversion of shares of common stock of one group into shares of common stock of the other, which the Board of Directors may make in its sole discretion, so long as the shares are converted (other than in connection with the disposition of all or substantially all of a group's assets) at a ratio that provides the shareholders of the converted stock with a premium based on the following requirements:

(i) a 10% premium to such stock's market price for the first year following the recapitalization,
(ii) an 8% premium to such stock's market price for the second year following the recapitalization,
(iii) a 6% premium to such stock's market price for the third year following the recapitalization,
(iv) a 4% premium to such stock's market price for fourth year following the recapitalization,
(v) a 2% premium to such stock's market price for the fifth year following the recapitalization, and
(vi) no premium to such stock's market price thereafter, with such premium to be based on, in each case, the market price of such stock over the 10 day trading period preceding the date on the which the Board of Directors determines to effect any such conversion; no conversion premium is available for a conversion in connection with the disposition of all or substantially all of the assets of either group;

- decisions regarding the creation of, and, if created, the subsequent increase or decrease of any intergroup interest that one group may own in the other group;
- decisions as to the internal or external financing attributable to businesses or assets attributed to either of our groups;
- decisions as to the dispositions of assets of either of our groups; and
- decisions as to the payment of dividends on the stock relating to either of our groups.

***Our directors' or officers' ownership of FNF Group common stock and FNFV Group common stock may create or appear to create conflicts of interest.***

If directors or officers own disproportionate interests (in percentage or value terms) in FNF Group common stock or FNFV Group common stock, that disparity could create or appear to create conflicts of interest when they are faced with decisions that could have different implications for the holders of FNF Group common stock or FNFV Group common stock.

***We have not adopted any specific procedures for consideration of matters involving a divergence of interests among holders of shares of stock relating to our two groups.***

Rather than develop additional specific procedures in advance, our Board of Directors intends to exercise its judgment from time to time, depending on the circumstances, as to how best to:

- obtain information regarding the divergence (or potential divergence) of interests;
- determine under what circumstances to seek the assistance of outside advisers;
- determine whether a committee of our Board of Directors should be appointed to address a specific matter and the appropriate members of that committee; and
- assess what is in our best interest and the best interest of all of our shareholders.

Our Board of Directors believes the advantage of retaining flexibility in determining how to fulfill its responsibilities in any such circumstances as they may arise outweighs any perceived advantages of adopting additional specific procedures in advance.

***Our Board of Directors may change the management and allocation policies following their implementation to the detriment of either group without shareholder approval.***

Our Board of Directors intends to adopt certain management and allocation policies as guidelines in making decisions regarding the relationships between the FNF Group and the FNFV Group with respect to matters such as tax liabilities and benefits, inter-group loans, inter-group interests, attribution of assets, financing alternatives, corporate opportunities and similar items. These policies also set forth the initial focuses and strategies of these groups and the initial attribution of our businesses, assets and liabilities between them. Our Board of Directors may at any time change or make exceptions to these policies. Because these policies relate to matters concerning the day-to-day management of FNF as opposed to significant corporate actions, such as a merger involving FNF or a sale of substantially all of our assets, no shareholder approval is required with respect to policy adoption or amendment. A decision to change, or make exceptions to, these policies or adopt additional policies could disadvantage one group while advantaging the other.

***Holders of shares of stock relating to a particular group may not have any remedies if any action by our Directors or Officers has an adverse effect on only that stock.***

Principles of Delaware law and the provisions of our Corporate Charter may protect decisions of our Board of Directors that have a disparate impact upon holders of shares of stock relating to a particular group. Under Delaware law, the Board of Directors has a duty to act with due care and in the best interests of all shareholders, regardless of the stock held. Principles of Delaware law established in cases involving differing treatment of multiple classes or series of stock provide that a Board of Directors owes an equal duty to all shareholders and does not have separate or additional duties to any subset of shareholders. Judicial opinions in Delaware involving tracking stocks have established that decisions by directors or officers involving differing treatment of holders of tracking stocks may be judged under the business judgment rule. In some circumstances, our directors or officers may be required to make a decision that is viewed as adverse to the holders of shares relating to a particular group. Under the principles of Delaware law and the business judgment rule referred to above, you may not be able to successfully challenge decisions that you believe have a disparate impact upon the shareholders of one of our groups if a majority of our Board of Directors is disinterested and independent with respect to the action taken, is adequately informed with respect to the action taken and acts in good faith and in the honest belief that the Board of Directors is acting in the best interest of FNF and our shareholders as a whole.

***Shareholders will not vote on how to attribute consideration received in connection with a merger involving FNF among holders of FNF Group common stock and FNFV Group common stock.***

Our Corporate Charter does not contain any provisions governing how consideration received in connection with a merger or consolidation involving FNF is to be attributed to the holders of FNF Group common stock and holders of FNFV Group common stock, and none of the holders of FNF Group common stock or FNFV Group common stock will have a separate class vote in the event of such a merger or consolidation. Consistent with applicable principles of Delaware law, our Board of Directors will seek to divide the type and amount of consideration received in a merger or consolidation involving FNF among holders of FNF Group common stock and FNFV Group common stock in a fair manner. As the different ways our Board of Directors may divide the consideration between holders of stock relating to the different groups might have materially different results, the consideration to be received by holders of FNF Group common stock and FNFV Group common stock in any such merger or consolidation may be materially less valuable than the consideration they would have received if they had a separate class vote on such merger or consolidation.

***We may dispose of assets of the FNF Group or the FNFV Group without your approval.***

Delaware law requires shareholder approval only for a sale or other disposition of all or substantially all of the assets of FNF taken as a whole, and our Corporate Charter does not require a separate class vote in the case of a sale of a significant amount of assets of any of our groups. As long as the assets attributed to the FNF Group or the FNFV Group proposed to be disposed of represent less than substantially all of our assets, we may approve sales and other dispositions of any amount of the assets of such group without any shareholder approval. If we dispose of all or substantially all of the assets attributed to any group (which means, for this purpose, assets representing 80% of the fair market value of the total assets of the disposing group, as determined by our Board of Directors), we would be required, if the disposition is not an exempt disposition under the terms of our Corporate Charter, to choose one or more of the following three alternatives:

- declare and pay a dividend on the disposing group’s common stock;
- redeem shares of the disposing group’s common stock in exchange for cash, securities or other property; and/or
- convert all or a portion of the disposing group’s outstanding common stock into common stock of the other group.

In this type of a transaction, holders of the disposing group’s common stock may receive less value than the value that a third-party buyer might pay for all or substantially all of the assets of the disposing group. Our Board of Directors will decide, in its sole discretion, how to proceed and is not required to select the option that would result in the highest value to holders of any group of our common stock.

***Holders of FNF Group common stock or FNFV Group common stock may receive less consideration upon a sale of the assets attributed to that group than if that group were a separate company.***

If the FNF Group or the FNFV Group were a separate, independent company and its shares were acquired by another person, certain costs of that sale, including corporate level taxes, might not be payable in connection with that acquisition. As a result, shareholders of a separate, independent company with the same assets might receive a greater amount of proceeds than the holders of FNF Group common stock or FNFV Group common stock would receive upon a sale of all or substantially all of the assets of the group to which their shares relate. In addition, we cannot assure you that in the event of such a sale the per share consideration to be paid to holders of FNF Group common stock or FNFV Group common stock, as the case may be, will be equal to or more than the per share value of that share of stock prior to or after the announcement of a sale of all or substantially all of the assets of the applicable group. Further, there is no requirement that the consideration paid be tax-free to the holders of the shares of common stock of that group. Accordingly, if we sell all or substantially all of the assets attributed to the FNF Group or the FNFV Group, our shareholders could suffer a loss in the value of their investment in FNF.

***In the event of a liquidation of FNF, holders of FNF Group common stock and FNFV Group common stock will not have a priority with respect to the assets attributed to the related tracking stock group remaining for distribution to shareholders.***

Under the Corporate Charter, upon FNF’s liquidation, dissolution or winding up, holders of the FNF Group common stock and the FNFV Group common stock will be entitled to receive, in respect of their shares of such stock, their proportionate interest in all of FNF’s assets, if any, remaining for distribution to holders of common stock in proportion to their respective number of “liquidation units” per share. Relative liquidation units will be based on the volume weighted average prices of the FNF Group common stock and the FNFV Group common stock over the 10 trading day period commencing shortly after the initial filing of the Corporate Charter. Hence, the assets to be distributed to a holder of either tracking stock upon a liquidation, dissolution or winding up of FNF will have nothing to do with the value of the assets attributed to the related tracking stock group or to changes in the relative value of the FNF Group common stock and the FNFV Group common stock over time.

***Our Board of Directors may in its sole discretion elect to convert the common stock relating to one group into common stock relating to the other group, thereby changing the nature of your investment and possibly diluting your economic interest in FNF, which could result in a loss in value to you.***

Our Corporate Charter permits our Board of Directors, in its sole discretion, to convert all of the outstanding shares of common stock relating to either of our groups into shares of common stock of the other group so long as the shares are converted at a ratio that provides the shareholders of the converted stock with the applicable Conversion Premium (if any) to which they are entitled. A conversion would preclude the holders of stock in each group involved in such conversion from retaining their investment in a security that is intended to reflect separately the performance of the relevant group. We cannot predict the impact on the market value of our stock of (1) our Board of Directors' ability to effect any such conversion or (2) the exercise of this conversion right by FNF. In addition, our Board of Directors may effect such a conversion at a time when the market value of our stock could cause the shareholders of one group to be disadvantaged.

***Holders of FNF Group common stock and FNFV Group common stock vote together and have limited separate voting rights.***

Holders of FNF Group common stock and FNFV Group common stock vote together as a single class, except in certain limited circumstances prescribed by our Corporate Charter and under Delaware law. Each share of common stock of each group has one vote per share. When holders of FNF Group common stock and FNFV Group common stock vote together as a single class, holders having a majority of the votes are in a position to control the outcome of the vote even if the matter involves a conflict of interest among our shareholders or has a greater impact on one group than the other.

***Our capital structure, as well as the fact that the FNF Group and the FNFV Group are not independent companies may inhibit or prevent acquisition bids for the FNF Group or the FNFV Group and may make it difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders.***

If the FNF Group and the FNFV Group were separate independent companies, any person interested in acquiring the FNF Group or the FNFV Group without negotiating with management could seek control of that group by obtaining control of its outstanding voting stock, by means of a tender offer, or by means of a proxy contest. Although we intend FNF Group common stock and FNFV Group common stock to reflect the separate economic performance of the FNF Group and the FNFV Group, respectively, those groups are not separate entities and a person interested in acquiring only one group without negotiation with our management could obtain control of that group only by obtaining control of a majority in voting power of all of the outstanding shares of common stock of FNF. The existence of shares of common stock relating to different groups could present complexities and in certain circumstances pose obstacles, financial and otherwise, to an acquiring person that are not present in companies that do not have capital structures similar to ours. Certain provisions of our Corporate Charter and bylaws may discourage, delay or prevent a change in control of FNF that a shareholder may consider favorable. These provisions include:

- classifying our Board of Directors with staggered three-year terms, which may lengthen the time required to gain control of our Board of Directors;
- limiting who may call special meetings of shareholders;
- establishing advance notice requirements for nominations of candidates for election to our board of directors; and
- the existence of authorized and unissued stock, including "blank check" preferred stock, which could be issued by our Board of Directors to persons friendly to our then current management, thereby protecting the continuity of our management, or which could be used to dilute the stock ownership of persons seeking to obtain control of FNF.

## Item 1B. *Unresolved Staff Comments*

None.

## Item 2. *Properties*

Our corporate headquarters are on our campus in Jacksonville, Florida in owned facilities.

*Title*

The majority of our branch offices are leased from third parties. See Note M to the Notes to Consolidated Financial Statements included in Item 8 of Part II of this report for further information on our outstanding leases. Our subsidiaries conduct their business operations primarily in leased office space in 44 states, Washington, DC, Puerto Rico, Canada and India.

*Black Knight*

Black Knight is headquartered in Jacksonville, Florida in an owned facility. It also owns one facility in Sharon, Pennsylvania, and leases office space in 13 states and India.

*Restaurant Group*

The Restaurant Group's headquarters are located in Nashville, Tennessee with other office locations in Woburn, Massachusetts and Denver, Colorado. The majority of the restaurants are leased from third parties, and are located in 42 states.

**Item 3.** ***Legal Proceedings***

For a description of our legal proceedings see discussion of *Legal and Regulatory Contingencies* in Note M to the Consolidated Financial Statements included in Item 8 of Part II of this Report, which is incorporated by reference into this Part I, Item 3.

## PART II

**Item 5.** ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

On June 30, 2014, we completed the approved recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Each share of the previously outstanding FNF Class A common stock ("Old FNF common stock") was converted into one share of FNF Group common stock, which continues to trade under the trading symbol "FNF," and 0.3333 of a share of FNFV Group common stock, which trades under the trading symbol "FNFV." Both FNF and FNFV began regular trading on July 1, 2014. Both classes of our common stock trade on the New York Stock Exchange.

The following tables provide the high and low closing sales prices of each class of our common stock and cash dividends declared per share of common stock for each quarter during 2015 and 2014.

| FNF Group | Stock Price High | Stock Price Low | Cash Dividends Declared |
|---|---|---|---|
| Year ended December 31, 2015 | | | |
| First quarter | $ 38.41 | $ 34.29 | $ 0.19 |
| Second quarter | 38.50 | 35.91 | 0.19 |
| Third quarter | 39.99 | 34.75 | 0.21 |
| Fourth quarter | 36.99 | 32.49 | 0.21 |
| | | | |
| Year ended December 31, 2014 | | | |
| Third quarter | $ 28.59 | $ 26.59 | $ 0.18 |
| Fourth quarter | 36.02 | 26.21 | 0.19 |

| FNFV Group | Stock Price High | Stock Price Low | Cash Dividends Declared |
|---|---|---|---|
| Year ended December 31, 2015 | | | |
| First quarter | $ 15.04 | $ 11.61 | $ — |
| Second quarter | 15.80 | 14.17 | — |
| Third quarter | 15.62 | 11.66 | — |
| Fourth quarter | 12.06 | 9.88 | — |
| | | | |
| Year ended December 31, 2014 | | | |
| Third quarter | $ 16.94 | $ 13.76 | $ — |
| Fourth quarter | 15.74 | 13.00 | — |

| Old FNF | Stock Price High | Stock Price Low | Cash Dividends Declared |
|---|---|---|---|
| Year ended December 31, 2014 (1) | | | |
| First quarter | $ 33.22 | $ 29.78 | $ 0.18 |
| Second quarter | 34.45 | 31.11 | 0.18 |

(1) Prices listed for Old FNF are unadjusted prices which do not give effect to the recapitalization and tracking stock formation on June 30, 2014.

Information concerning securities authorized for issuance under our equity compensation plans will be included in Item 12 of Part III of this report.

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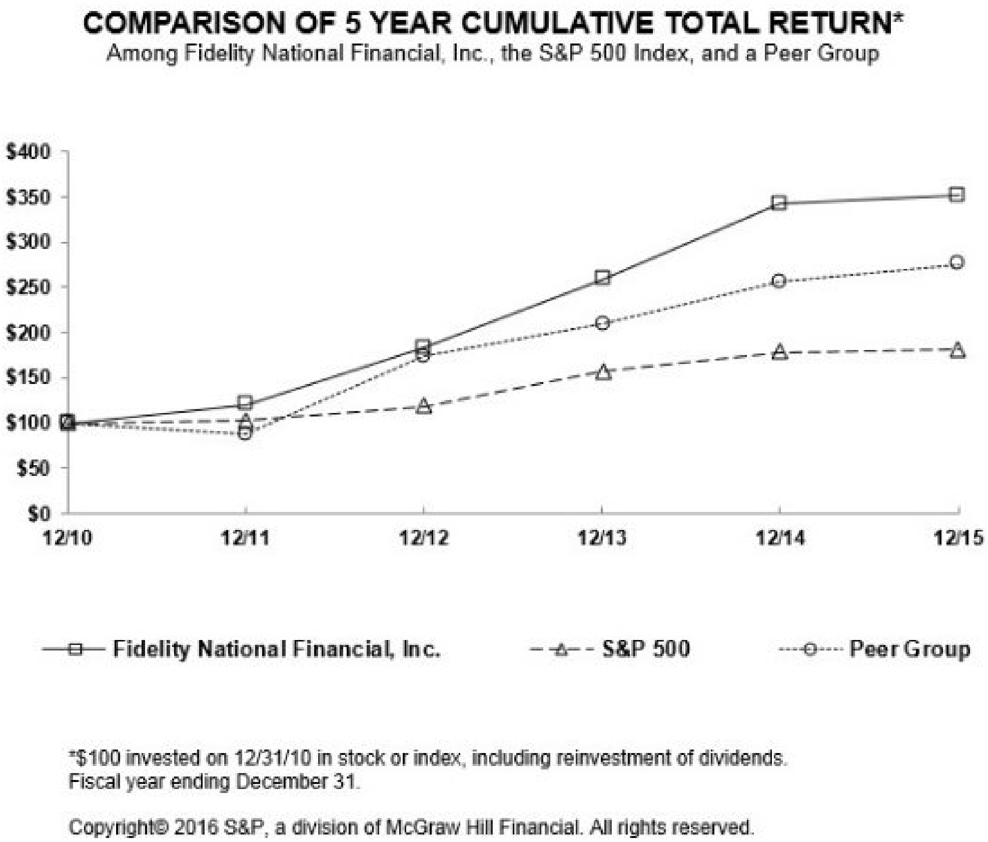
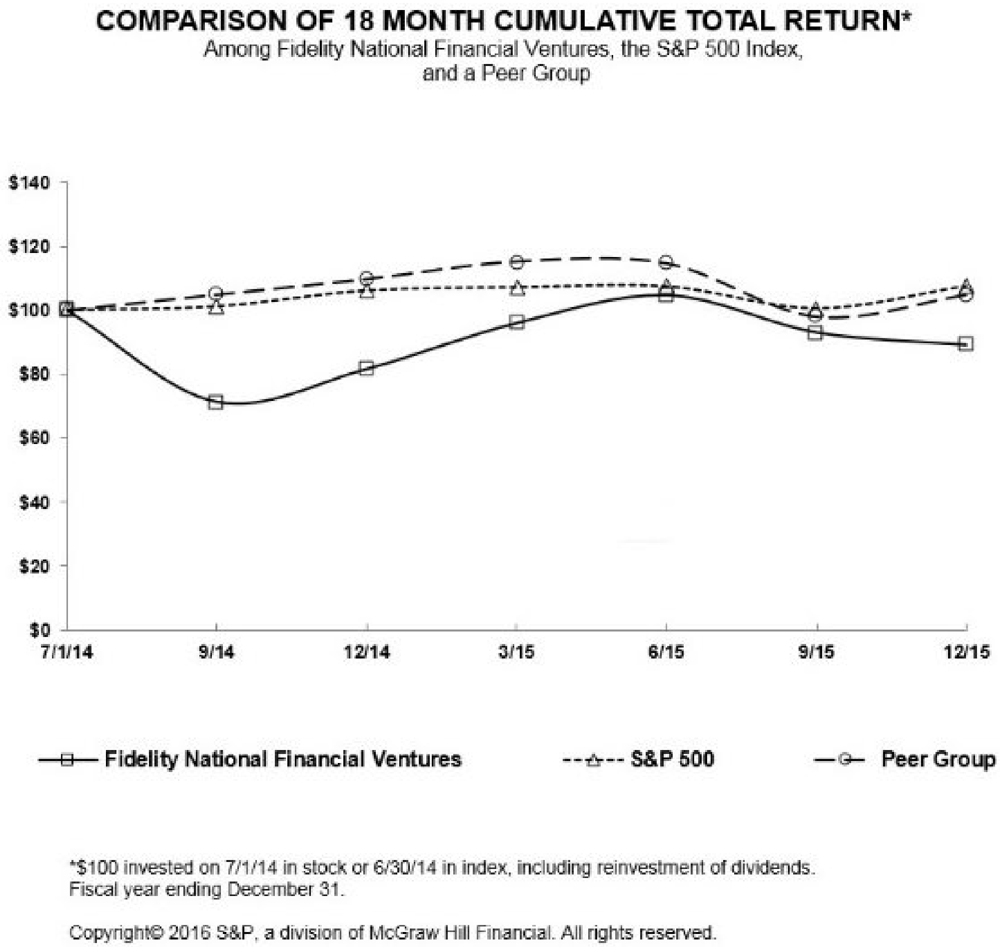
**PERFORMANCE GRAPH**

Set forth below is a graph comparing cumulative total shareholder return on our FNF Group common stock against the cumulative total return on the S & P 500 Index and against the cumulative total return of a peer group index consisting of certain companies in the primary industry in which we compete (SIC code 6361 — Title Insurance) for the period ending December 31, 2015 . This peer group consists of the following companies: First American Financial Corporation and Stewart Information Services Corp. The peer group comparison has been weighted based on their stock market capitalization. The graph assumes an initial investment of $100.00 on December 31, 2010, with dividends reinvested over the periods indicated.




| | 12/31/2010 | 12/31/2011 | 12/31/2012 | 12/31/2013 | 12/31/2014 | 12/31/2015 |
|---|---|---|---|---|---|---|
| Fidelity National Financial, Inc. | 100.00 | 120.19 | 182.94 | 258.66 | 342.03 | 352.02 |
| S&P 500 | 100.00 | 102.11 | 118.45 | 156.82 | 178.29 | 180.75 |
| Peer Group | 100.00 | 87.88 | 174.24 | 209.57 | 255.78 | 275.46 |

Set forth below is a graph comparing cumulative total shareholder return on our FNFV Group common stock against the cumulative total return on the S & P 500 Index and against the cumulative total return of a peer group index consisting of certain companies against which we compete for the period ending December 31, 2015 . The peer group comparison has been weighted based on their stock market capitalization . The graph assumes an initial investment of $100.00 on July 1, 2014, with dividends reinvested over the periods indicated.




| | 7/1/2014 | 12/31/2014 | 12/31/2015 |
|---|---|---|---|
| **Fidelity National Financial Ventures** | **100.00** | **81.60** | **89.06** |
| **S&P 500** | **100.00** | **106.12** | **107.58** |
| **Peer Group (1)** | **100.00** | **109.66** | **104.83** |

(1) This peer group consists of the following companies: American Capital, Ltd., Apollo Global Management, LLC, BlackRock, Inc., The Blackstone Group L.P., The Carlyle Group, Compass Diversified Holdings, Fortress Investment Group, LLC, KKR & Co. L.P., Leucadia National Corporation, Liberty Interactive Corporation, and Liberty Media Corporation.

On January 31, 2016, the last reported sale price of our FNF Group common stock and FNFV Group common stock on the New York Stock Exchange was $32.38 and $9.38 per share, respectively. We had approximately 7,200 shareholders of record of FNF Group common stock and 5,500 shareholders of record of FNFV Group common stock.

On February 3, 2016 , our Board of Directors formally declared a $0.21 per FNF Group share cash dividend that is payable on March 31, 2016 to FNF Group shareholders of record as of March 17, 2016 .

No dividends were declared on our FNFV Group common stock.

Our current FNF Group dividend policy anticipates the payment of quarterly dividends in the future. The declaration and payment of dividends will be at the discretion of our Board of Directors and will be dependent upon our future earnings, financial condition and capital requirements. There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders, although there are limits on the ability of certain subsidiaries to pay dividends to us, as described below. Our ability to declare dividends is subject to restrictions under our existing credit agreement. We do not believe the restrictions contained in our credit agreement will, in the foreseeable future, adversely affect our ability to pay cash dividends at the current dividend rate.

Since we are a holding company, our ability to pay dividends will depend largely on the ability of our subsidiaries to pay dividends to us, and the ability of our title insurance subsidiaries to do so is subject to, among other factors, their compliance with applicable insurance regulations. As of December 31, 2015 , $ 2,049 million of our net assets are restricted from dividend payments without prior approval from the Departments of Insurance in the states where our title insurance subsidiaries are domiciled. During 2016 , our directly owned title insurance subsidiaries can pay dividends or make distributions to us of approximately $ 334 million without prior approval. The limits placed on such subsidiaries' abilities to pay dividends affect our ab ility to pay dividends.

We have not paid any dividends on our FNFV Group common stock, and our current FNFV Group dividend policy does not presently anticipate the payment of dividends. Payment of dividends, if any, in the future will be determined by our Board of Directors in light of our earnings, financial condition and other relevant considerations.

On September 16, 2015, J. Alexander's and FNF entered into a Separation and Distribution Agreement, pursuant to which FNF agreed to distribute one hundred percent ( 100% ) of its shares of J. Alexander's common stock, on a pro rata basis, to the holders of FNFV common stock. Holders of FNFV common stock received, as a distribution from FNF, approximately 0.17272 shares of J. Alexander's common stock for every one share of FNFV common stock held at the close of business on September 22, 2015, the record date for the distribution (the "Distribution"). The Distribution was made on September 28, 2015 . As a result of the Distribution, J. Alexander's is now an independent public company and its common stock is listed under the symbol "JAX" on the New York Stock Exchange. The Distribution was generally tax-free to FNFV shareholders for U.S. federal income tax purposes, except to the extent of any cash received in lieu of J. Alexander's fractional shares.

On March 20, 2015, we completed our tender offer to purchase shares of FNFV stock. As a result of the offer, we accepted for purchase 12,333,333 shares of FNFV Group Common Stock for a purchase price of $15.00 per common share, for a total aggregate cost of $185 million , excluding fees and expenses related to the tender offer.

On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2015 , we repurchased a total of 8,187,382 shares for $106 million , or an average of $12.95 per share under this program. Subsequent to year-end we repurchased a total of 1,143,900 shares for $11 million , or an average of $9.71 per share under this program through market close on February 19, 2016 . Since the original commencement of the plan adopted November 6, 2014, we have repurchased a total of 9,447,382 shares for $119 million , or an average of $12.57 per share, and there are 552,618 shares available to be repurchased under this program. On February 18, 2016, our Board of Directors approved a new FNFV Group three-year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through February 28, 2019. For more information, see "Liquidity and Capital Resources" in Item 7 of this Form 10-K.

On June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. We issued 277,462,875 shares of FNF Group common stock and 91,711,237 shares of FNFV Group common stock. See Note A for further discussion on the recapitalization of FNF common stock.

On January 2, 2014 as part of the LPS Acquisition, we issued $839 million or 25,920,078 shares of Old FNF common stock as consideration for the LPS Acquisition to the former shareholders of LPS.

On July 21, 2012, our Board of Directors approved a three-year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of FNF Group common stock through July 31, 2015. On July 20, 2015, our Board of Directors approved a new three-year stock repurchase program under which we can purchase up to 25 million shares through July 30, 2018. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2015 , we repurchased a total 5,875,000 FNF Group shares under these programs for $214 million , or an average price of $36.41 per share. Subsequent to year-end we repurchased a total of 500,000 shares for $17 million , or an average of $33.19 per share under this program through market close on February 19, 2016 . Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 3,380,000 FNF common shares for $ 98 million , or an average of $ 28.97 per share, and there are no shares available to be repurchased under this program. Since the original commencement of the plan adopted July 20, 2015, we have repurchased a total of 5,075,000 FNF common shares for $182 million , or an average of $35.92 per share, and there are 19,925,000 shares available to be repurchased under this program. For more information, see "Liquidity and Capital Resources" in Item 7 of this Form 10-K.

The following table summarizes repurchases of equity securities by FNF during the year ending December 31, 2015 :

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2) |
|---|---|---|---|---|
| 6/1/2015 - 6/30/2015 | 1,100,000 | $ 36.93 | 1,100,000 | 11,820,000 |
| 7/1/2015 - 7/31/2015 | 250,000 | 38.12 | 250,000 | 24,950,000 |
| 8/1/2015 - 8/31/2015 | 1,050,000 | 38.53 | 1,050,000 | 23,900,000 |
| 9/1/2015 - 9/30/2015 | 1,050,000 | 36.35 | 1,050,000 | 22,850,000 |
| 10/1/2015 - 10/31/2015 | 350,000 | 35.89 | 350,000 | 22,500,000 |
| 11/1/2015 - 11/30/2015 | 1,000,000 | 35.30 | 1,000,000 | 21,500,000 |
| 12/1/2015 - 12/31/2015 | 1,075,000 | 34.65 | 1,075,000 | 20,425,000 |
| Total | 5,875,000 | $ 36.41 | 5,875,000 | |

(1) On July 21, 2012, our Board of Directors approved a three-year stock purchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our FNF Group common stock through July 31, 2015. On July 20, 2015, our Board of Directors approved a new three-year stock repurchase program. Under the new stock repurchase program, we can repurchase up to 25 million shares of our common stock through July 30, 2018.

(2) As of the last day of the applicable month.

The following table summarizes repurchases of equity securities by FNFV during the year ending December 31, 2015 :

| Period | Total Number of Shares Purchased (3) | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2) |
|---|---|---|---|---|
| 1/1/2015 - 1/31/2015 | 423,350 | $ 12.34 | 423,350 | 9,460,550 |
| 3/1/2015 - 3/31/2015 | 12,333,333 | 15.00 | — | 9,460,550 |
| 4/1/2015 - 4/30/2015 | 50,000 | 14.62 | 50,000 | 9,410,550 |
| 5/1/2015 - 5/31/2015 | 850,000 | 15.07 | 850,000 | 8,560,550 |
| 6/1/2015 - 6/30/2015 | 1,000,000 | 15.23 | 1,000,000 | 7,560,550 |
| 7/1/2015 - 7/31/2015 | 204,000 | 15.08 | 204,000 | 7,356,550 |
| 8/1/2015 - 8/31/2015 | 1,393,000 | 14.49 | 1,393,000 | 5,963,550 |
| 9/1/2015 - 9/30/2015 | 679,532 | 13.73 | 679,532 | 5,284,018 |
| 10/1/2015 - 10/31/2015 | 530,000 | 11.66 | 530,000 | 4,754,018 |
| 11/1/2015 - 11/30/2015 | 1,462,500 | 11.09 | 1,462,500 | 3,291,518 |
| 12/1/2015 - 12/31/2015 | 1,595,000 | 10.68 | 1,595,000 | 1,696,518 |
| Total | 20,520,715 | $ 14.18 | 8,187,382 | |

(1) On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017.

(2) As of the last day of the applicable month.

(3) On March 20, 2015 we completed our tender offer to purchase 12,333,333 shares of FNFV stock at a price of $15.00 per share.

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**Item 6. *Selected Financial Data***

The information set forth below should be read in conjunction with the consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Form 10-K. Certain reclassifications have been made to the prior year amounts to conform with the 2015 presentation.

On September 28, 2015 , we completed the distribution of J. Alexander's to FNFV shareholders. The results of J. Alexander's operations are included through the distribution date.

On December 31, 2014, we completed the distribution of Remy International, Inc. to our FNFV shareholders. The operations of Remy are included in discontinued operations for the years ended December 31, 2014, 2013, and 2012.

On January 2, 2014, we completed the purchase of LPS and consolidated the operations of LPS beginning on January 3, 2014.

On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's Inc. We have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55%. We have consolidated the operations of ABRH with the O'Charley's group of companies, beginning on May 11, 2012.

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| | (Dollars in millions, except share data) | | | | |
| **Operating Data:** | | | | | |
| Revenue | $ 9,132 | $ 8,024 | $ 7,440 | $ 6,668 | $ 4,800 |
| Expenses: | | | | | |
| Personnel costs | 2,671 | 2,540 | 2,061 | 1,834 | 1,568 |
| Agent commissions | 1,731 | 1,471 | 1,789 | 1,600 | 1,411 |
| Other operating expenses | 1,881 | 1,643 | 1,273 | 1,269 | 1,064 |
| Cost of restaurant revenues | 1,195 | 1,220 | 1,204 | 773 | — |
| Depreciation and amortization | 410 | 403 | 133 | 103 | 73 |
| Provision for title claim losses | 246 | 228 | 291 | 279 | 222 |
| Interest expense | 131 | 127 | 73 | 64 | 57 |
| | 8,265 | 7,632 | 6,824 | 5,922 | 4,395 |
| Earnings before income taxes, equity in (loss) earnings of unconsolidated affiliates, and noncontrolling interest | 867 | 392 | 616 | 746 | 405 |
| Income tax expense | 290 | 312 | 195 | 242 | 131 |
| Earnings before equity in (loss) earnings of unconsolidated affiliates | 577 | 80 | 421 | 504 | 274 |
| Equity in (loss) earnings of unconsolidated affiliates | (16) | 432 | (26) | 10 | 10 |
| Earnings from continuing operations, net of tax | 561 | 512 | 395 | 514 | 284 |
| Earnings from discontinued operations, net of tax | — | 7 | 16 | 98 | 95 |
| Net earnings | 561 | 519 | 411 | 612 | 379 |
| Less: net earnings (loss) attributable to noncontrolling interests | 34 | (64) | 17 | 5 | 10 |
| Net earnings attributable to FNF common shareholders | $ 527 | $ 583 | $ 394 | $ 607 | $ 369 |

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| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| | (Dollars in millions, except share data) | | | | |
| **Per Share Data:** | | | | | |
| Basic net earnings per share attributable to Old FNF common shareholders | | $ 0.33 | $ 1.71 | $ 2.75 | $ 1.68 |
| Basic net earnings per share attributable to FNF Group common shareholders | $ 1.95 | $ 0.77 | | | |
| Basic net (loss) earnings per share attributable to FNFV Group common shareholders | $ (0.16) | $ 3.04 | | | |
| Weighted average shares outstanding Old FNF, basic basis (1) | | 138 | 230 | 221 | 219 |
| Weighted average shares outstanding FNF Group, basic basis (1) | 277 | 138 | | | |
| Weighted average shares outstanding FNFV Group, basic basis (1) | 79 | 46 | | | |
| Diluted net earnings per share attributable to Old FNF common shareholders | | $ 0.32 | $ 1.68 | $ 2.69 | $ 1.65 |
| Diluted net earnings per share attributable to FNF Group common shareholders | $ 1.89 | $ 0.75 | | | |
| Diluted net (loss) earnings per share attributable to FNFV Group common shareholders | $ (0.16) | $ 3.01 | | | |
| Weighted average shares outstanding Old FNF, diluted basis (1) | | 142 | 235 | 226 | 223 |
| Weighted average shares outstanding FNF Group, diluted basis (1) | 286 | 142 | | | |
| Weighted average shares outstanding FNFV Group, diluted basis (1) | 82 | 47 | | | |
| Dividends declared per share of Old FNF common stock | | $ 0.36 | $ 0.66 | $ 0.58 | $ 0.48 |
| Dividends declared per share of FNF Group common stock | $ 0.80 | $ 0.37 | | | |
| **Balance Sheet Data:** | | | | | |
| Investments (2) | $ 4,853 | $ 4,669 | $ 3,791 | $ 4,053 | $ 4,052 |
| Cash and cash equivalents (3) | 780 | 700 | 1,969 | 1,132 | 665 |
| Total assets | 13,931 | 13,845 | 10,508 | 9,886 | 7,850 |
| Notes payable | 2,793 | 2,803 | 1,303 | 1,327 | 904 |
| Reserve for title claim losses | 1,583 | 1,621 | 1,636 | 1,748 | 1,913 |
| Redeemable NCI | 344 | 715 | — | — | — |
| Equity | 6,588 | 6,073 | 5,535 | 4,749 | 3,655 |
| Book value per share Old FNF | | | $ 22.14 | $ 20.78 | $ 16.57 |
| Book value per share FNF Group (4) | $ 21.21 | $ 18.87 | | | |
| Book value per share FNFV Group (4) | $ 15.05 | $ 16.31 | | | |
| **Other Data:** | | | | | |
| Orders opened by direct title operations (in 000's) | 2,092 | 1,914 | 2,181 | 2,702 | 2,140 |
| Orders closed by direct title operations (in 000's) | 1,472 | 1,319 | 1,708 | 1,867 | 1,514 |
| Provision for title insurance claim losses as a percent of title insurance premiums | 5.7% | 6.2% | 7.0% | 7.0% | 6.8% |
| Title related revenue (5): | | | | | |
| Percentage direct operations | 70.1% | 70.0% | 60.1% | 61.9% | 60.6% |
| Percentage agency operations | 29.9% | 30.0% | 39.9% | 38.1% | 39.4% |

(1) Weighted average shares outstanding as of December 31, 2014 includes 25,920,078 FNF shares that were issued as part of the acquisition of LPS on January 2, 2014 and 91,711,237 FNFV shares that were issued as part of the recapitalization completed on June 30, 2014. Weighted average shares outstanding as of December 31, 2013 includes 19,837,500 shares that were issued as part of an equity offering by FNF on October 31, 2013.

(2) Investments as of December 31, 2015 , 2014 , 2013 , 2012 , and 2011 , include securities pledged to secured trust deposits of $608 million , $499 million , $261 million , $278 million , and $280 million , respectively.

(3) Cash and cash equivalents as of December 31, 2015 , 2014 , 2013 , 2012 , and 2011 include cash pledged to secured trust deposits of $108 million , $136 million , $339 million , $266 million , and $162 million , respectively.

(4) Book value per share is calculated as equity at December 31 of each year presented divided by actual shares outstanding at December 31 of each year presented.

(5) Includes title insurance premiums and escrow, title-related and other fees.

**Selected Quarterly Financial Data (Unaudited)**

Selected quarterly financial data is as follows:

| | Quarter Ended | | | |
|---|---|---|---|---|
| | March 31, | June 30, | September 30, | December 31, |
| | (Dollars in millions, except per share data) | | | |
| **2015** | | | | |
| Revenue | $ 2,061 | $ 2,395 | $ 2,392 | $ 2,284 |
| Earnings from continuing operations before income taxes, equity in (loss) earnings of unconsolidated affiliates, and noncontrolling interest | 151 | 254 | 238 | 224 |
| Net earnings attributable to FNF Group common shareholders | 86 | 160 | 150 | 144 |
| Net earnings (loss) attributable to FNFV Group common shareholders | — | 10 | (18) | (5) |
| Basic earnings per share attributable to FNF Group common shareholders | 0.31 | 0.57 | 0.54 | 0.52 |
| Basic earnings (loss) per share attributable to FNFV Group common shareholders | — | 0.12 | (0.24) | (0.07) |
| Diluted earnings per share attributable to FNF Group common shareholders | 0.30 | 0.56 | 0.53 | 0.51 |
| Diluted earnings (loss) per share attributable to FNFV Group common shareholders | — | 0.12 | (0.24) | (0.07) |
| Dividends paid per share FNF Group common stock | 0.19 | 0.19 | 0.21 | 0.21 |
| **2014** | | | | |
| Revenue | $ 1,786 | $ 2,059 | $ 2,093 | $ 2,086 |
| (Loss) earnings from continuing operations before income taxes, equity in earnings of unconsolidated affiliates, and noncontrolling interest | (89) | 156 | 172 | 153 |
| Net (loss) earnings attributable to Old FNF common shareholders | (22) | 111 | — | — |
| Net earnings attributable to FNF Group common shareholders | | | 114 | 100 |
| Net (loss) earnings attributable to FNFV Group common shareholders | | | (12) | 292 |
| Basic (loss) earnings per share attributable to Old FNF common shareholders | (0.08) | 0.41 | | |
| Basic earnings per share attributable to FNF Group common shareholders | | | 0.40 | 0.37 |
| Basic (loss) earnings per share attributable to FNFV Group common shareholders | | | (0.14) | 3.18 |
| Diluted (loss) earnings per share attributable to Old FNF common shareholders | (0.08) | 0.40 | | |
| Diluted earnings per share attributable to FNF Group common shareholders | | | 0.40 | 0.35 |
| Diluted (loss) earnings per share attributable to FNFV Group common shareholders | | | (0.14) | 3.15 |
| Dividends paid per share of Old FNF Common Stock | 0.18 | 0.18 | | |
| Dividends paid per share FNF Group common stock | | | 0.18 | 0.19 |

## Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion should be read in conjunction with the Consolidated Financial Statements and the Notes thereto and Selected Financial Data included elsewhere in this Form 10-K.

### Overview

We have organized our business into two groups, FNF Core Operations and FNF Ventures ("FNFV").

Through our Core Operations, FNF is a leading provider of (i) title insurance, escrow and other title related services, including collection and trust activities, trustee sales guarantees, recordings and reconveyances and home warranty insurance and (ii) technology and transaction services to the real estate and mortgage industries. FNF is the nation’s largest title insurance company operating through its title insurance underwriters Fidelity National Title Insurance Company, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Alamo Title Insurance and National Title Insurance of New York Inc. - that collectively issue more title insurance policies than any other title company in the United States. Through our subsidiary ServiceLink Holdings, LLC ("ServiceLink"), we provide mortgage transaction services including title-related services and facilitation of production and management of mortgage loans. FNF also provides industry-leading mortgage technology solutions, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiary, Black Knight Financial Services, Inc. ("Black Knight").

Through our FNFV group, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), Ceridian HCM, Inc. and Fleetcor Technologies, Inc. (collectively "Ceridian") and Digital Insurance, Inc. ("Digital Insurance").

As of December 31, 2015 , we had the following reporting segments:

FNF Core Operations

- *Title.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title-related services including collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty insurance. This segment also includes the transaction services business acquired from Lender Processing Services, Inc. ("LPS"), now combined with our ServiceLink business. Transaction services include other title related services used in the production and management of mortgage loans, including mortgage loans that experience default.
- *Black Knight.* This segment consists of the operations of Black Knight, which, through leading software systems and information solutions, provides mission critical technology and data and analytics services that facilitate and automate many of the business processes across the life cycle of a mortgage.
- *FNF Core Corporate and Other.* This segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance-related operations.

FNFV

- *Restaurant Group.* This segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH and its affiliates are the owners and operators of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Legendary Baking concepts. This segment also includes the results of J. Alexander's, Inc. ("J. Alexander's") through September 28, 2015, the date it was distributed to FNFV shareholders. See the Recent Developments section below for further discussion of the distribution of J. Alexander's. On January 25, 2016, substantially all of the assets of the Max & Erma's restaurant concept were sold pursuant to an Asset Purchase Agreement.
- *FNFV Corporate and Other.* This segment primarily consists of our share in the operations of certain equity investments, including Ceridian, as well as consolidated investments, including Digital Insurance in which we own 96% , and other smaller operations which are not title related.

### Recent Developments

On February 18, 2016, our Board of Directors approved a new FNFV Group three-year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through February 28, 2019.

On February 11, 2016, we announced that we are considering alternatives to the spin-off of ABRH to FNFV shareholders previously announced on July 30, 2015.

On January 20, 2016, we entered into two interest rate swap agreements to hedge forecasted monthly interest rate payments on $400.0 million of our floating rate debt ($200.0 million notional value each) (the “Swap Agreements”). The Swap Agreements have been designated as cash flow hedging instruments. Under the terms of the Swap Agreements, we receive payments based on the 1-month LIBOR rate and pay a weighted average fixed rate of 1.01%. The effective term for the Swap Agreements is February 1, 2016 through January 31, 2019.

Beginning in October 2015 through December 31, 2015, we purchased approximately 2.2 million shares of Del Frisco Restaurant Group ("Del Frisco's", NASDAQ: DFRG) common stock for a total investment of $32 million . Subsequent to year-end through February 19, 2016, we purchased approximately 0.8 million shares of Del Frisco's common stock for $12 million . We currently own approximately 13% of the outstanding common stock of Del Frisco's.

On September 16, 2015, J. Alexander's and FNF entered into a Separation and Distribution Agreement, pursuant to which FNF agreed to distribute one hundred percent ( 100% ) of its shares of J. Alexander's common stock, on a pro rata basis, to the holders of FNFV common stock. Holders of FNFV common stock received, as a distribution from FNF, approximately 0.17272 shares of J. Alexander’s common stock for every one share of FNFV common stock held at the close of business on September 22, 2015, the record date for the distribution (the “Distribution”). The Distribution was made on September 28, 2015 . As a result of the Distribution, J. Alexander's is now an independent public company and its common stock is listed under the symbol “JAX” on the New York Stock Exchange. The Distribution was generally tax-free to FNFV shareholders for U.S. federal income tax purposes, except to the extent of any cash received in lieu of J. Alexander's fractional shares.

On July 20, 2015, we completed the recapitalization of ServiceLink Holdings, LLC through a conversion (the "ServiceLink Conversion") of $505 million of the $566 million aggregate preference amount associated with its Class A1 participating preferred units into slightly more than 67.3 million Class A common units. As a result of the ServiceLink Conversion, our ownership percentage in ServiceLink Holdings, LLC increased from 65% to 79% .

On July 20, 2015, our Board of Directors approved a new FNF Group three-year stock repurchase program, effective August 1, 2015, under which we may repurchase up to 25 million shares of FNF Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through July 31, 2018.

On May 29, 2015, Black Knight completed a redemption (the "Redemption") of $205 million in aggregate principal of its senior notes ("Black Knight Senior Notes") at a price of 105.750% . Black Knight incurred a charge on the Redemption of $12 million and also reduced the bond premium by $7 million for the portion of the premium that relates to the redeemed Black Knight Senior Notes, resulting in a net charge on the Redemption of $5 million . Following the Redemption, $390 million in aggregate principal of Black Knight Senior Notes remained outstanding.

On May 27, 2015, Black Knight InfoServ, LLC (“BKIS”), a subsidiary of Black Knight, entered into a credit and guaranty agreement (the “BKIS Credit Agreement”) with an aggregate borrowing capacity of $1.6 billion , dated as of May 27, 2015, with JPMorgan Chase Bank, N.A. as administrative agent, the guarantors party thereto, the other agents party thereto and the lenders party thereto. FNF does not provide any guaranty or stock pledge under the BKIS Credit Agreement.

On May 27, 2015, we entered into an amendment to our existing $800 million third amended and restated credit agreement (as previously amended, the “Existing Revolving Credit Agreement”), dated as of June 25, 2013, with Bank of America, N.A., as administrative agent, the other agents party thereto and the financial institutions party thereto as lenders (the “FNF Amended Revolving Credit Agreement”). Among other changes, the FNF Amended Revolving Credit Agreement amends the Existing Revolving Credit Agreement to permit FNF and its subsidiaries to incur the indebtedness and liens in connection with the BKIS Credit Agreement.

On May 26, 2015, Black Knight closed its initial public offering ("IPO") of 20,700,000 shares of Class A common stock at a price to the public of $24.50 per share, which included 2,700,000 shares of Class A common stock issued upon the exercise in full of the underwriters' option to purchase additional shares. Black Knight received net proceeds of $475 million from the offering, after deduction of underwriter discount and expenses. In connection with the IPO, Black Knight amended and restated its certificate of incorporation to authorize the issuance of two classes of common stock, Class A common stock and Class B common stock, which will generally vote together as a single class on all matters submitted for a vote to stockholders. As a result, Black Knight issued shares of Class B common stock to us, and certain Thomas H. Lee Partners affiliates, as the holders of membership interests in Black Knight Financial Services, LLC ("BKFS, LLC") prior to the IPO. Class B common stock is not publicly traded and does not entitle the holders thereof to any of the economic rights, including rights to dividends and distributions upon liquidation that would be provided to holders of Class A common stock. Prior to the IPO, we owned 67% of the membership interests in BKFS, LLC. Following the IPO, we owned 55% of the outstanding shares of Black Knight in the form of Class B common stock, with a corresponding ownership interest in BKFS, LLC.

On March 20, 2015, we completed our tender offer to purchase shares of FNFV stock. As a result of the offer, we accepted for purchase 12,333,333 shares of FNFV Group Common Stock for a purchase price of $15.00 per common share, for a total aggregate cost of $185 million , excluding fees and expenses related to the tender offer.

On February 18, 2015, we closed the sale of substantially all of the assets of Cascade Timberlands, LLC ("Cascade") which grows and sells timber and in which we owned a 70.2% interest, for $85 million less a replanting allowance of $1 million and an indemnity holdback of $1 million . The revenue from the sale was recorded in Escrow, title related and other fees and the cost of the land sold was in Other operating expenses in the Consolidated Statement of Operations in the twelve months ended December 31, 2015. The effect of the sale on FNFV's net earnings was income of approximately $12 million . There was no effect on net earnings attributable to FNFV Group common shareholders due to offsetting amounts attributable to noncontrolling interests.

***Acquisitions***

The results of operations and financial position of the entities acquired during any year are included in the Consolidated Financial Statements from and after the date of acquisition.

On February 12, 2015, we closed the purchase of Buyers Protection Group Holdings, LLC ("BPG"), pursuant to a certain Membership Interest Purchase Agreement, for $46 million . We first consolidated the results of BPG as of March 31, 2015. BPG is a recognized leader in home warranty, home inspection services and commercial inspections.

***Discontinued Operations***

On December 31, 2014, we completed the distribution (the "Remy Spin-off") of all of the outstanding shares of common stock of our previously owned subsidiary Remy International, Inc. ("New Remy", NASDAQ: REMY), a manufacturer and distributer of auto parts, to FNFV shareholders. We have no continuing involvement in New Remy as of December 31, 2015. As a result of the Remy Spin-off, the results of New Remy are reflected in the Consolidated Statements of Earnings as discontinued operations for the the years ended December 31, 2014 and 2013. Total revenue included in discontinued operations was $1,173 million and $1,125 million for the years ended December 31, 2014, and 2013, respectively. Pre-tax earnings included in discontinued operations were $6 million and $22 million for the years ended December 31, 2014, and 2013, respectively.

The results from a small software company, which we acquired with LPS and which was sold during the second quarter of 2014, are included in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total revenues included in discontinued operations were $2 million for the year ending December 31, 2014. Pre-tax earnings included in discontinued operations are $1 million for the year ending December 31, 2014.

The results from two closed J. Alexander's locations in the second quarter of 2013 are reflected in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total net revenue included in discontinued operations was $3 million for the year ended December 31, 2013. Pre-tax loss included in discontinued operations was $3 million for the year ended December 31, 2013.

The results from a settlement services company closed in the second quarter of 2013 are reflected in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total revenues included in discontinued operations were $9 million for the year ended December 31, 2013. Pre-tax earnings included in discontinued operations were $2 million for the year ended December 31, 2013.

**Related Party Transactions**

Our financial statements for the year ended December 31, 2013 reflect transactions with Fidelity National Information Services ("FIS"), which was considered a related party until December 31, 2013. See Note A of the Notes to Consolidated Financial Statements.

**Business Trends and Conditions**

*Title*

Our Title segment revenue is closely related to the level of real estate activity which includes sales, mortgage financing 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, mortgage interest rates and the strength of the United States economy, including employment levels. Declines in the level of real estate activity or the average price of real estate sales will adversely affect our title insurance revenues.

We have found that residential real estate activity is generally dependent on the following:

- mortgage interest rates;
- the mortgage funding supply; and
- the strength of the United States economy, including employment levels.

From December 2008 through December 2015, the Federal Reserve held the federal funds rate at 0.0%-0.25%. In December 2015, the Federal Reserve raised the target federal funds rate to 0.25%-0.50%. Mortgage interest rates were at historically low levels through the beginning of 2013. During the last half of 2013, however, interest rates rose to their highest level since 2011. Through 2014, mortgage interest rates declined moderately. In the fourth quarter of 2014, interest rates dropped below 4.00% and have remained between 3.50% and 4.25% through the year ended December 31, 2015.

As of February 18, 2016 , the Mortgage Banker's Association ("MBA") estimated the size of the U.S. mortgage originations market as shown in the following table for 2014 - 2017 in its "Mortgage Finance Forecast" (in trillions):

| | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| Purchase transactions | $ 1.0 | $ 1.0 | $ 1.0 | $ 0.9 |
| Refinance transactions | 0.3 | 0.4 | 0.5 | 0.7 |
| Total U.S. mortgage originations | $ 1.3 | $ 1.4 | $ 1.5 | $ 1.6 |

In 2014 the mix of mortgage originations between purchase and refinance transactions returned closer to historical norms. Driven by the decrease in refinance activity following an extended period of low interest rates, the ratio of refinances to total originations was approximately 40%. In 2015, the ratio of refinances to total originations was closer to 50% as anticipation of increased mortgage rates resulting from projected increases in the target federal funds rate weighed on the market. The MBA predicts the ratio will return to historical norms and decrease through 2018. The MBA predicts mortgage originations in 2016 through 2018 to decrease slightly compared to the 2015 period with a slight increase in purchase transactions expected to be offset by a decrease in refinance transactions. We expect the predicted change in mix, if it materializes, to have a positive effect on our earnings because purchase transactions involve the issuance of both a lender’s policy and an owner’s policy, resulting in higher fees, whereas refinance transactions only require a lender’s policy, resulting in lower fees.

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 interest rate fluctuations, we believe that our commercial real estate title insurance business is less dependent on the industry cycles discussed above than our residential real estate title business. Commercial real estate transaction volume is also often linked to the availability of financing. For the past several years, including the year ended December 31, 2015, we have experienced an increase in volume and fee per file of commercial transactions from the previous years, indicating strong commercial markets.

In addition to state-level regulation, segments of our FNF core businesses are subject to regulation by federal agencies, including the Consumer Financial Protection Bureau (“CFPB”). The CFPB was established under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank") which also included regulation over financial services and other lending related businesses including Black Knight. The CFPB has been given broad authority to regulate, among other areas, the mortgage and real estate markets in matters pertaining to consumers. This authority includes the enforcement of the Real Estate Settlement Procedures Act formerly placed with the Department of Housing and Urban Development. On July 9, 2012, the CFPB introduced a number of proposed rules related to the enforcement of the Real Estate Settlement Procedures Act and the Truth in Lending Act, including, among others, measures designed to (i) simplify financing documentation and (ii) require lenders to deliver to consumers a statement of final financing charges (and the related annual percentage rate) at least three business days prior to the closing. These rules became effective on January 10, 2014.

On November 20, 2013, the CFPB issued additional rules regarding mortgage forms and other mortgage related disclosures with the intent to provide "easier-to-use" mortgage disclosure forms for the consumer. The additional disclosure requirements require participants in the mortgage market, including us, to make significant changes to the manner in which they create, process, and deliver certain disclosures to consumers in connection with mortgage loan applications. The additional disclosures are effective for mortgage loan applications made on or after October 3, 2015. The main provisions of the additional disclosures include amending Regulation Z (the Truth in Lending Act) and Regulation X (Real Estate Settlement Procedures Act) (collectively, the “TILA-RESPA Integrated Disclosure" or "TRID”) to consolidate existing loan disclosures under TILA and RESPA for closed-end credit transactions secured by real property. TRID requires (i) timely delivery of a loan estimate upon receipt a consumer’s application and (ii) timely delivery of a closing disclosure prior to consummation. TRID also imposes certain restrictions, including the prohibition of imposing fees prior to provision of an estimate and the prohibition of providing estimates prior to a consumer’s submission of verifying documents. These changes could lead to lower mortgage volumes and/or delays in mortgage processing, particularly in the early stages of implementation. We do not believe the changes will have a significant effect on long term mortgage volumes and do not believe this had a material impact on our current year results from operations.

Readiness for and compliance with TRID required extensive planning; changes to systems, forms and processes; as well as heightened coordination among market participants. We believe that FNF, its agents or other market participants have generally been successful in their implementation efforts. It is our experience that mortgage lenders have become more focused on the risk of non-compliance with these evolving regulations and are focused on technologies and solutions that help them to comply with the increased regulatory oversight and burdens. Black Knight has developed solutions that target this need, which has resulted in additional revenue.

H istorically, real estate transactions have produced seasonal revenue levels for the real estate industry including 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 third calendar quarter has been typically the strongest in terms of revenue primarily due to a higher volume of home sales in the summer months and the fourth quarter is usually also strong due to commercial entities desiring to complete transactions by year-end. We have noted short term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates and the implementation and subsequent expiration of government programs designed to stimulate the real estate market. In 2014 and 2013, we saw seasonality trends return to historical patterns. During 2015, we experienced a moderate increase in existing home sales and we have also seen a decline in total housing inventory. However, we have experienced significant declines in refinance activity starting in the fourth quarter of 2013.

*Black Knight*

Underlying the mortgage loan life cycle is the technology and data and analytics support behind each process, which has become increasingly critical to industry participants due to the complexity of regulatory requirements. As the industry has grown in complexity, participants have responded by outsourcing to large scale specialty providers, automating manual processes and seeking end-to-end solutions that support the processes required to manage the entire mortgage loan life cycle.

Black Knight's various businesses are impacted differently by the level of mortgage originations, including refinancing transactions. Black Knight's mortgage servicing platform is generally less affected by varying levels of mortgage originations because it earns revenues based on the total number of mortgage loans it processes, which tend to stay more constant than the market for originations. Black Knight's origination technology and some of their data businesses are directly affected by the volume of real estate transactions and mortgage originations, but many of their client contracts for origination technology contain minimum charges.

Black Knight's various businesses are also impacted by general economic conditions. For example, in the event that a difficult economy or other factors lead to a decline in levels of home ownership and a reduction in the number of mortgage loans outstanding and Black Knight is not able to counter the impact of those events with increased market share or higher fees, it could have a material adverse effect on our mortgage processing revenues. In contrast, we believe that a weaker economy tends to increase the volume of consumer mortgage defaults, which can increase the revenues in Black Knight's specialty servicing technology business that is used to service residential mortgage loans in default. Also, interest rates tend to decline in a weaker economy driving higher than normal refinance transactions that provide potential volume increases to Black Knight's origination technology offerings, most specifically the RealEC Exchange platform.

*FNFV*

*Restaurant Group*

The restaurant industry is highly competitive and is often affected by changes in consumer tastes and discretionary spending patterns; changes in general economic conditions; public safety conditions or concerns; demographic trends; weather conditions; the cost of food products, labor, energy and other operating costs; and governmental regulations. The restaurant industry is also characterized by high capital investments for new restaurants and relatively high fixed or semi-variable restaurant operating expenses. Because of the high fixed and semi-variable expenses, changes in sales in existing restaurants are generally expected to significantly affect restaurant profitability because many restaurant costs and expenses are not expected to change at the same rate as sales. Restaurant profitability can also be negatively affected by inflationary and regulatory increases in operating costs and other factors. The most significant commodities that may affect our cost of food and beverage are beef, seafood, poultry, and dairy, which accounted for approximately half of our overall cost of food and beverage in the past. Generally, temporary increases in these costs are not passed on to guests; however, in the past, we have adjusted menu prices to compensate for increased costs of a more permanent nature.

Average weekly sales per restaurant are typically higher in the first and fourth quarters than in other quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

Our revenues in future periods will continue to be subject to these and other factors that are beyond our control and, as a result, are likely to fluctuate.

**Critical Accounting Estimates**

The accounting estimates described below are those we consider critical in preparing our Consolidated 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 Consolidated 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 Consolidated Financial Statements for additional description of the significant accounting policies that have been followed in preparing our Consolidated Financial Statements.

*Reserve for Title Claim Losses.* Title companies issue two types of policies, owner's and lender's policies, since both the new owner and the 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 buyer against such defects for as long as he or she owns the property (as well as against warranty claims arising out of the sale of the property by such owner). 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, however, occasionally we do incur losses in excess of policy limits. 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 for events that predate 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 title claim losses includes reserves for known claims as well as for losses that have been incurred but not yet reported to us ("IBNR"), net of recoupments. We reserve for each known claim based on our review of the estimated amount of the claim and the costs required to settle the claim. Reserves for IBNR claims 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 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 related to title insurance:

| | December 31, 2015 | % | December 31, 2014 | % |
|---|---|---|---|---|
| | (in millions) | | | |
| Known claims | $ 202 | 12.8% | $ 231 | 14.3% |
| IBNR | 1,381 | 87.2 | 1,390 | 85.7 |
| Total Reserve for Title Claim Losses | $ 1,583 | 100.0% | $ 1,621 | 100.0% |

Although claims against title insurance policies can be reported relatively soon after the policy has been issued, claims may be reported many years later. Historically, approximately 60% of claims are paid within approximately five years of the policy being written. By their nature, claims are often complex, vary greatly in dollar amounts and are affected by economic and market conditions, as well as 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.

Our process for recording our reserves for title claim losses begins with analysis of our loss provision rate. We forecast ultimate losses for each policy year based upon historical policy year loss emergence and development patterns and adjust these to reflect policy year and policy type differences which affect the timing, frequency and severity of claims. We also use a technique that relies on historical loss emergence and on a premium-based exposure measurement. The latter technique is particularly applicable to the most recent policy years, which have few reported claims relative to an expected ultimate claim volume. After considering historical claim losses, reporting patterns and current market information, and analyzing quantitative and qualitative data provided by our legal, claims and underwriting departments, we determine a loss provision rate, which is recorded as a percentage of current title premiums. This loss provision rate is set to provide for losses on current year policies, but due to development of prior years and our long claim duration, it periodically includes amounts of estimated adverse or positive development on prior years' policies. Any significant adjustments to strengthen or release loss reserves resulting from the comparison with our actuarial analysis are made in addition to this loss provision rate. At each quarter end, our recorded reserve for claim losses is initially the result of taking the prior recorded reserve for claim losses, adding the current provision and subtracting actual paid claims, resulting in an amount that management then compares to the range of reasonable estimates provided by the actuarial calculation. We recorded our loss provision rate at 5.5% for the last two quarters of 2015 and at 6.0% in the first two quarters of 2015 resulting in an average provision rate of 5.7% for the entire 2015 period. Our average loss provision rate was 6.2% and 7% for the years ended December 31, 2014 and 2013, respectively. Of such annual amounts, 5.2%, 5.5% and 5.3% related to losses on policies written in the current year, and the remainder relates to developments on prior year policies. The decrease in the loss provision rate during 2015 was primarily driven by positive development in the more recent policy years. In 2015, 2014, and 2013 adverse development of prior year losses of $22 million or 0.5% of 2015 premium, $26 million or 0.7% of 2014 premium and $71 million or 1.7% of 2013 premium was accounted for in the loss provision rate.

Due to the uncertainty inherent in the process and due to the judgment used by both management and our actuary, our ultimate liability may be greater or less than our carried reserves. If the recorded amount is within the actuarial range but not at the central estimate, we assess the position within the actuarial range by analysis of other factors in order to determine that the recorded amount is our best estimate. These factors, which are both qualitative and quantitative, can change from period to period, and include items such as current trends in the real estate industry (which we can assess, but for which there is a time lag in the development of the data), any adjustments from the actuarial estimates needed for the effects of unusually large or small claims, improvements in our claims management processes, and other cost saving measures. If the recorded amount is not within a reasonable range of our actuary's central estimate, we may have to record a charge or credit and reassess the loss provision rate on a go forward basis. We will continue to reassess the provision to be recorded in future periods consistent with this methodology.

The table below presents our title insurance loss development experience for the past three years:

| | 2015 | 2014 | 2013 |
|---|---|---|---|
| | | (In millions) | |
| Beginning balance | $ 1,621 | $ 1,636 | $ 1,748 |
| Reserve assumed, net (1) | — | 52 | — |
| Reinsurance recoverable | 1 | 7 | — |
| Claims loss provision related to: | | | |
| Current year | 224 | 202 | 220 |
| Prior years | 22 | 26 | 71 |
| Total title claims loss provision | 246 | 228 | 291 |
| Claims paid, net of recoupments related to: | | | |
| Current year | (7) | (5) | (9) |
| Prior years | (278) | (297) | (394) |
| Total title claims paid, net of recoupments | (285) | (302) | (403) |
| Ending balance | $ 1,583 | $ 1,621 | $ 1,636 |
| Title premiums | $ 4,286 | $ 3,671 | $ 4,152 |

(1) Reserve of $54 million was recorded as part of the acquisition of LPS on January 2, 2014, and a reserve of $2 million was released as part of the sale of a small title operation.

| | 2015 | 2014 | 2013 |
|---|---|---|---|
| Provision for claim losses as a percentage of title insurance premiums: | | | |
| Current year | 5.2% | 5.5% | 5.3% |
| Prior years | 0.5 | 0.7 | 1.7 |
| Total provision | 5.7% | 6.2% | 7.0% |

Actual claims payments are made up of loss payments and claims management expenses offset by recoupments and were as follows (in millions):

| | Loss Payments | Claims Management Expenses | Recoupments | Net Loss Payments |
|---|---|---|---|---|
| Year ended December 31, 2015 | $ 211 | $ 137 | $ (63) | $ 285 |
| Year ended December 31, 2014 | 207 | 151 | (56) | 302 |
| Year ended December 31, 2013 | 323 | 162 | (82) | 403 |

As of December 31, 2015 and 2014 , our recorded reserves were $ 1,583 million and $ 1,621 million , respectively, which we determined were reasonable and represented our best estimate and these recorded amounts were within a reasonable range of the central estimates provided by our actuaries. Our recorded reserves were approximately $86 million above the mid-point of the range of our actuarial estimates as of December 31, 2015 , but within the provided actuarial range of $1.3 billion and $1.7 billion, and were $20 million above the mid-point of the range of our actuarial estimates as of December 31, 2014 .

During 2015 and 2014, payment patterns were consistent with our actuaries and management's expectations. Also, we continued to see positive development relating to the 2009 through 2014 policy years, which we believe is indicative of more stringent underwriting standards by us and the lending industry. In addition we have seen significant positive development in residential owners policies due to increased payments on residential lenders policies which inherently limit the potential loss on the related owners policy to the differential in coverage amount between the amount insured under the owner's policy and the amount paid under the residential lender's policy. Also, any residential lender policy claim paid relating to a property that is in foreclosure negates any potential loss under an owner's policy previously issued on the property as the owner has no equity in the property. Along with the positive development on claims management expenses, our ending open claim inventory decreased from approximately 21,000 claims at December 31, 2014 to approximately 17,000 claims at December 31, 2015 . If actual claims loss development varies from what is currently expected and is not offset by other factors, it is possible that our recorded reserves may fall outside a reasonable range of our actuary's central estimate, which may require additional reserve adjustments in future periods.

An approximate $ 43 million increase (decrease) in our annualized provision for title claim losses would occur if our loss provision rate were 1% higher (lower), based on 2015 title premiums of $4,286 million . A 10% increase (decrease) in our reserve for title claim losses, as of December 31, 2015 , would result in an increase (decrease) in our provision for title claim losses of approximately $ 158 million.

*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 intent and need to sell the investment prior to 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 or by using other qualitative factors. Fixed maturity investments that have unrealized losses caused by interest rate movements are not at risk as we do not anticipate having the need or intent to sell prior to maturity. Unrealized losses on investments in equity securities, preferred stock 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 intent or 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 our monitoring and analysis has provided 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.

The fair value hierarchy established by the standard on fair value includes three levels, which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

In accordance with the standard on fair value, our financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

*Level 1.* Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

*Level 2.* Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3.* Financial assets and liabilities whose values are based on model inputs that are unobservable.

The following table presents our fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2015 and 2014 , respectively:

| | December 31, 2015 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Assets: | | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 117 | $ — | $ 117 |
| State and political subdivisions | — | 768 | — | 768 |
| Corporate debt securities | — | 1,495 | — | 1,495 |
| Foreign government bonds | — | 107 | — | 107 |
| Mortgage-backed/asset-backed securities | — | 71 | — | 71 |
| Preferred stock available for sale | 42 | 247 | — | 289 |
| Equity securities available for sale | 334 | 11 | — | 345 |
| Total assets | $ 376 | $ 2,816 | $ — | $ 3,192 |

| | December 31, 2014 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Assets: | | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 115 | $ — | $ 115 |
| State and political subdivisions | — | 948 | — | 948 |
| Corporate debt securities | — | 1,820 | — | 1,820 |
| Foreign government bonds | — | 37 | — | 37 |
| Mortgage-backed/asset-backed securities | — | 105 | — | 105 |
| Preferred stock available for sale | 50 | 173 | — | 223 |
| Equity securities available for sale | 145 | — | — | 145 |
| Total assets | $ 195 | $ 3,198 | $ — | $ 3,393 |

Our Level 2 fair value measures for fixed-maturities available for sale are provided by third-party pricing services. We utilize one firm for our taxable bond and preferred stock portfolios and another for our tax-exempt bond portfolio. These pricing services are leading global providers of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are:

- U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.
- State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.
- Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, and any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.
- Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.
- Mortgage-backed/asset-backed securities: These securities are comprised of agency mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities. They are valued based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.
- Preferred stocks: Preferred stocks are valued by calculating the appropriate spread over a comparable U.S. Treasury security. Inputs include benchmark quotes and other relevant market data.
- Equity securities available for sale: This security is valued using a blending of two models, a discounted cash flow model and a comparable company model utilizing earnings and multiples of similar publicly-traded companies.

Prior to December 31, 2014 our Level 2 financial assets and liabilities included our interest rate swap, foreign exchange contracts, and commodity contracts which were valued using the income approach. This approach uses techniques to convert future amounts to a single present value amount based upon market expectations (including present value techniques, option-pricing and excess earnings models). As of December 31, 2015 and December 31, 2014 we no longer hold these Level 2 financial assets and liabilities.

As of December 31, 2015 and December 31, 2014 we held no assets nor liabilities measured at fair value using Level 3 inputs.

During the years ended December 31, 2015 , 2014 and 2013, we incurred impairment charges relating to investments that were determined to be other-than-temporarily impaired of $14 million , $ 6 million, and $1 million, respectively. Impairment charges during all three years related to fixed maturity securities primarily related to our conclusion that the credit risk of these holdings was high and the ability of the issuer to pay the full amount of the principal outstanding was unlikely. Impairment charges in the 2015 period also included an immaterial portion related to equity securities.

Included in our Investments as of December 31, 2015 are various holdings in Foreign securities as follows (in millions):

| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Market Value |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Available for sale securities: | | | | | |
| Australia | $ 18 | $ 19 | — | $ (1) | $ 18 |
| Belgium | 18 | 18 | — | — | 18 |
| Cayman Islands | 3 | 3 | — | — | 3 |
| Canada | 52 | 59 | — | (7) | 52 |
| China | 12 | 12 | — | — | 12 |
| Curacao | 13 | 13 | — | — | 13 |
| France | 12 | 12 | — | — | 12 |
| Germany | 35 | 36 | — | (1) | 35 |
| Ireland | 21 | 21 | — | — | 21 |
| Japan | 58 | 58 | — | — | 58 |
| Korea | 13 | 13 | — | — | 13 |
| Netherlands | 13 | 13 | — | — | 13 |
| Norway | 13 | 13 | — | — | 13 |
| New Zealand | 73 | 79 | — | (6) | 73 |
| Switzerland | 9 | 9 | — | — | 9 |
| United Kingdom | 64 | 64 | 1 | (1) | 64 |
| Total | $ 427 | $ 442 | $ 1 | $ (16) | $ 427 |

We have reviewed all of these securities as of December 31, 2015 and do not believe that there is a risk of significant credit loss as these securities are in a gross unrealized gain position of $1 million and a gross unrealized loss position of $16 million . We held no European sovereign debt at December 31, 2015 .

*Goodwill.* We have made acquisitions in the past that have resulted in a significant amount of goodwill. As of December 31, 2015 and 2014 , goodwill aggregated was $ 4,760 million and $ 4,721 million, respectively. The majority of our goodwill as of December 31, 2015 relates to goodwill recorded in connection with the LPS acquisition on January 2, 2014, as well as the Chicago Title merger in 2000. In evaluating the recoverability of goodwill, we perform a qualitative analysis to determine whether it is more likely than not that our fair value exceeds our carrying value. Based on the results of this analysis, an annual goodwill impairment test may be completed based on an analysis of the discounted future cash flows generated by the underlying assets. The process of determining whether or not goodwill is impaired or recoverable relies on projections of future cash flows, operating results and market conditions. Future cash flow estimates are based partly on projections of market conditions such as the volume and mix of refinance and purchase transactions and interest rates, which are beyond our control and are likely to fluctuate. 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 our impairment tests. 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 in the future.We have completed our annual goodwill impairment analysis in each of the past three years and as a result, no impairment charges were recorded to goodwill in 2015 , 2014 , or 2013 . As of December 31, 2015 , we have determined that our goodwill has a fair value which substantially exceeds our carrying value.

*Other Intangible Assets.* We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts and trademarks which are generally recorded in connection with acquisitions at their fair value. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method which takes into consideration expected customer attrition rates. Contractual relationships are generally amortized over their contractual life. Trademarks are generally considered intangible assets with indefinite lives and are reviewed for impairment at least annually. Debt issuance costs are amortized on a straight line basis over the contractual life of the related debt instrument.

We recorded a $11 million impairment expense to Tradenames in our Restaurant Group segment during the year ended December 31, 2014 . We recorded no impairment expense related to other intangible assets in the years ended December 31, 2015 or 2013 .

*Title Revenue Recognition.* Our direct title insurance premiums and escrow, title-related and other fees are recognized as revenue at the time of closing of the related transaction as the earnings process is then considered complete. 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. Historically, the time lag between the closing of these transactions by our agents and the reporting of these policies, or premiums, to us has been up to 15 months, with 86 - 89% reported within three months following closing, an additional 9 - 11% reported within the next three months and the remainder within seven to fifteen months. In addition to accruing these earned but unreported agency premiums, we also accrue agent commission expense, which was 76.0% of agent premiums earned in 2015 , 75.7 % of agent premiums earned in 2014 and 76.1% of agent premiums earned in 2013 . We also record provision for claim losses at our average provision rate at the time we record the accrual for the premiums, which was 5.7% for 2015 , 6.2% for 2014 and 7.0% for 2013 , and accruals for premium taxes and other expenses relating to our premium accrual. The resulting impact to pretax earnings in any period is less than 10% of the accrued premium amount. The impact of the change in the accrual for agency premiums and related expenses on our pretax earnings was a decrease of $ 5 million for the year ended December 31, 2015 , a decrease of $ 9 million for the year ended 2014 and a decrease of $ 7 million for the year ended 2013 . The amount due from our agents relating to this accrual, i.e., the agent premium less their contractual retained commission, was approximately $ 45 million and $ 55 million at December 31, 2015 and 2014 , respectively, which represents agency premiums of approximately $ 230 million and $ 276 million at December 31, 2015 and 2014 , respectively, and agent commissions of $ 185 million and $ 221 million at December 31, 2015 and 2014 , respectively. We may have changes in our accrual for agency revenue in the future if additional relevant information becomes available.

*Black Knight Revenue Recognition.* Within our Black Knight segment, our primary types of revenues and our revenue recognition policies as they pertain to the types of contractual arrangements we enter into with our customers to provide services, software licenses, and software-related services either individually or as part of an integrated offering of multiple services. These arrangements occasionally include offerings from more than one segment to the same customer. We recognize revenues relating to mortgage processing, outsourced business processing services, data and analytics services, along with software licensing and software-related services. In some cases, these services are offered in combination with one another, and in other cases we offer them individually. Revenues from processing services are typically volume-based depending on factors such as the number of accounts processed, transactions processed and computer resources utilized.

The majority of our revenues are from outsourced data processing and application hosting, data, analytic and valuation related services, and outsourced business processing services. Revenue is realized or realizable and earned when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the seller's price to the buyer is fixed or determinable; and (4) collectibility is reasonably assured. For hosting arrangements, revenues and costs related to implementation, conversion and programming services are deferred and subsequently recognized using the straight-line method over the term of the related services agreement. We evaluate these deferred contract costs for impairment in the event any indications of impairment exist.

In the event that our arrangements with our customers include more than one element, we determine whether the individual revenue elements can be recognized separately. In arrangements with multiple deliverables, the delivered items are considered separate units of accounting if (1) they have value on a standalone basis and (2) performance of the undelivered items is considered probable and within our control. Arrangement consideration is then allocated to the separate units of accounting based on relative selling price. If it exists, vendor-specific objective evidence is used to determine relative selling price, otherwise third-party evidence of selling price is used. If neither exists, the best estimate of selling price is used for the deliverable.

For multiple element software arrangements, we determine the appropriate units of accounting and how the arrangement consideration should be measured and allocated to the separate units. Initial license fees are recognized when a contract exists, the fee is fixed or determinable, software delivery has occurred and collection of the receivable is deemed probable, provided that vendor-specific objective evidence ("VSOE") has been established for each element or for any undelivered elements. We determine the fair value of each element or the undelivered elements in multi-element software arrangements based on VSOE. VSOE for each element is based on the price charged when the same element is sold separately, or in the case of post-contract customer support, when a stated renewal rate is provided to the customer. If evidence of fair value of all undelivered elements exists but evidence does not exist for one or more delivered elements, then revenue is recognized using the residual method. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is recognized as revenue. If evidence of fair value does not exist for one or more undelivered elements of a contract, then all revenue is deferred until all elements are delivered or fair value is determined for all remaining undelivered elements. Revenue from post-contract customer support is recognized ratably over the term of the agreement. We record deferred revenue for all billings invoiced prior to revenue recognition.

*Accounting for Income Taxes.* As part of the process of preparing the consolidated financial statements, we are required to determine income taxes in each of the jurisdictions in which we operate. This process involves estimating actual current tax expense together with assessing temporary differences resulting from differing recognition of items for income tax and accounting purposes. These differences result in deferred income tax assets and liabilities, which are included within the Consolidated Balance Sheets. We must then assess the likelihood that deferred income tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not likely, establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must reflect this increase as expense within Income tax expense in the Consolidated Statement of Earnings. Determination of income tax expense requires estimates and can involve complex issues that may require an extended period to resolve. Further, the estimated level of annual pre-tax income can cause the overall effective income tax rate to vary from period to period. We believe that our tax positions comply with applicable tax law and that we adequately provide for any known tax contingencies. We believe the estimates and assumptions used to support our evaluation of tax benefit realization are reasonable. Final determination of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different than estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income or cash flows in the period that determination is made.

*Capitalized Software.* Capitalized software includes the fair value of software acquired in business combinations, purchased software and capitalized software development costs. Purchased software is recorded at cost and amortized using the straight-line method over its estimated useful life. Software acquired in business combinations is recorded at its fair value and amortized using straight-line or accelerated methods over its estimated useful life, ranging from 5 to 10 years. In our Black Knight segment we have significant internally developed software. These costs are amortized using the straight-line or an accelerated method over the estimated useful life. Useful lives of computer software range from 3 to 10 years. For software products to be sold, leased, or otherwise marketed, all costs incurred to establish the technological feasibility are research and development costs, and are expensed as they are incurred. Costs incurred subsequent to establishing technological feasibility, such as programmers' salaries and related payroll costs and costs of independent contractors, are capitalized and amortized on a product by product basis commencing on the date of general release to customers. We do not capitalize any costs once the product is available for general release to customers. For internal-use computer software products, internal and external costs incurred during the preliminary project stage are expensed as they are incurred. Internal and external costs incurred during the application development stage are capitalized and amortized on a product by product basis commencing on the date the software is ready for its intended use. We do not capitalize any costs once the software is ready for its intended use.

We also assess the recorded value of computer software for impairment on a regular basis by comparing the carrying value to the estimated future cash flows to be generated by the underlying software asset. There is an inherent uncertainty in determining the expected useful life of or cash flows to be generated from computer software. We recorded impairment charges of $1 million and $5 million in the years ended December 31, 2015 and 2014, respectively, for abandoned software development projects. We did not record any impairments for software in the year ended December 31, 2013.

**Certain Factors Affecting Comparability**

*Year ended December 31, 2015.* On September 28, 2015 we distributed all of our shares of J. Alexander's to the holders of FNFV Group Common Stock. As a result of this distribution, the results of operations for the year-ended December 31, 2015 include the results from J. Alexander's through the date of the distribution.

*Year ended December 31, 2014.* On January 2, 2014, we completed the purchase of LPS. As a result of this acquisition we began to consolidate the results of LPS effective January 3, 2014. On December 31, 2014, we distributed all of our shares in Remy to the holders of FNFV Group Common Stock. As a result of this distribution, the operations for Remy are presented as discontinued operations for all periods presented.

**Results of Operations**

***Consolidated Results of Operations***

*Net earnings.* The following table presents certain financial data for the years indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | (Dollars in millions) | | |
| Revenue: | | | |
| Direct title insurance premiums | $ 2,009 | $ 1,727 | $ 1,800 |
| Agency title insurance premiums | 2,277 | 1,944 | 2,352 |
| Escrow, title-related and other fees | 3,324 | 2,804 | 1,737 |
| Restaurant revenue | 1,412 | 1,436 | 1,408 |
| Interest and investment income | 123 | 126 | 127 |
| Realized gains and losses, net | (13) | (13) | 16 |
| Total revenue | 9,132 | 8,024 | 7,440 |
| Expenses: | | | |
| Personnel costs | 2,671 | 2,540 | 2,061 |
| Agent commissions | 1,731 | 1,471 | 1,789 |
| Other operating expenses | 1,881 | 1,643 | 1,273 |
| Cost of restaurant revenue | 1,195 | 1,220 | 1,204 |
| Depreciation and amortization | 410 | 403 | 133 |
| Provision for title claim losses | 246 | 228 | 291 |
| Interest expense | 131 | 127 | 73 |
| Total expenses | 8,265 | 7,632 | 6,824 |
| Earnings from continuing operations before income taxes and equity in (loss) earnings of unconsolidated affiliates | 867 | 392 | 616 |
| Income tax expense | 290 | 312 | 195 |
| Equity in (loss) earnings of unconsolidated affiliates | (16) | 432 | (26) |
| Net earnings from continuing operations | $ 561 | $ 512 | $ 395 |

*Revenues.*

Total revenue in 2015 increased $1,108 million compared to 2014 , primarily due to an increase in closed order volumes in our direct business, increases in agent remittances, an increase in revenue in our Black Knight segment, and increases related to businesses acquired in the current year and late 2014 . Total revenue in 2014 increased $584 million compared to 2013 , primarily due to the addition of revenue from the acquisition of LPS on January 2, 2014, as well as an incr ease in the Restaurant Group segment and the FNFV Corporate and Other segment, offset by a decrease in the Title segment and FNF Core Corporate and Other segments.

Total net earnings from continuing operations increased $49 million in the year ended December 31, 2015 , compared to the 2014 period. The increase consisted of a $310 million increase at FNF Core and $261 million decrease at FNFV. Total net earnings from continuing operations increased $ 117 million in the year ended December 31, 2014 , compared to the 2013 period. The increase consisted of a $175 million decrease at FNF Core and $292 million increase at FNFV.

The change in revenue and net earnings from the FNF Core segments and FNFV segments is discussed in further detail at the segment level below.

Interest and investmen t income levels are primarily a function of securities markets, interest rates and the amount of cash available for investment. Interest and investment income was $123 million , $126 million , and $127 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively. The decrease in 2015 as compared to 2014 is primarily attributable to decreased bond yields and a change in portfolio mix. The decrease in 2014 as compared to 2013 is due to decreased bond yield and decreased total holdings. The effective return on average invested assets, excluding realized gains and losses, was 3.4% , 3.6% , and 4.1% for the years ended December 31, 2015 , 2014 , and 2013 , respectively.

Net realized (losses) and gains totaled $(13) million , $(13) million , and $16 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively. The net realized loss for the year ended December 31, 2015 includes a net realized gain of $1 million on our investment portfolio, net realized gains of $16 million due to favorable settlement of litigation, net realized losses of $19 million due to impairment of long-lived assets at our Restaurant Group, net realized losses of $5 million on early redemption of

Black Knight corporate bonds, and $6 million of miscellaneous other net realized losses. The net realized loss for the year ended December 31, 2014 includes net realized gains of $9 million on the sales of various investments and gains of $11 million on consolidation of previously owned minority interests. These gains were offset by a $6 million impairment write down on bonds, asset impairments of $25 million, and $2 million in losses on other individually insignificant items. The net realized gain for the year ended December 31, 2013 includes an $11 million gain on the sale of FIS stock, a $10 million gain on individually insignificant portfolio sales, a $5 million net gain on sales of preferred stock, and a $3 million gain on the settlement of a mortgage loan at J. Alexander's. These gains were offset by a $3 million loss on the structured notes, $4 million in title plant impairments and $6 million in other individually insignificant impairments and net losses.

*Expenses.*

Our operating expenses consist primarily of personnel costs; other operating expenses, which in our title business are incurred as orders are received and processed and at Black Knight are incurred for data processing; agent commissions, which are incurred as revenue is recognized; and cost of restaurant revenue. Title insurance premiums, escrow and title-related fees are generally recognized as income at the time the underlying transaction closes or other service is provided. Direct title operations revenue often 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 historically 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 exists in reducing variable costs and certain fixed costs are incurred regardless of revenue levels.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. Personnel costs that are directly attributable to the operations of the Restaurant Group are included in Cost of restaurant revenue.

Agent commissions represent the portion of premiums retained by our third-party agents pursuant to the terms of their respective agency contracts.

Other operating expenses consist primarily of facilities expenses, title plant maintenance, premium taxes (which insurance underwriters are required to pay on title premiums in lieu of franchise and other state taxes), appraisal fees and other cost of sales on ServiceLink product offerings and other title related products, postage and courier services, computer services, professional services, travel expenses, general insurance, and bad debt expense on our trade and notes receivable.

Cost of restaurant revenue includes cost of food and beverage, primarily the costs of beef, groceries, produce, seafood, poultry and alcoholic and non-alcoholic beverages, net of vendor discounts and rebates, payroll and related costs and expenses directly relating to restaurant level activities, and restaurant operating costs including occupancy and other operating expenses at the restaurant level.

The provision for title claim losses includes an estimate of anticipated title and title-related claims, and escrow losses.

The change in expenses from the FNF Core segments and FNFV segments is discussed in further detail at the segment level below.

Income tax expense was $290 million , $312 million , and $195 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively. Income tax expense as a percentage of earnings from continuing operations before income taxes for the years ended December 31, 2015 , 2014 , and 2013 was 33.4% , 79.6% , and 31.7% , respectively. The decrease in the effective tax rate in 2015 from 2014 is primarily related to reduced taxes associated with the reduction in Equity in (loss) earnings of unconsolidated affiliates. The increase in the effective tax rate in 2014 from 2013 is due mainly to the $495 million pre-tax gain of the Ceridian sale of Comdata to FleetCor, which was 43.2% of the effective tax rate; excluding the gain, the effective tax rate for 2014 was 36.5%. Apart from the Comdata sale gain, the fluctuation in income tax expense as a percentage of earnings from continuing operations 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 the weighting of operating income versus investment income.

Equity in (loss) earnings of unconsolidated affiliates was $(16) million , $432 million , and $(26) million for the years ended December 31, 2015 , 2014 , and 2013 , respectively, and consisted of our equity in the net (loss) earnings of Ceridian and other investments in unconsolidated affiliates. The decrease in 2015 a nd the increase in 2014 are primarily due to our $495 million portion of the Ceridian gain on the sale of Comdata to Fleetcor in 2014.

***Segment Results of Operations***

***FNF Core Operations***

Title

Beginning January 2, 2014, the Title segment includes the results of the transaction services business acquired with LPS.

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

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | (In millions) | | |
| Revenues: | | | |
| Direct title insurance premiums | $ 2,009 | $ 1,727 | $ 1,800 |
| Agency title insurance premiums | 2,277 | 1,944 | 2,352 |
| Escrow, title-related and other fees | 2,005 | 1,855 | 1,597 |
| Interest and investment income | 123 | 122 | 127 |
| Realized gains and losses, net | 14 | (4) | 18 |
| Total revenue | 6,428 | 5,644 | 5,894 |
| Expenses: | | | |
| Personnel costs | 2,090 | 1,896 | 1,845 |
| Other operating expenses | 1,381 | 1,370 | 1,096 |
| Agent commissions | 1,731 | 1,471 | 1,789 |
| Depreciation and amortization | 144 | 145 | 65 |
| Provision for title claim losses | 246 | 228 | 291 |
| Total expenses | 5,592 | 5,110 | 5,086 |
| Earnings before income taxes | $ 836 | $ 534 | $ 808 |
| Orders opened by direct title operations (in 000's) | 2,092 | 1,914 | 2,181 |
| Orders closed by direct title operations (in 000's) | 1,472 | 1,319 | 1,708 |

Total revenues in 2015 increased $784 million or 13.9% compared to 2014 . Total revenues in 2014 decreased $250 million or 4.2% compared to 2013 . The increase in the year ended December 31, 2015 is primarily attributable to improvements in the overall real estate markets driving increases in closed order volumes as well as current year acquisitions. The decrease in revenue in the year ended December 31, 2014 was primarily driven by decreased closed order volume.

During the year ended December 31, 2015 the results of Title included increased Personnel costs, Agent commissions, and Provision for title claim losses associated with the increased title premium revenue. During the year ended December 31, 2014 , the results of Title contained $35 million of transaction expenses related to the LPS acquisition and $1 million for merger related litigation, which were included in other operating expenses. Included within personnel costs in the year ended December 31, 2014 were $20 million in severance expenses related to the LPS acquisition and $30 million expense to accrue for bonuses under our synergy bonus program. Depreciation and amortization for the year ended December 31, 2014 included $88 million related to assets acquired with LPS and marked to fair value in purchase accounting.

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

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2015 | | 2014 | | 2013 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Title premiums from direct operations | $ 2,009 | 46.9% | $ 1,727 | 47.0% | $ 1,800 | 43.4% |
| Title premiums from agency operations | 2,277 | 53.1 | 1,944 | 53.0 | 2,352 | 56.6 |
| Total title premiums | $ 4,286 | 100.0% | $ 3,671 | 100.0% | $ 4,152 | 100.0% |

Title premiums increased 16.8% in the year ended December 31, 2015 as compared to the 2014 period. The increase was made up of an increase in premiums from direct operations of $282 million , or 16.3% and an increase in premiums from agency operations of $333 million , or 17.1% . Title premiums decreased 12% in the year ended December 31, 2014 as compared to the 2013 period. The decrease was made up of a decrease in premiums from direct operations of $73 million, or 4%, and a decrease in premiums from agency operations of $408 million, or 17%.

The following table presents the percentages of opened and closed title insurance orders generated by purchase and refinance transactions by our direct operations:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| Opened title insurance orders from purchase transactions (1) | 54.0% | 57.4% | 46.1% |
| Opened title insurance orders from refinance transactions (1) | 46.0 | 42.6 | 53.9 |
| | 100.0% | 100.0% | 100.0% |
| | | | |
| Closed title insurance orders from purchase transactions (1) | 54.5% | 58.6% | 42.6% |
| Closed title insurance orders from refinance transactions (1) | 45.5 | 41.4 | 57.4 |
| | 100.0% | 100.0% | 100.0% |

(1) Percentages exclude consideration of an immaterial number of non-purchase and non-refinance orders.

Title premiums from direct operations increased in 2015 , primarily due to an increase in closed order volumes as compared to the prior year. Closed order volumes were 1,472,000 in the year ended December 31, 2015 compared with 1,319,000 in the year ended December 31, 2014 . This represented an increase of 11.6% . The increase in closed order volumes was primarily related to a significant increase in purchase and refinance transactions in the year ended December 31, 2015 compared to the 2014 period. Open title orders increased consistently with closed orders in the 2015 period.

The average fee per file in our direct operations was $2,065 in the year ended December 31, 2015 , compared to $2,014 in the year ended December 31, 2014 . The increase in average fee per file reflects an increase in commercial transactions which have a higher fee per file and an increase in residential purchase transactions overall, offset by a higher proportion of refinance to purchase transactions from our residential title revenue. The fee per file tends to change as the mix of refinance and purchase transactions changes, because purchase transactions involve the issuance of both a lender's policy and an owner's policy, resulting in higher fees, whereas refinance transactions only require a lender's policy, resulting in lower fees.

The increase in title premiums from agency operations is primarily the result of the overall increase in real estate activity since the prior year. The increase was consistent with the aforementioned increase in direct operations.

Escrow, title related and other fees increased by $150 million , or 8.1% , in the year ended December 31, 2015 from the 2014 period. Escrow fees, which are more directly related to our direct operations, increased $111 million, or 19%, in the year ended December 31, 2015 compared to the 2014 period. The increase is consistent with the increase in direct title premiums. Other fees in the Title segment, excluding escrow fees, increased $39 million, or 3.0%, in the year ended December 31, 2015 compared to the 2014 period. The increase in other fees was primarily attributable to revenue associated with BPG acquired in the current year. Escrow, title related and other fees increased by $258 million , or 16% , in the year ended December 31, 2014 from the 2013 period. Escrow fees, which are more directly related to our direct operations, decreased $107 million, or 16%, in the year ended December 31, 2014 compared to the 2013 period. The decrease is consistent with the decrease in direct title premiums. Other fees in the Title segment, excluding escrow fees, increased $364 million, or 40%, in the year ended December 31, 2014 compared to the 2013 period. The increase in other fees was primarily due to the addition of $233 million in the year ended December 31, 2014 related to the transaction services business acquired from LPS on January 2, 2014.

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 increased $1 million in the year ended December 31, 2015 compared to the 2014 period and decreased $5 million in the year ended December 31, 2014 compared to the 2013 period. The increase in 2015 is attributable to a change in portfolio mix and market conditions. The decrease in 2014 is attributable primarily to decreases in market interest rates and in turn lower bond yields.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. The $194 million , or 10.2% increase in the year ended December 31, 2015 compared to the 2014 period is primarily related to additional expense associated with the increased order volumes, acquisitions in the current year, and increased costs associated with the implementation of TRID. Personnel costs as a percentage of total revenues from direct title premiums and escrow, title-related and other fees was 52.1% and 53% for the years ended December 31, 2015 and December 31, 2014 , respectively. Average employee count in the Title segment was 20,819 and 19,470 in the years ended December 31, 2015 and 2014 , respectively. The increase in the 2015 period is attributable to the aforementioned increase in order volumes and implementation of TRID.

Other operating expenses consist primarily of facilities expenses, title plant maintenance, 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, travel expenses, general insurance, and bad debt expense on our trade and notes receivable. Other operating expenses increased $11 million , or 0.8% in the year ended December 31, 2015 from the 2014 period. Other operating expenses increased consistent with the increase in direct title premiums and escrow, title-related and other fee income offset by other miscellaneous cost reductions.

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, | | | | | |
|---|---|---|---|---|---|---|
| | 2015 | | 2014 | | 2013 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Agent title premiums | $ 2,277 | 100.0% | $ 1,944 | 100.0% | $ 2,352 | 100.0% |
| Agent commissions | 1,731 | 76.0 | 1,471 | 75.7 | 1,789 | 76.1 |
| Net retained agent premiums | $ 546 | 24.0% | $ 473 | 24.3% | $ 563 | 23.9% |

Net margin from agency title insurance premiums retained as a percentage of total agency premiums in the year ended December 31, 2015 remained consistent with the 2014 and 2013 periods.

The provision for title claim losses includes an estimate of anticipated title and title-related claims and escrow losses. T he 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. Any significant adjustments to strengthen or release loss reserves resulting from the comparison with our actuarial analysis are made in addition to this loss provision rate. After considering historical claim losses, reporting patterns and current market information, and analyzing quantitative and qualitative data provided by our legal, claims and underwriting departments, we determine a loss provision rate, which is recorded as a percentage of current title premiums. This loss provision rate is set to provide for losses on current year policies, but due to development of prior years and our long claim duration, it periodically includes amounts of estimated adverse or positive development on prior years' policies. Effective July 1, 2015, we revised our loss provision rate to 5.5% from 6% primarily due to favorable development on more recent policy year claims.

The claim loss provision for title insurance was $246 million , $228 million , and $291 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively. These amounts reflected average claim loss provision rates of 5.7% for 2015 , 6.2% for 2014 , and 7.0% of title premiums for 2013 . We will continue to monitor and evaluate our loss provision level, actual claims paid, and the loss reserve position each quarter.

*Black Knight*

The results of this segment for the years ended December 31, 2015 and December 31, 2014, include the results of Black Knight and subsidiaries, which were initially consolidated on January 2, 2014, the date on which we acquired LPS.

| | Year Ended December 31, | |
|---|---|---|
| | 2015 | 2014 |
| Revenues: | | |
| Escrow, title related and other fees | $ 931 | $ 852 |
| Realized gains and losses, net | (5) | — |
| Total revenues | 926 | 852 |
| Expenses: | | |
| Personnel costs | 382 | 449 |
| Other operating expenses | 161 | 199 |
| Depreciation and amortization | 194 | 188 |
| Interest expense | 50 | 31 |
| Total expenses | 787 | 867 |
| Earnings (loss) from continuing operations before income taxes | $ 139 | $ (15) |

Total revenues for Black Knight segment increased $74 million in the year ended December 31, 2015 compared to the 2014 period. The increase was driven by higher loan counts as well as increased usage and communication fees in their servicing technology business; by increased professional services and processing revenues from loan origination systems clients and revenues from Closing Insight clients in their origination technology business; and by additional revenue from long-term strategic license deals in its data and analytics segment.

The results of the Black Knight segment were also improved by the reduction in costs related to the acquisition and integration of LPS by FNF on January 2, 2014. Transition and integration costs were $119 million in the year ended December 31, 2014 compared to $8 million in the 2015 period. The reduction related to transition and integration costs was offset by an increase in interest expense of $19 million related to the addition of third-party debt in the current year.

Earnings from continuing operations before income taxes increased $154 million in the year ended December 31, 2015 compared to the 2014 period. The increase is primarily attributable to the increased revenue and decreased costs discussed above.

*FNF Core Corporate and Other*

The FNF Core Corporate and Other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations. Also included in this segment are eliminations of revenues and expenses between our other core segments.

The FNF Core Corporate and Other segment generated revenues of $180 million , $(6) million and $49 million for the years ended December 31, 2015 , 2014 and 2013 , respectively. The revenue in the 2014 and 2015 periods includes the elimination of revenues between our Black Knight segment and our Title segment offset by revenue at other subsidiaries within the segment. The increase in the year ended December 31, 2015 is primarily driven by revenue of $183 million from Pacific Union, a luxury real estate broker based in California in which we acquired a controlling stake in December 2014. The decrease in the 2014 period from the 2013 period is due to inclusion of an elimination of revenues between our BKFS segment and our Title segment, which we began eliminating upon the acquisition of LPS in 2014.

Other operating expenses in the FNF Core Corporate and Other segment were $172 million , $(12) million and $93 million for the years ended December 31, 2015 , 2014 and 2013 , respectively. The expense in the 2014 and 2015 periods includes the elimination of expenses between our Black Knight segment and our Title segment offset by expense at other subsidiaries within the segment. The increase in the 2015 period from the 2014 period is primarily due to expenses of $162 million from Pacific Union. The decrease in the 2014 period from the 2013 period is due to a $29 million allocation of transaction costs from the FNF Core Corporate segment to BKFS in 2014 and the 2013 period including a $20 million accrual related to an employment litigation matter and $3 million in transaction costs related to the LPS acquisition.

Interest expense was $72 million , $91 million and $68 million for the years ended December 31, 2015 , 2014 and 2013 , respectively. The decrease in the 2015 period from the 2014 period is due to the payoff of our FNF term loan offset by interest on additional notes entered into by Black Knight. The increase in the 2014 period from the 2013 period is due to additional borrowings in January 2014 to finance the acquisition of LPS.

This segment generated pretax losses of $113 million , $113 million and $152 million for the years ended December 31, 2015 , 2014 and 2013 , respectively.

***FNFV***

*Restaurant Group*

The results of operations for the Restaurant Group for the year ended December 31, 2015 include the results of J. Alexander's through September 29, 2015, the date it was distributed to common shareholders of FNFV. All other periods include the results of operations for J. Alexander's for the full year indicated.

The following table presents the results from operations of our Restaurant Group segment:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | | (In millions) | |
| Revenues: | | | |
| Restaurant revenue | $ 1,412 | $ 1,436 | $ 1,408 |
| Realized gains and losses, net | (19) | (13) | (1) |
| Total revenues | 1,393 | 1,423 | 1,407 |
| Expenses: | | | |
| Personnel costs | 65 | 69 | 65 |
| Cost of restaurant revenue | 1,195 | 1,220 | 1,204 |
| Other operating expenses | 71 | 61 | 65 |
| Depreciation and amortization | 49 | 52 | 53 |
| Interest expense | 6 | 8 | 8 |
| Total expenses | 1,386 | 1,410 | 1,395 |
| Earnings from continuing operations before income taxes | $ 7 | $ 13 | $ 12 |

Total revenues for the Restaurant group segment decreased $30 million , or 2.1% in the year ended December 31, 2015 from the 2014 period primarily due to the inclusion of the results of J. Alexander's through September 29, 2015 compared to the full calendar year 2014. Total revenues for the Restaurant group segment increased $16 million , or 1.1% in the year ended December 31, 2014 from the 2013 period primarily due to increased same store sales at ABRH and J. Alexander's.

Cost of restaurant revenue decreased $25 million or 2.0% in the year ended December 31, 2015 from the 2014 period. Cost of restaurant revenue increased $16 million or 1.3% in the year ended December 31, 2014 from the 2013 period. The change in both periods is consistent with the change in total revenue.

Earnings from continuing operations before income taxes decreased $6 million in the year ended December 31, 2015 from the 2014 period. Earnings from continuing operations before income taxes increased $1 million in the year ended December 31, 2014 from the 2013 period.

*FNFV Corporate and Other*

The FNFV Core Corporate and Other segment consists of the operations of the parent holding company including Digital Insurance, operations of our unconsolidated investment in Ceridian, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

The FNFV Corporate and Other segment generated revenues of $205 million , $111 million , and $90 million f or the years ended December 31, 2015 , 2014 , and 2013 , respectively. Revenues increased $94 million in 2015 compared to 2014 primarily due to $85 million of revenue recorded related to the sale of Cascade Timberlands in January 2015 and increased revenue at Digital Insurance resulting from current period acquisitions.

Personnel costs were $92 million , $101 million , and $114 million in the years ended December 31, 2015 , 2014 , and 2013 , respectively. The decrease in the 2015 period of $9 million is primarily due to the inclusion of $19 million of expense related to our Investment Success Incentive Program in the 2014 period, offset by increased costs related to current period acquisitions. The decrease in the 2014 period from the 2013 period is due to the inclusion of an accrual related to our Long Term Incentive Plan, offset by the aforementioned additional expense in 2014.

Other operating expenses for the FNFV Corporate and Other segment were $96 million, $25 million, and $19 million in the years ended December 31, 2015, 2014 and 2013, respectively. The increase of $72 million in the current year is primarily attributable to $73 million in expense recorded related to the sale of Cascade Timberlands.

This segment generated pretax losses of $2 million , $27 million , and $52 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively. The increase in the 2015 period is attributable to the aforementioned changes in revenues and other operating expenses.

**Liquidity and Capital Resources**

*Cash Requirements.* Our current cash requirements include personnel costs, operating expenses, claim payments, taxes, payments of interest and principal on our debt, capital expenditures, business acquisitions, stock repurchases and dividends on our common stock. We paid dividends of $ 0.80 per share during 2015 , or approximately $ 220 million. On February 3, 2016 , our Board of Directors formally declared a $0.21 per share cash dividend that is payable on March 31, 2016 to FNF Group shareholders of record as of March 17, 2016 . There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders, although there are limits on the ability of certain subsidiaries to pay dividends to us, as described below. The declaration of any future dividends is at the discretion of our Board of Directors. Additional uses of cash flow are expected to include stock repurchases, acquisitions, and debt repayments.

We continually assess our capital allocation strategy, including decisions relating to the amount of our dividend, reducing debt, repurchasing our stock, and/or conserving cash. 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, potential sales of non-strategic assets, and borrowings on 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 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 such forecasts.

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 claims 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 receive cash from our subsidiaries in the form of dividends and as reimbursement for operating and other administrative expenses we incur. The reimbursements are paid within the guidelines of management agreements 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 distributions. As of December 31, 2015 , $2,049 million of our net assets were restricted from dividend payments without prior approval from the relevant departments of insurance. During 2016 , our title insurance subsidiaries can pay or make distributions to us of approximately $334 million. Our underwritten title companies and non-ti tle insurance subsidiaries collect revenue and pay operating expenses. However, they are not regulated to the same extent as our insurance subsidiaries.

The maximum dividend permitted by law is not necessarily indicative of an insurer’s actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer’s ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in interpretation of statutory accounting requirements by regulators.

On June 30, 2014, we completed the creation of a tracking stock for our portfolio company investments, now known as FNFV. The primary FNFV investments included our equity interests in Remy, ABRH, J. Alexander's, Ceridian, and Digital Insurance. We provided $200 million in financial support to FNFV comprised of $100 million in cash and $100 million in a line of credit, upon formation of the tracking stock. The $100 million in cash and the $100 million line of credit will be used for investment purposes, repurchasing FNFV stock or other general corporate purposes. From time to time, we may also provide additional loans to FNFV to cover corporate expenses and working capital. All additional investments in existing FNFV owned companies and any new FNFV company investments will be funded and managed by FNFV.

Cash flow from FNF's core operations is expected to be used for general corporate purposes including to reinvest in core operations, repay debt, pay dividends, repurchase stock, other strategic initiatives or conserving cash.

We are focused on evaluating our FNFV assets and investments as potential vehicles for creating liquidity. Our intent is to use that liquidity for general corporate purposes, including payment of dividends as declared by the Board of Directors and potentially reducing debt, repurchasing shares of our stock, other strategic initiatives and/or conserving cash.

Our cash flows provided by operations for the years ended December 31, 2015 , 2014 , and 2013 were $917 million , $567 million and $484 million , respectively. The increase in cash provided by operations of $350 million from 2015 to 2014 is primarily due to increased earnings from operations before equity in earnings of unconsolidated affiliates of $497 million and lower claims payments of $17 million, offset by increased payments for income taxes in 2015 compared to 2014 of $175 million. The change in 2015 from 2014 is also driven by $39 million of operating cash flows for Remy included in the 2014 period. The remaining change from the 2014 period to the 2015 period is primarily attributable to timing of receivables and payables. The increase in cash provided by operations of $83 million from 2014 to 2013 is primarily due to increased earnings from operations, lower claims payments of $98 million, and a tax refund of $62 million on LPS acquisition costs. These increases were offset by payments of $54 million in transaction costs and $47 million in severance payments both relating to the acquisition of LPS and bonus payments of $124 million relating to our Long Term Incentive Plan, Investment Success Incentive Program, and synergy plans associated with the LPS acquisition.

*Capital Expenditures.* Total capital expenditures for property and equipment and capitalized software were $241 million , $210 million and $145 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively. The 2015 period consists of capital expenditures of $92 million in our Title segment, $87 million in our Black Knight segment, $55 million in Restaurant Group segment, and $7 million in other FNFV Group expenditures. The increase in the 2015 period from the 2014 period is primarily due to increased investments in property and equipment in our Title segment and increased expenditures on property and equipment and software at Black Knight. The increase in the 2014 period from the 2013 period is primarily due to increased expenditures on property and equipment and capitalized software at Black Knight and continued remodeling efforts in our Restaurant Group.

*Financing.* For a description of our financing arrangements see Note J to the Consolidated Financial Statements included in Item 8 of Part II of this Report, which is incorporated by reference into this Part II, Item 7.

*Seasonality.* H istorically, real estate transactions have produced seasonal revenue levels for the real estate industry including 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 third calendar quarter has been typically the strongest in terms of revenue primarily due to a higher volume of home sales in the summer months and the fourth quarter is usually also strong due to commercial entities desiring to complete transactions by year-end. We have noted short term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates and the implementation and subsequent expiration of government programs designed to stimulate the real estate market. In 2014 and 2013, we saw seasonality trends return to historical patterns. During 2015, we experienced a moderate increase in existing home sales and we have also seen a decline in total housing inventory. However, we have experienced significant declines in refinance activity starting in the fourth quarter of 2013.

In our Restaurant Group, average weekly sales per restaurant are typically higher in the first and fourth quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

*Contractual Obligations.* Our long term contractual obligations generally include our loss reserves, our credit agreements and other debt facilities, operating lease payments on certain of our premises and equipment and purchase obligations of the Restaurant Group.

As of December 31, 2015 , our required annual payments relating to these contractual obligations were as follows:

| | 2016 | 2017 | 2018 | 2019 | 2020 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| | | | | (In millions) | | | |
| Notes payable | $ 53 | $ 372 | $ 395 | $ 179 | $ 704 | $ 1,118 | $ 2,821 |
| Operating lease payments | 272 | 176 | 145 | 115 | 83 | 251 | 1,042 |
| Pension and other benefit payments | 18 | 17 | 16 | 15 | 15 | 106 | 187 |
| Title claim losses | 260 | 224 | 183 | 147 | 102 | 667 | 1,583 |
| Unconditional purchase obligations | 182 | 31 | 21 | 14 | 6 | — | 254 |
| Other | 78 | 64 | 53 | 45 | 45 | 139 | 424 |
| Total | $ 863 | $ 884 | $ 813 | $ 515 | $ 955 | $ 2,281 | $ 6,311 |

As of December 31, 2015 , we had title insurance reserves of $1,583 million. The amounts and timing of these obligations are estimated and are not set contractually. 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, escrow theft, multiple property title defects, foreclosure rates and individual large loss events that can substantially and unexpectedly cause increases in both the amount and timing of estimated title insurance loss payments; and
- 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.

Based on historical title insurance claim experience, we anticipate the above payment patterns. The uncertainty and variation in the timing and amount of claim payments could have a material impact on our cash flows from operations in a particular period.

The Restaurant Group has unconditional purchase obligations with various vendors. These purchase obligations are primarily food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. We used both historical and projected volume and pricing as of December 31, 2015 to determine the amount of the obligations.

Black Knight has data processing and maintenance commitments with various vendors. We used current outstanding contracts with the vendors to determine the amount of the obligations.

We sponsor multiple pension plans and other post-retirement benefit plans. See Note O of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this report for further information.

Other contractual obligations include estimated future interest payments on our outstanding fixed rate debt and investment commitments entered into in 2015 for $50 million.

*Capital Stock Transactions.* On September 16, 2015, J. Alexander's and FNF entered into a Separation and Distribution Agreement, pursuant to which FNF agreed to distribute one hundred percent ( 100% ) of its shares of J. Alexander's common stock, on a pro rata basis, to the holders of FNFV common stock. Holders of FNFV common stock received, as a distribution from FNF, approximately 0.17272 shares of J. Alexander's common stock for every one share of FNFV common stock held at the close of business on September 22, 2015, the record date for the distribution (the "Distribution"). The Distribution was made on September 28, 2015. As a result of the Distribution, J. Alexander's is now an independent public company and its common stock is listed under the symbol "JAX" on the New York Stock Exchange. The Distribution was generally tax-free to FNFV shareholders for U.S. federal income tax purposes, except to the extent of any cash received in lieu of J. Alexander's fractional shares.

On May 26, 2015, Black Knight closed its initial public offering ("IPO") of 20,700,000 shares of Class A common stock at a price to the public of $24.50 per share, which included 2,700,000 shares of Class A common stock issued upon the exercise in full of the underwriters' option to purchase additional shares. Black Knight received net proceeds of $475 million from the offering, after deduction of underwriter discount and expenses. In connection with the IPO, Black Knight amended and restated its certificate of incorporation to authorize the issuance of two classes of common stock, Class A common stock and Class B common stock, which will generally vote together as a single class on all matters submitted for a vote to stockholders. As a result, Black Knight issued shares of Class B common stock to us, and certain Thomas H. Lee Partners affiliates, as the holders of membership interests in Black Knight Financial Services, LLC ("BKFS, LLC") prior to the IPO. Class B common stock is not publicly traded and does not entitle the holders thereof to any of the economic rights, including rights to dividends and distributions upon liquidation that would be provided to holders of Class A common stock. Prior to the IPO, we owned 67% of the membership interests in BKFS, LLC. Following the IPO, we owned 55% of the outstanding shares of Black Knight in the form of Class B common stock, with a corresponding ownership interest in BKFS, LLC.

On March 20, 2015, we completed our tender offer to purchase shares of FNFV stock. As a result of the offer, we accepted for purchase 12,333,333 shares of FNFV Group Common Stock for a purchase price of $15.00 per common share, for a total aggregate cost of $185 million , excluding fees and expenses related to the tender offer.

On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2015 , we repurchased a total of 8,187,382 shares for $106 million , or an average of $12.95 per share under this program. Subsequent to year-end we repurchased a total of 1,143,900 shares for $11 million , or an average of $9.71 per share, under this program through market close on February 19, 2016 . Since the original commencement of the plan adopted November 6, 2014, we have repurchased a total of 9,447,382 shares for $119 million , or an average of $12.57 per share, and there are 552,618 shares available to be repurchased under this program through market close on February 19, 2016 . On February 18, 2016, our Board of Directors approved a new FNFV Group three-year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through February 28, 2019.

On June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. We issued 277,462,875 shares of FNF Group common stock and 91,711,237 shares of FNFV Group common stock. See Note A for further discussion on the recapitalization of FNF common stock.

On January 2, 2014, we completed the purchase of LPS. As part of the consideration, $839 million or 25,920,078 shares of Old FNF common stock was issued to LPS shareholders. See Note B of the Notes to Consolidated Financial Statements for further information on the acquisition of LPS.

On July 21, 2012, our Board of Directors approved a three-year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our common stock through July 31, 2015. On July 20, 2015, our Board of Directors approved a new three-year stock repurchase program under which we can purchase up to 25 million shares through July 30, 2018. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2015 , we repurchased a total 5,875,000 FNF Group shares under these programs for $214 million , or an average price of $36.41 per share. Subsequent to year-end we repurchased a total of 500,000 shares for $17 million , or an average of $33.19 per share under this program through market close on February 19, 2016 . Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 3,380,000 FNF common shares for $ 98 million , or an average of $ 28.97 per share, and there are no shares available to be repurchased under this program. Since the original commencement of the plan adopted July 20, 2015, we have repurchased a total of 5,075,000 FNF Group common shares for $182 million , or an average of $35.92 per share, and there are 19,925,000 shares available to be repurchased under this program.

*Equity Security and Preferred Stock Investments.* Our equity security and preferred stock investments may be subject to significant volatility. Should the fair value of these investments fall below our cost basis and/or the financial condition or prospects of these companies deteriorate, we may determine in a future period that this decline in fair value is other-than-temporary, requiring that an impairment loss be recognized in the period such a determination is made.

*Off-Balance Sheet Arrangements.* We do not engage in off-balance sheet activities other than facility and equipment leasing arrangements. On June 29, 2004 we entered into an off-balance sheet financing arrangement (commonly referred to as a “synthetic lease”). The owner/lessor in this arrangement acquired land and various real property improvements associated with new construction of an office building in Jacksonville, Florida, at our corporate campus and headquarters. The lessor financed the acquisition of the facilities through funding provided by third-party financial institutions. On June 27, 2011, we renewed and amended the synthetic lease for the facilities. The amended synthetic lease provides for a five year term ending June 27, 2016 and had an outstanding balance as of December 31, 2015 of $71 million. The amended lease includes guarantees by us of up to 83.0% of the outstanding lease balance, and options to purchase the facilities at the outstanding lease balance. The guarantee becomes effective if we decline to purchase the facilities at the end of the lease and also decline to renew the lease. We are currently in the process of exploring our options for purchasing the facilities or renewing the lease, but have not finalized our plans. The lessor is a third-party company and we have no affiliation or relationship with the lessor or any of its employees, directors or affiliates, and transactions with the lessor are limited to the operating lease agreements and the associated rent expense that have been included in other operating expenses in the Consolidated Statements of Earnings. We do not believe the lessor is a variable interest entity, as defined in the FASB standard on consolidation of variable interest entities.

**Recent Accounting Pronouncements**

For a description of recent accounting pronouncements, see Note S of Notes to Consolidated Financial Statements included in Item 8 of Part II of this report.

**Item 7A.** ***Quantitative and Qualitative Disclosure about Market Risk***

In the normal course of business, we are routinely subject to a variety of risks, as described in Item 1A. *Risk Factors* of this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission. For example, we are exposed to the risk that decreased real estate activity, which depends in part on the level of interest rates, may reduce our Core revenues.

The risks related to our business also include certain market risks that may affect our debt and other financial instruments. At present, we face the market risks associated with our marketable equity securities subject to equity price volatility and with interest rate movements on our outstanding debt and fixed income investments.

We regularly assess these market risks and have established policies and business practices designed to protect against the adverse effects of these exposures.

At December 31, 2015 , we had $2,793 million in long-term debt, of which $ 1,403 million bears interest at a floating rate. Our fixed maturity investments, certain preferred stocks and our floating rate debt are subject to an element of market risk from changes in interest rates. 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. We manage interest rate risk through a variety of measures. We monitor our interest rate risk and make investment decisions to manage the perceived risk. As of December 31, 2015 we did not use derivative financial instruments to hedge these risks.

Equity price risk is the risk that we will incur economic losses due to adverse changes in equity prices. In the past, our exposure to changes in equity prices primarily resulted from our holdings of equity securities. At December 31, 2015 , we held $ 345 million in marketable equity securities (not including our investments in preferred stock of $ 289 million at December 31, 2015 and our Investments in unconsolidated affiliates, which amounted to $ 521 million at December 31, 2015 ). 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.

Financial instruments, which potentially subject us to concentrations of credit risk, consist primarily of accounts receivable and cash investments. We require placement of cash in financial institutions evaluated as highly creditworthy.

For purposes of this Annual Report on Form 10-K, we perform a sensitivity analysis to determine the effects that market risk exposures may have on the fair values of our debt and other financial instruments.

The financial instruments that are included in the sensitivity analysis with respect to interest rate risk include fixed maturity investments, preferred stock and notes payable. The financial instruments that are included in the sensitivity analysis with respect to equity price risk include marketable equity securities. With the exception of our equity method investments, 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 were a change in market conditions, based on the nature and duration of the financial instruments involved.

To perform the sensitivity analysis, we assess the risk of loss in fair values from the effect of hypothetical changes in interest rates and equity prices on market-sensitive instruments. The changes in fair values for interest rate risks are determined by estimating the present value of future cash flows using various models, primarily duration modeling. The changes in fair values for equity price risk are determined by comparing the market price of investments against their reported values as of the balance sheet date.

Information provided by the sensitivity analysis does not necessarily represent the actual changes in fair value that we would incur under normal market conditions because, due to practical limitations, all variables other than the specific market risk factor are held constant. For example, our reserve for title claim losses (representing 22.6% of total liabilities at December 31, 2015 ) is not included in the hypothetical effects.

We have no market risk sensitive instruments entered into for trading purposes; therefore, all of our market risk sensitive instruments were entered into for purposes other than trading. The results of the sensitivity analysis at December 31, 2015 and December 31, 2014 , are as follows:

**Interest Rate Risk**

At December 31, 2015 , an increase (decrease) in the levels of interest rates of 100 basis points, with all other variables held constant, would result in a (decrease) increase in the fair value of our fixed maturity securities and certain of our investments in preferred stock which are tied to interest rates of $ 72 million as compared with a (decrease) increase of $ 82 million at December 31, 2014 .

For the years ended December 31, 2015 and 2014, a decrease of 100 basis points in the levels of interest rates, with all other variables held constant, would result in a decrease in the interest expense on our average outstanding floating rate debt of $6 million, as the current LIBOR rate is less than 1%. An increase of 100 basis points in the levels of interest rates, with all other variables held constant, would result in an increase in the interest expense on our average outstanding floating rate debt of $14 million for the year ended December 31, 2015 . See Note J of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this report for further details of our notes payable.

**Equity Price Risk**

At December 31, 2015 , a 20% increase (decrease) in market prices, with all other variables held constant, would result in an increase (decrease) in the fair value of our equity securities portfolio of $ 69 million, as compared with an increase (decrease) of $ 29 million at December 31, 2014 .

**Item 8.** ***Financial Statements and Supplementary Data***

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**

**INDEX TO FINANCIAL INFORMATION**

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

We have audited Fidelity National Financial, Inc.'s internal control over financial reporting as of December 31, 2015 , based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Fidelity National Financial, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Fidelity National Financial, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015 , based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2015 and 2014 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2015 , and our report dated February 23, 2016 expressed an unqualified opinion on those Consolidated Financial Statements.

/s/ KPMG LLP

Jacksonville, Florida
February 23, 2016
Certified Public Accountants

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

We have audited the accompanying Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2015 and 2014 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2015 . These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated 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 Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2015 and 2014 , and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015 , in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Fidelity National Financial, Inc.'s internal control over financial reporting as of December 31, 2015 , based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 23, 2016 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Jacksonville, Florida
February 23, 2016
Certified Public Accountants

# FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
## CONSOLIDATED BALANCE SHEETS

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| | (In millions, except share data) | |
| **ASSETS** | | |
| Investments: | | |
| Fixed maturities available for sale, at fair value, at December 31, 2015 and 2014, includes pledged fixed maturities of $342 and $353, respectively, related to secured trust deposits | $ 2,558 | $ 3,025 |
| Preferred stock available for sale, at fair value | 289 | 223 |
| Equity securities available for sale, at fair value | 345 | 145 |
| Investments in unconsolidated affiliates | 521 | 770 |
| Other long-term investments | 106 | 172 |
| Short-term investments, includes pledged short term investments of $266 and $146 at December 31, 2015 and 2014, respectively, related to secured trust deposits | 1,034 | 334 |
| Total investments | 4,853 | 4,669 |
| Cash and cash equivalents, at December 31, 2015 and 2014, includes pledged cash of $108 and $136, respectively, related to secured trust deposits | 780 | 700 |
| Trade and notes receivables, net of allowance of $32 at December 31, 2015 and 2014 | 496 | 504 |
| Goodwill | 4,760 | 4,721 |
| Prepaid expenses and other assets | 615 | 484 |
| Capitalized software, net | 553 | 570 |
| Other intangible assets, net | 969 | 1,110 |
| Title plants | 395 | 393 |
| Property and equipment, net | 510 | 635 |
| Income taxes receivable | — | 59 |
| Total assets | $ 13,931 | $ 13,845 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 1,283 | $ 1,308 |
| Income taxes payable | 45 | — |
| Notes payable | 2,793 | 2,803 |
| Reserve for title claim losses | 1,583 | 1,621 |
| Secured trust deposits | 701 | 622 |
| Deferred tax liability | 594 | 703 |
| Total liabilities | 6,999 | 7,057 |
| Commitments and Contingencies: | | |
| Redeemable non-controlling interest by 21% minority holder of ServiceLink Holdings, LLC as of December 31, 2015 and 33% minority holder of Black Knight Financial Services, LLC and 35% minority holder of ServiceLink Holdings, LLC as of December 31, 2014 | 344 | 715 |
| Equity: | | |
| FNF Group common stock, $0.0001 par value; authorized 487,000,000 shares as of December 31, 2015 and 2014; outstanding of 275,781,160 and 279,443,239 as of December 31, 2015 and 2014, respectively; and issued of 282,394,970 and 279,824,125 as of December 31, 2015 and 2014, respectively | — | — |
| FNFV Group common stock, $0.0001 par value; authorized 113,000,000 shares as of December 31, 2015 and 2014; outstanding of 72,217,882 and 92,828,470 as of December 31, 2015 and 2014, respectively; and issued of 80,581,466 and 92,946,545 as of December 31, 2015 and 2014, respectively | — | — |
| Preferred stock, $0.0001 par value; authorized, 50,000,000 shares; issued and outstanding, none | — | — |
| Additional paid-in capital | 4,795 | 4,855 |
| Retained earnings | 1,374 | 1,150 |
| Accumulated other comprehensive (loss) earnings | (69) | 2 |
| Less: Treasury stock, 14,977,394 shares and 493,737 shares as of December 31, 2015 and 2014, respectively, at cost | (346) | (13) |
| Total Fidelity National Financial, Inc. shareholders' equity | 5,754 | 5,994 |
| Noncontrolling interests | 834 | 79 |
| Total equity | 6,588 | 6,073 |
| Total liabilities, redeemable non-controlling interest and equity | $ 13,931 | $ 13,845 |

See Notes to Consolidated Financial Statements.

# FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF EARNINGS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | (In millions, except share data) | | |
| **Revenues:** | | | |
| Direct title insurance premiums | $ 2,009 | $ 1,727 | $ 1,800 |
| Agency title insurance premiums | 2,277 | 1,944 | 2,352 |
| Escrow, title-related and other fees | 3,324 | 2,804 | 1,737 |
| Restaurant revenue | 1,412 | 1,436 | 1,408 |
| Interest and investment income | 123 | 126 | 127 |
| Realized gains and losses, net | (13) | (13) | 16 |
| Total revenues | 9,132 | 8,024 | 7,440 |
| **Expenses:** | | | |
| Personnel costs | 2,671 | 2,540 | 2,061 |
| Agent commissions | 1,731 | 1,471 | 1,789 |
| Other operating expenses | 1,881 | 1,643 | 1,273 |
| Cost of restaurant revenue | 1,195 | 1,220 | 1,204 |
| Depreciation and amortization | 410 | 403 | 133 |
| Provision for title claim losses | 246 | 228 | 291 |
| Interest expense | 131 | 127 | 73 |
| Total expenses | 8,265 | 7,632 | 6,824 |
| Earnings from continuing operations before income taxes and equity in (loss) earnings of unconsolidated affiliates | 867 | 392 | 616 |
| Income tax expense on continuing operations | 290 | 312 | 195 |
| Earnings from continuing operations before equity in (loss) earnings of unconsolidated affiliates | 577 | 80 | 421 |
| Equity in (loss) earnings of unconsolidated affiliates | (16) | 432 | (26) |
| Net earnings from continuing operations | 561 | 512 | 395 |
| Earnings from discontinued operations, net of tax | — | 7 | 16 |
| Net earnings | 561 | 519 | 411 |
| Less: Net earnings (loss) attributable to non-controlling interests | 34 | (64) | 17 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 527 | $ 583 | $ 394 |
| | | | |
| **Amounts attributable to Fidelity National Financial, Inc., common shareholders:** | | | |
| Net earnings from continuing operations, attributable to Old FNF common shareholders | | $ 83 | $ 388 |
| Net earnings from discontinued operations, attributable to Old FNF common shareholders | | 6 | 6 |
| Net earnings attributable to Old FNF common shareholders | | $ 89 | $ 394 |
| | | | |
| Net earnings attributable to FNF Group common shareholders | $ 540 | $ 214 | |
| | | | |
| Net (loss) earnings from continuing operations, attributable to FNFV Group common shareholders | $ (13) | $ 283 | |
| Net loss from discontinued operations, attributable to FNFV Group common shareholders | — | (3) | |
| Net (loss) earnings attributable to FNFV Group common shareholders | $ (13) | $ 280 | |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF EARNINGS - (continued)

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| **Earnings per share** | | | |
| *Basic* | | | |
| Net earnings per share from continuing operations attributable to Old FNF common shareholders | | $ 0.31 | $ 1.67 |
| Net earnings per share from discontinued operations attributable to Old FNF common shareholders | | 0.02 | 0.04 |
| Net earnings per share attributable to Old FNF common shareholders | | $ 0.33 | $ 1.71 |
| Net earnings per share attributable to FNF Group common shareholders | $ 1.95 | $ 0.77 | $ — |
| Net (loss) earnings from continuing operations attributable to FNFV Group common shareholders | $ (0.16) | $ 3.08 | |
| Net earnings (loss) from discontinued operations attributable to FNFV Group common shareholders | — | (0.04) | |
| Net (loss) earnings per share attributable to FNFV Group common shareholders | $ (0.16) | $ 3.04 | |
| *Diluted* | | | |
| Net earnings per share from continuing operations attributable to Old FNF common shareholders | | $ 0.30 | $ 1.64 |
| Net loss per share from discontinued operations attributable to Old FNF common shareholders | | 0.02 | 0.04 |
| Net earnings per share attributable to Old FNF common shareholders | | $ 0.32 | $ 1.68 |
| Net earnings per share attributable to FNF Group common shareholders | $ 1.89 | $ 0.75 | $ — |
| Net (loss) earnings from continuing operations attributable to FNFV Group common shareholders | (0.16) | 3.05 | |
| Net loss from discontinued operations attributable to FNFV Group common shareholders | — | (0.04) | |
| Net (loss) earnings per share attributable to FNFV Group common shareholders | $ (0.16) | $ 3.01 | |
| Weighted average shares outstanding Old FNF common stock, basic basis | | 138 | 230 |
| Weighted average shares outstanding Old FNF common stock, diluted basis | | 142 | 235 |
| Cash dividends paid per share Old FNF common stock | | $ 0.36 | $ 0.66 |
| Weighted average shares outstanding FNF Group common stock, basic basis | 277 | 138 | |
| Weighted average shares outstanding FNF Group common stock, diluted basis | 286 | 142 | |
| Cash dividends paid per share FNF Group common stock | $ 0.80 | $ 0.37 | |
| Weighted average shares outstanding FNFV Group common stock, basic basis | 79 | 46 | |
| Weighted average shares outstanding FNFV Group common stock, diluted basis | 82 | 47 | |

See Notes to Consolidated Financial Statements.

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | (In millions) | | |
| Net earnings | $ 561 | $ 519 | $ 411 |
| Other comprehensive (loss) earnings (net of tax): | | | |
| Unrealized loss on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) | (38) | (1) | (33) |
| Unrealized loss relating to investments in unconsolidated affiliates | (27) | (10) | (15) |
| Unrealized loss on foreign currency translation and cash flow hedging | (8) | (17) | (2) |
| Reclassification adjustments for change in unrealized gains and losses included in net earnings | — | — | 4 |
| Minimum pension liability adjustment | 2 | (12) | 24 |
| Other comprehensive loss | (71) | (40) | (22) |
| Comprehensive earnings | 490 | 479 | 389 |
| Less: Comprehensive earnings (loss) attributable to noncontrolling interests | 34 | (64) | 17 |
| Comprehensive earnings attributable to Fidelity National Financial Inc. common shareholders | $ 456 | $ 543 | $ 372 |
| Comprehensive earnings attributable to Old FNF common shareholders | | $ 111 | $ 372 |
| Comprehensive earnings attributable to FNF Group common shareholders | $ 494 | $ 184 | |
| Comprehensive (loss) earnings attributable to FNFV Group common shareholders | $ (38) | $ 241 | |

See Notes to Consolidated Financial Statements.

# FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF EQUITY

| | Fidelity National Financial, Inc. Common Shareholders | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FNF Class A Common Stock | | FNF Group Common Stock | | FNFV Group Common Stock | | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Earnings (Loss) | Treasury Stock | | Non-controlling Interests | Total Equity | Redeemable Non-controlling Interests |
| | Shares | $ | Shares | $ | Shares | $ | | | | Shares | $ | | | |
| | | | | | | | (In millions) | | | | | | | |
| Balance, December 31, 2012 | 268 | $ — | — | $ — | — | $ — | $ 4,018 | $ 849 | $ 59 | 40 | $ (658) | $ 481 | $ 4,749 | $ — |
| Equity offering | 20 | — | — | — | — | — | 511 | — | — | — | — | — | 511 | — |
| Exercise of stock options | 3 | — | — | — | — | — | 61 | — | — | — | — | — | 61 | — |
| Treasury stock repurchased | — | — | — | — | — | — | — | — | — | 1 | (34) | — | (34) | — |
| Tax benefit associated with the exercise of stock-based compensation | — | — | — | — | — | — | 17 | — | — | — | — | — | 17 | — |
| Issuance of restricted stock | 1 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized (loss) on investments and other financial instruments | — | — | — | — | — | — | — | — | (29) | — | — | — | (29) | — |
| Other comprehensive earnings — unrealized (loss) on investments in unconsolidated affiliates | — | — | — | — | — | — | — | — | (15) | — | — | — | (15) | — |
| Other comprehensive earnings — unrealized (loss) on foreign currency | — | — | — | — | — | — | — | — | (2) | — | — | 2 | — | — |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | — | — | — | — | 24 | — | — | 2 | 26 | — |
| Stock-based compensation | — | — | — | — | — | — | 30 | — | — | — | — | 5 | 35 | — |
| Shares withheld for taxes and in treasury | — | — | — | — | — | — | — | — | — | 1 | (15) | — | (15) | — |
| Contributions to noncontrolling interests | — | — | — | — | — | — | (4) | — | — | — | — | 7 | 3 | — |
| Consolidation of previous minority-owned subsidiary | — | — | — | — | — | — | 9 | — | — | — | — | (23) | (14) | — |
| Dividends declared | — | — | — | — | — | — | — | (154) | — | — | — | — | (154) | — |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | — | — | — | — | (17) | (17) | — |
| Net earnings | — | — | — | — | — | — | — | 394 | — | — | — | 17 | 411 | — |
| Balance, December 31, 2013 | 292 | $ — | — | $ — | — | $ — | $ 4,642 | $ 1,089 | $ 37 | 42 | $ (707) | $ 474 | $ 5,535 | $ — |
| Acquisition of LPS | 26 | — | — | — | — | — | 839 | — | — | — | — | — | 839 | — |
| Exercise of stock options | 1 | — | 1 | — | — | — | 40 | — | — | — | — | — | 40 | — |
| Recapitalization of FNF stock | (277) | — | 277 | — | 92 | — | (6) | — | — | — | — | — | (6) | — |
| Tax benefit associated with the exercise of stock-based compensation | — | — | — | — | — | — | 16 | — | — | — | — | — | 16 | — |
| Issuance of restricted stock | — | — | 1 | — | 1 | — | — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized (loss) on investments and other financial instruments | — | — | — | — | — | — | — | — | (1) | — | — | — | (1) | — |
| Other comprehensive earnings — unrealized (loss) on investments in unconsolidated affiliates | — | — | — | — | — | — | — | — | (10) | — | — | — | (10) | — |
| Other comprehensive earnings — unrealized (loss) on foreign currency and cash flow hedging | — | — | — | — | — | — | — | — | (17) | — | — | (8) | (25) | — |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | — | — | — | — | (12) | — | — | (6) | (18) | — |
| Stock-based compensation | — | — | — | — | — | — | 32 | — | — | — | — | (9) | 23 | 28 |
| Shares withheld for taxes and in treasury | — | — | — | — | — | — | — | — | — | — | (11) | — | (11) | — |
| Purchases of treasury stock | — | — | — | — | — | — | — | — | — | — | (2) | — | (2) | — |
| Contributions to noncontrolling interests | — | — | — | — | — | — | (1) | — | — | — | — | 22 | 21 | — |
| Contribution by minority owner to acquire minority interest in Black Knight Financial Services, LLC and ServiceLink Holdings, LLC | — | — | — | — | — | — | — | — | — | — | — | (1) | (1) | 687 |
| Retirement of treasury shares | (42) | | — | — | — | — | (707) | — | — | (42) | 707 | — | — | — |
| Distribution of Remy to FNFV Group Shareholders | — | — | — | — | — | — | — | (319) | 5 | — | — | (279) | (593) | — |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dividends declared | — | — | — | — | — | — | — | (203) | — | — | — | — | (203) | — |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | — | — | — | — | (50) | (50) | — |
| Net earnings | — | — | — | — | — | — | — | 583 | — | — | — | (64) | 519 | — |
| Balance, December 31, 2014 | — | — | 279 | $— | 93 | $— | $ 4,855 | $ 1,150 | $ 2 | — | $ (13) | $ 79 | $ 6,073 | $ 715 |

See Notes to Consolidated Financial Statements.

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# FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF EQUITY - Continued

| | Fidelity National Financial, Inc. Common Shareholders | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FNF Group Common Stock | | FNFV Group Common Stock | | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Earnings (Loss) | Treasury Stock | | Non-controlling Interests | Total Equity | Redeemable Non-controlling Interests |
| | Shares | $ | Shares | $ | | | | Shares | $ | | | |
| | (In millions) | | | | | | | | | | | |
| Balance, December 31, 2014 | 279 | $— | 93 | $— | $ 4,855 | $ 1,150 | $ 2 | — | $ (13) | $ 79 | $ 6,073 | $ 715 |
| Gain on Black Knight IPO | — | — | — | — | 53 | — | — | — | — | (96) | (43) | — |
| Proceeds Black Knight IPO | — | — | — | — | — | — | — | — | — | 475 | 475 | — |
| Exercise of stock options | 2 | — | — | — | 26 | — | — | — | — | — | 26 | — |
| Purchase of additional share in consolidated subsidiaries | — | — | — | — | (6) | — | — | — | — | — | (6) | — |
| Tax benefit associated with the exercise of stock-based compensation | — | — | — | — | 21 | — | — | — | — | — | 21 | — |
| Issuance of restricted stock | 1 | — | — | — | — | — | — | — | — | — | — | — |
| Equity offering costs | — | — | — | — | (1) | — | — | — | — | — | (1) | — |
| Other comprehensive earnings — unrealized (loss) on investments and other financial instruments | — | — | — | — | — | — | (38) | — | — | — | (38) | — |
| Other comprehensive earnings — unrealized (loss) on investments in unconsolidated affiliates | — | — | — | — | — | — | (27) | — | — | — | (27) | — |
| Other comprehensive earnings — unrealized (loss) on foreign currency and cash flow hedging | — | — | — | — | — | — | (8) | — | — | — | (8) | — |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | — | — | 2 | — | — | — | 2 | — |
| Stock-based compensation | — | — | — | — | 38 | — | — | — | — | (41) | (3) | 59 |
| Shares withheld for taxes and in treasury | — | — | — | — | — | — | — | — | (14) | — | (14) | — |
| Purchases of treasury stock | — | — | — | — | — | — | — | 27 | (505) | — | (505) | — |
| Contributions to noncontrolling interests | — | — | — | — | — | — | — | — | — | (1) | (1) | — |
| Sale of noncontrolling interest | — | — | — | — | — | — | — | — | — | (27) | (27) | — |
| Reclassification of redeemable NCI resulting from IPO/share conversion | — | — | — | — | — | — | — | — | — | 430 | 430 | (430) |
| Retirement of treasury shares | — | — | (12) | — | (186) | — | — | (12) | 186 | — | — | — |
| Distribution of J. Alexander's to FNFV Shareholders | — | — | — | — | — | (81) | — | — | — | (13) | (94) | — |
| Dilution of ownership in affiliates | — | — | — | — | (5) | — | — | — | — | — | (5) | — |
| Dividends declared | — | — | — | — | — | (222) | — | — | — | — | (222) | — |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | — | — | (6) | (6) | — |
| Net earnings | — | — | — | — | — | 527 | — | — | — | 34 | 561 | — |
| Balance, December 31, 2015 | 282 | $— | 81 | $— | $ 4,795 | $ 1,374 | $ (69) | 15 | $ (346) | $ 834 | $ 6,588 | $ 344 |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | | (In millions) | |
| **Cash Flows From Operating Activities:** | | | |
| Net earnings | $ 561 | $ 519 | $ 411 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Depreciation and amortization | 410 | 476 | 209 |
| Equity in losses (earnings) of unconsolidated affiliates | 16 | (432) | 26 |
| Net loss (gain) on sales of investments and other assets, net | 13 | 13 | (12) |
| Gain on sale of Cascade Timberlands | (12) | — | — |
| Stock-based compensation cost | 56 | 51 | 35 |
| Tax benefit associated with the exercise of stock-based compensation | (21) | (16) | (17) |
| Changes in assets and liabilities, net of effects from acquisitions: | | | |
| Net (increase) decrease in pledged cash, pledged investments and secured trust deposits | (2) | — | 2 |
| Net (increase) decrease in trade receivables | 7 | (22) | — |
| Net increase in prepaid expenses and other assets | (95) | (23) | (3) |
| Net (decrease) increase in accounts payable, accrued liabilities, deferred revenue and other | (15) | (130) | 7 |
| Net decrease in reserve for title claim losses | (38) | (67) | (112) |
| Net change in income taxes | 37 | 198 | (62) |
| Net cash provided by operating activities | 917 | 567 | 484 |
| **Cash Flows From Investing Activities:** | | | |
| Proceeds from sales of investment securities available for sale | 775 | 778 | 745 |
| Proceeds from calls and maturities of investment securities available for sale | 383 | 458 | 306 |
| Proceeds from sales of other assets | 2 | 5 | 1 |
| Additions to property and equipment and capitalized software | (241) | (210) | (145) |
| Purchases of investment securities available for sale | (1,102) | (1,196) | (882) |
| Purchases of other long-term investments | (27) | (71) | (97) |
| Net (purchases of) proceeds from short-term investment activities | (565) | (161) | 36 |
| Contributions to investments in unconsolidated affiliates | (97) | — | (20) |
| Distributions from unconsolidated affiliates | 353 | 49 | 25 |
| Net other investing activities | 3 | (10) | (4) |
| Acquisition of Lender Processing Services, Inc., net of cash acquired | — | (2,253) | — |
| Acquisition of USA Industries, Inc., net of cash acquired | — | (40) | — |
| Acquisition of BPG Holdings, LLC, net of cash acquired | (43) | — | — |
| Proceeds from sale of Cascade Timberlands | 56 | — | — |
| Other acquisitions/disposals of businesses, net of cash acquired | (68) | (69) | (25) |
| Net cash used in investing activities | (571) | (2,720) | (60) |
| **Cash Flows From Financing Activities:** | | | |
| Equity offering | — | — | 511 |
| Borrowings | 1,360 | 1,764 | 341 |
| Debt service payments | (1,359) | (1,073) | (359) |
| Additional investment in non-controlling interest | — | (1) | (14) |
| Additional investment in consolidated subsidiary | (6) | — | — |
| Proceeds from sale of 4% ownership interest of Digital Insurance | — | — | 3 |
| Proceeds from Black Knight IPO | 475 | — | — |
| Distributions by Black Knight to member | (17) | | |
| Debt and equity issuance costs | (1) | (5) | (16) |
| Proceeds from sale of 35% of Black Knight Financial Services, LLC and ServiceLink, LLC to minority interest holder | — | 687 | — |
| Cash transferred in Remy spin-off | — | (86) | — |
| Cash transferred in J. Alexander's spin-off | (13) | — | — |
| Dividends paid | (220) | (203) | (153) |
| Subsidiary dividends paid to noncontrolling interest shareholders | (6) | (50) | (17) |

| | | | |
|---|---|---|---|
| Exercise of stock options | 26 | 40 | 61 |
| Tax benefit associated with the exercise of stock-based compensation | 21 | 16 | 17 |
| Purchases of treasury stock | (498) | (2) | (34) |
| Net cash (used in) provided by financing activities | (238) | 1,087 | 340 |
| Net increase (decrease) in cash and cash equivalents, excluding pledged cash related to secured trust deposits | 108 | (1,066) | 764 |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at beginning of year | 564 | 1,630 | 866 |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at end of year | $ 672 | $ 564 | $ 1,630 |

See Notes to Consolidated Financial Statements.

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

## Note A. Summary of Significant Accounting Policies

The following describes the significant accounting policies of Fidelity National Financial, Inc. and its subsidiaries (collectively, “we,” “us,” “our,” or “FNF”) which have been followed in preparing the accompanying Consolidated Financial Statements.

### Description of Business

### Overview

We have organized our business into two groups, FNF Core Operations and FNF Ventures ("FNFV").

Through our Core Operations, FNF is a leading provider of (i) title insurance, escrow and other title related services, including collection and trust activities, trustee sales guarantees, recordings and reconveyances and home warranty insurance and (ii) technology and transaction services to the real estate and mortgage industries. FNF is the nation’s largest title insurance company operating through its title insurance underwriters - Fidelity National Title Insurance Company, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Alamo Title Insurance and National Title Insurance of New York Inc. - that collectively issue more title insurance policies than any other title company in the United States. Through our subsidiary ServiceLink Holdings, LLC ("ServiceLink"), we provide mortgage transaction services including title-related services and facilitation of production and management of mortgage loans. FNF also provides industry-leading mortgage technology solutions, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiary, Black Knight Financial Services, Inc. ("Black Knight").

Through our FNFV group, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), Ceridian HCM, Inc. and Fleetcor Technologies, Inc. (collectively "Ceridian") and Digital Insurance, Inc. ("Digital Insurance").

As of December 31, 2015 , we had the following reporting segments:

FNF Core Operations

- *Title.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty insurance. This segment also includes the transaction services business acquired from Lender Processing Services, Inc. ("LPS"), now combined with our ServiceLink business. Transaction services include other title-related services used in the production and management of mortgage loans, including mortgage loans that experience default.

- *Black Knight.* This segment consists of the operations of Black Knight, which, through leading software systems and information solutions, provides mission critical technology and data and analytics services that facilitate and automate many of the business processes across the life cycle of a mortgage.

- *FNF Core Corporate and Other.* This segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance-related operations.

FNFV

- *Restaurant Group.* This segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH and its affiliates are the owners and operators of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Legendary Baking concepts. This segment also includes the results of J. Alexander's, Inc. ("J. Alexander's") through September 28, 2015, the date it was distributed to FNFV shareholders. See the Recent Developments section below for further discussion of the distribution of J. Alexander's. On January 25, 2016, substantially all of the assets of the Max & Erma's restaurant concept were sold pursuant to an Asset Purchase Agreement.

- *FNFV Corporate and Other.* This segment primarily consists of our share in the operations of certain equity investments, including Ceridian, as well as consolidated investments, including Digital Insurance in which we own 96% , and other smaller operations which are not title related.

### *Principles of Consolidation and Basis of Presentation*

The accompanying Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and include our accounts as well as our wholly-owned and majority-owned subsidiaries. All intercompany profits, transactions and balances have been eliminated. Our investments in non-majority-owned partnerships and affiliates are accounted for using the equity method until such time that they become wholly or majority-owned. Earnings attributable to noncontrolling interests are recorded on the Consolidated Statements of Earnings relating to majority-owned subsidiaries with the appropriate noncontrolling interest that represents the portion of equity not related to our ownership interest recorded on the Consolidated Balance Sheets in each period.

***Recent Developments***

In addition to the below Recent Developments, we have made several acquisitions which are discussed in more detail in Note B.

On February 18, 2016, our Board of Directors approved a new FNFV Group three -year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through February 28, 2019.

On February 11, 2016, we announced that we are considering alternatives to the spin-off of ABRH to FNFV shareholders previously announced on July 30, 2015.

On January 20, 2016, we entered into two interest rate swap agreements to hedge forecasted monthly interest rate payments on $400.0 million of our floating rate debt ( $200.0 million notional value each) (the “Swap Agreements”). The Swap Agreements have been designated as cash flow hedging instruments. Under the terms of the Swap Agreements, we receive payments based on the 1-month LIBOR rate and pay a weighted average fixed rate of 1.01% . The effective term for the Swap Agreements is February 1, 2016 through January 31, 2019.

Beginning in October 2015 through December 31, 2015, we purchased approximately 2.2 million shares of Del Frisco Restaurant Group ("Del Frisco's", NASDAQ: DFRG) common stock for a total investment of $32 million . Subsequent to year-end through February 19, 2016, we purchased approximately 0.8 million shares of Del Frisco's common stock for $12 million . We currently own approximately 13% of the outstanding common stock of Del Frisco's.

On September 16, 2015, J. Alexander's and FNF entered into a Separation and Distribution Agreement, pursuant to which FNF agreed to distribute one hundred percent ( 100% ) of its shares of J. Alexander's common stock, on a pro rata basis, to the holders of FNFV common stock. Holders of FNFV common stock received, as a distribution from FNF, approximately 0.17272 shares of J. Alexander’s common stock for every one share of FNFV common stock held at the close of business on September 22, 2015, the record date for the distribution (the “Distribution”). The Distribution was made on September 28, 2015. As a result of the Distribution, J. Alexander's is now an independent public company and its common stock is listed under the symbol “JAX” on the New York Stock Exchange. The Distribution was generally tax-free to FNFV shareholders for U.S. federal income tax purposes, except to the extent of any cash received in lieu of J. Alexander's fractional shares.

On July 20, 2015, we completed the recapitalization of ServiceLink Holdings, LLC through a conversion (the "ServiceLink Conversion") of $505 million of the $566 million aggregate preference amount associated with its Class A1 participating preferred units into slightly more than 67.3 million Class A common units. As a result of the ServiceLink Conversion, our ownership percentage in ServiceLink Holdings, LLC increased from 65% to 79% .

On July 20, 2015, our Board of Directors approved a new FNF Group three -year stock repurchase program, effective August 1, 2015, under which we may repurchase up to 25 million shares of FNF Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through July 31, 2018.

On May 29, 2015, Black Knight completed a redemption (the "Redemption") of $205 million in aggregate principal of its senior notes ("Black Knight Senior Notes") at a price of 105.750% . Black Knight incurred a charge on the Redemption of $12 million and also reduced the bond premium by $7 million for the portion of the premium that relates to the redeemed Black Knight Senior Notes, resulting in a net charge on the Redemption of $5 million . Following the Redemption, $390 million in aggregate principal of Black Knight Senior Notes remained outstanding.

On May 27, 2015, Black Knight InfoServ, LLC (“BKIS”), a subsidiary of Black Knight, entered into a credit and guaranty agreement (the “BKIS Credit Agreement”) with an aggregate borrowing capacity of $1.6 billion , dated as of May 27, 2015, with JPMorgan Chase Bank, N.A. as administrative agent, the guarantors party thereto, the other agents party thereto and the lenders party thereto. FNF does not provide any guaranty or stock pledge under the BKIS Credit Agreement.

On May 27, 2015, we entered into an amendment to our existing $800 million third amended and restated credit agreement (as previously amended, the “Existing Revolving Credit Agreement”), dated as of June 25, 2013, with Bank of America, N.A., as administrative agent, the other agents party thereto and the financial institutions party thereto as lenders (the “FNF Amended Revolving Credit Agreement”). Among other changes, the FNF Amended Revolving Credit Agreement amends the Existing Revolving Credit Agreement to permit FNF and its subsidiaries to incur the indebtedness and liens in connection with the BKIS Credit Agreement.

On May 26, 2015, Black Knight closed its initial public offering ("IPO") of 20,700,000 shares of Class A common stock at a price to the public of $24.50 per share, which included 2,700,000 shares of Class A common stock issued upon the exercise in full of the underwriters' option to purchase additional shares. Black Knight received net proceeds of $475 million from the offering, after deduction of underwriter discount and expenses. In connection with the IPO, Black Knight amended and restated its certificate of incorporation to authorize the issuance of two classes of common stock, Class A common stock and Class B common stock, which will generally vote together as a single class on all matters submitted for a vote to stockholders. As a result, Black Knight issued shares of Class B common stock to us, and certain Thomas H. Lee Partners affiliates, as the holders of membership interests in Black Knight Financial Services, LLC ("BKFS, LLC") prior to the IPO. Class B common stock is not publicly traded and does not entitle the holders thereof to any of the economic rights, including rights to dividends and distributions upon liquidation that would be provided to holders of Class A common stock. Prior to the IPO, we owned 67% of the membership interests in BKFS, LLC. Following the IPO, we owned 55% of the outstanding shares of Black Knight in the form of Class B common stock, with a corresponding ownership interest in BKFS, LLC.

On March 20, 2015, we completed our tender offer to purchase shares of FNFV stock. As a result of the offer, we accepted for purchase 12,333,333 shares of FNFV Group Common Stock for a purchase price of $15.00 per common share, for a total aggregate cost of $185 million , excluding fees and expenses related to the tender offer.

On February 18, 2015, we closed the sale of substantially all of the assets of Cascade Timberlands, LLC ("Cascade") which grows and sells timber and in which we owned a 70.2% interest, for $85 million less a replanting allowance of $1 million and an indemnity holdback of $1 million . The revenue from the sale was recorded in Escrow, title related and other fees and the cost of the land sold was in other operating expenses in the Consolidated Statement of Operations in the twelve months ended December 31, 2015. The effect of the sale on FNFV's net earnings was income of approximately $12 million . There was no effect on net earnings attributable to FNFV Group common shareholders due to offsetting amounts attributable to noncontrolling interests.

***Discontinued Operations***

*Remy*

On December 31, 2014, we completed the distribution (the "Remy Spin-off") of all of the outstanding shares of common stock of our previously owned subsidiary Remy International, Inc. ("New Remy", NASDAQ: REMY), a manufacturer and distributer of auto parts, to FNFV shareholders. We have no continuing involvement in New Remy as of December 31, 2015. As a result of the Remy Spin-off, the results of New Remy are reflected in the Consolidated Statements of Earnings as discontinued operations for the years ended December 31, 2014 and 2013. Total revenue included in discontinued operations was $1,173 million and $1,125 million for the years ended December 31, 2014, and 2013, respectively. Pre-tax earnings included in discontinued operations were $6 million and $22 million for the years ended December 31, 2014, and 2013, respectively.

A reconciliation of the operations of Remy to the Statement of Earnings is shown below:

| | Year Ended December 31, | |
|---|---|---|
| | 2014 | 2013 |
| | (In millions) | |
| Revenues: | | |
| Auto parts revenues | $ 1,172 | $ 1,127 |
| Other revenues | 1 | (2) |
| Total | 1,173 | 1,125 |
| Expenses: | | |
| Personnel costs | 81 | 86 |
| Other operating expenses | 52 | 46 |
| Cost of auto parts revenues | 1,009 | 947 |
| Depreciation & amortization | 4 | 4 |
| Interest expense | 21 | 20 |
| Total expenses | 1,167 | 1,103 |
| Earnings from discontinued operations before income taxes | 6 | 22 |
| Income tax (benefit) expense | (1) | 5 |
| Net earnings from discontinued operations | 7 | 17 |
| Less: Net earnings attributable to non-controlling interests | 3 | 10 |
| Net earnings from discontinued operations attributable to Fidelity National Financial, Inc. common shareholders | $ 4 | $ 7 |
| Cash flow from discontinued operations data: | | |
| Net cash provided by operations | $ 39 | $ 61 |
| Net cash used in investing activities | (50) | (21) |

*Other Discontinued Operations*

The results from a small software company, which we acquired with LPS and which was sold during the second quarter of 2014, are included in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total revenues included in discontinued operations were $2 million for the year ending December 31, 2014. Pre-tax earnings included in discontinued operations are $1 million for the year ending December 31, 2014.

The results from two closed J. Alexander's locations in the second quarter of 2013 are reflected in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total net revenue included in discontinued operations was $3 million for the year ended December 31, 2013. Pre-tax loss included in discontinued operations was $3 million for the year ended December 31, 2013.

The results from a settlement services company closed in the second quarter of 2013 are reflected in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total revenues included in discontinued operations were $9 million for the year ended December 31, 2013. Pre-tax earnings included in discontinued operations were $2 million for the year ended December 31, 2013.

***I nvestments***

Fixed maturity securities are purchased to support our investment strategies, which are developed based on factors including rate of return, maturity, credit risk, duration, tax considerations and regulatory requirements. Fixed maturity securities which may be sold prior to maturity to support our 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 market conditions and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly. Discount or premium is recorded for the difference between the purchase price and the principal amount. The discount or premium is amortized or accrued 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 and preferred stocks held are considered to be available for sale and carried at fair value as of the balance sheet dates. Our equity securities and certain preferred stocks are Level 1 financial assets and fair values are based on quoted prices in active markets. Other preferred stock holdings are Level 2 financial assets and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly.

Investments in unconsolidated affiliates are recorded using the equity method of accounting.

Other long-term investments consist of various cost-method investments. The cost-method investments are carried at historical cost.

Short-term investments, which consist primarily of 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 securities which are classified as available for sale, net of applicable deferred income tax expenses (benefits), are excluded from earnings and credited or charged directly to a separate component of equity. If any unrealized losses on available for sale securities are determined to be other-than-temporary, such unrealized losses are recognized as realized losses. Unrealized losses are considered other-than-temporary if factors exist that cause us to believe that the value will not increase to a level sufficient to recover our cost basis. Some factors considered in evaluating whether or not a decline in fair value is other-than-temporary include: (i) our need and intent to sell the investment prior to 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.

***Cash and Cash Equivalents***

Highly liquid instruments purchased as part of cash management with original maturities of three months or less are considered cash equivalents. The carrying amounts reported in the Consolidated Balance Sheets for these instruments approximate their fair value.

***Fair Value of Financial Instruments***

The fair values of financial instruments presented in the Consolidated 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. We do not necessarily intend to dispose of or liquidate such instruments prior to maturity.

***Trade and Notes Receivables***

The carrying values reported in the Consolidated 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. Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment annually or more frequently if circumstances indicate potential impairment, through a comparison of fair value to the carrying amount. In evaluating the recoverability of goodwill, we perform an annual goodwill impairment analysis based on a review of qualitative factors to determine if events and circumstances exist which will lead to a determination that the fair value of a reporting unit is greater than its carrying amount, prior to performing a full fair-value assessment.

We completed annual goodwill impairment analyses in the fourth quarter of each respective year using a September 30 measurement date and as a result no goodwill impairments have been recorded. For the years ended December 31, 2015 and 2014 , we determined there were no events or circumstances which indicated that the carrying value exceeded the fair value.

***Other Intangible Assets***

We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts and trademarks which are generally recorded in connection with acquisitions at their fair value, and debt issuance costs relating to the issuance of our long-term notes payable. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method which takes into consideration expected customer attrition rates. Contractual relationships are generally amortized over their contractual life. Trademarks are generally considered intangible assets with indefinite lives and are reviewed for impairment at least annually. Debt issuance costs are amortized on a straight line basis over the contractual life of the related debt instrument.

We recorded $11 million in impairment expense to Tradenames in our Restaurant Group segment during the year ended December 31, 2014 , respectively. We recorded no impairment expense related to other intangible assets in the years ended December 31, 2015 and 2013 .

***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. Title plants are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable. We reviewed title plants for impairment in the years ended December 31, 2015 , 2014 and 2013 and identified and recorded impairment expense of $ 1 million , $ 1 million and $ 4 million , respectively.

***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: twenty to thirty years for buildings and three to twenty-five years for furniture, fixtures and 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. Equipment under capitalized leases is amortized on a straight-line basis to its expected residual value at the end of the lease term. Property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable.

In our Restaurant Group, all direct external costs associated with obtaining the land, building and equipment for each new restaurant, as well as construction period interest are capitalized. Direct external costs associated with obtaining the dining room and kitchen equipment, signage and other assets and equipment are also capitalized. In addition, for each new restaurant and re-branded restaurant, a portion of the internal direct costs of its real estate and construction department are also capitalized.

***Reserve for Title Claim Losses***

Our reserve for title claim losses includes known claims as well as losses we expect to incur, net of recoupments. Each known claim is reserved based on our review 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 also take into consideration other factors, including industry trends, claim loss history, current legal environment, geographic considerations and the type of policy written.

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

If a loss is related to a policy issued by an independent agent, we may proceed against the independent agent pursuant to the terms of the agency agreement. In any event, we 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 its own assets, pending completion of real estate transactions. Accordingly, our Consolidated Balance Sheets reflect a secured trust deposit liability of $ 701 million and $ 622 million at December 31, 2015 and 2014 , respectively, representing customers' assets held by us and corresponding assets including cash and investments pledged as security for those trust balances.

***Income Taxes***

We recognize deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of our 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, is 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, we limit our maximum loss exposure by reinsuring certain risks with other insurers. We also earn a small amount of additional income, which is reflected in our direct premiums, by assuming reinsurance for certain risks of other insurers. We cede 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***

*Title.* Our direct title insurance premiums and escrow, title-related and other fees are recognized as revenue at the time of closing of the related transaction as the earnings process is then considered complete. 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. Historically, the time lag between the closing of these transactions by our agents and the reporting of these policies, or premiums, to us has been up to 15 months, with 86 - 89% reported within three months following closing, an additional 9 - 11% reported within the next three months and the remainder within seven to fifteen months. In addition to accruing these earned but unreported agency premiums, we also accrue agent commission expense, which was 76.0% , of agent premiums earned in 2015 , 75.7 % of agent premiums earned in 2014 and 76.1% of agent premiums earned in 2013 . We also record a provision for claim losses at our average provision rate at the time we record the accrual for the premiums, which was 5.7% for 2015 , 6.2% for 2014 and 7% for 2013 , and accruals for premium taxes and other expenses relating to our premium accrual. The resulting impact to pretax earnings in any period is approximately 11% of the accrued premium amount. The impact of the change in the accrual for agency premiums and related expenses on our pretax earnings was a decrease of $ 5 million for the year ended December 31, 2015 , $ 9 million for the year ended 2014 and $ 7 million for the year ended 2013 . The amount due from our agents relating to this accrual, i.e., the agent premium less their contractual retained commission, was approximately $ 45 million and $ 55 million at December 31, 2015 and 2014 , respectively, which represents agency premiums of approximately $ 230 million and $ 276 million at December 31, 2015 and 2014 , respectively, and agent commissions of $ 185 million and $ 221 million at December 31, 2015 and 2014 , respectively.

Revenues from home warranty insurance policies are recognized over the life of the policy, which is one year. The unrecognized portion is recorded as deferred revenue in Accounts payable and other accrued liabilities in the Consolidated Balance Sheets .

*Black Knight.* Within our Black Knight segment, our primary types of revenues and our revenue recognition policies as they pertain to the types of contractual arrangements we enter into with our customers to provide services, software licenses, and software-related services either individually or as part of an integrated offering of multiple services. These arrangements occasionally include offerings from more than one segment to the same customer. We recognize revenues relating to mortgage processing, outsourced business processing services, data and analytics services, along with software licensing and software-related services. In some cases, these services are offered in combination with one another, and in other cases we offer them individually. Revenues from processing services are typically volume-based depending on factors such as the number of accounts processed, transactions processed and computer resources utilized.

The majority of our revenues are from outsourced data processing and application hosting, data, analytic and valuation related services, and outsourced business processing services. Revenue is realized or realizable and earned when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the seller's price to the buyer is fixed or determinable; and (4) collectibility is reasonably assured. For hosting arrangements, revenues and costs related to implementation, conversion and programming services are deferred and subsequently recognized using the straight-line method over the term of the related services agreement. We evaluate these deferred contract costs for impairment in the event any indications of impairment exist.

In the event that our arrangements with our customers include more than one element, we determine whether the individual revenue elements can be recognized separately. In arrangements with multiple deliverables, the delivered items are considered separate units of accounting if (1) they have value on a standalone basis and (2) performance of the undelivered items is considered probable and within our control. Arrangement consideration is then allocated to the separate units of accounting based on relative selling price. If it exists, vendor-specific objective evidence is used to determine relative selling price, otherwise third-party evidence of selling price is used. If neither exists, the best estimate of selling price is used for the deliverable.

For multiple element software arrangements, we determine the appropriate units of accounting and how the arrangement consideration should be measured and allocated to the separate units. Initial license fees are recognized when a contract exists, the fee is fixed or determinable, software delivery has occurred and collection of the receivable is deemed probable, provided that vendor-specific objective evidence ("VSOE") has been established for each element or for any undelivered elements. We determine the fair value of each element or the undelivered elements in multi-element software arrangements based on VSOE. VSOE for each element is based on the price charged when the same element is sold separately, or in the case of post-contract customer support, when a stated renewal rate is provided to the customer. If evidence of fair value of all undelivered elements exists but evidence does not exist for one or more delivered elements, then revenue is recognized using the residual method. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is recognized as revenue. If evidence of fair value does not exist for one or more undelivered elements of a contract, then all revenue is deferred until all elements are delivered or fair value is determined for all remaining undelivered elements. Revenue from post-contract customer support is recognized ratably over the term of the agreement. We record deferred revenue for all billings invoiced prior to revenue recognition.

Black Knight is often party to multiple concurrent contracts with the same client. These situations require judgment to determine whether the individual contracts should be aggregated or evaluated separately for purposes of revenue recognition. In making this determination we consider the timing of negotiating and executing the contracts, whether the different elements of the contracts are interdependent and whether any of the payment terms of the contracts are interrelated.

*Restaurant Group.* Restaurant revenue on the Consolidated Statements of Earnings consists of restaurant sales and, to a lesser extent, franchise revenue and other revenue. Restaurant sales include food and beverage sales and are net of applicable state and local sales taxes and discounts.

***Capitalized Software***

Capitalized software includes the fair value of software acquired in business combinations, purchased software and capitalized software development costs. Purchased software is recorded at cost and amortized using the straight-line method over its estimated useful life. Software acquired in business combinations is recorded at its fair value and amortized using straight-line or accelerated methods over its estimated useful life, ranging from 5 to 10 years. In our Black Knight segment we have significant internally developed software. These costs are amortized using the straight-line method or accelerated over the estimated useful life. Useful lives of computer software range from 3 to 10 years. For software products to be sold, leased, or otherwise marketed (ASC 985-20 software), all costs incurred to establish the technological feasibility are research and development costs, and are expensed as they are incurred. Costs incurred subsequent to establishing technological feasibility, such as programmers' salaries and related payroll costs and costs of independent contractors, are capitalized and amortized on a product by product basis commencing on the date of general release to customers. We do not capitalize any costs once the product is available for general release to customers. For internal-use computer software products, internal and external costs incurred during the preliminary project stage are expensed as they are incurred. Internal and external costs incurred during the application development stage are capitalized and amortized on a product by product basis commencing on the date the software is ready for its intended use. We do not capitalize any costs once the software is ready for its intended use.

We also assess the recorded value of computer software for impairment on a regular basis by comparing the carrying value to the estimated future cash flows to be generated by the underlying software asset. There is an inherent uncertainty in determining the expected useful life of or cash flows to be generated from computer software. We recorded impairment charges of $1 million and $5 million in the years ended December 31, 2015 and 2014, respectively, for abandoned software development projects. We recorded no impairment expense related to capitalized software in the year ended December 31, 2013 .

***Comprehensive Earnings (Loss)***

We report Comprehensive earnings (loss) in accordance with GAAP on the Consolidated Statements of Comprehensive Earnings. Total comprehensive earnings are defined as all changes in shareholders' equity during a period, other than those resulting from investments by and distributions to shareholders. While total comprehensive earnings is the activity in a period and is largely driven by net earnings in that period, accumulated other comprehensive earnings or loss represents the cumulative balance of other comprehensive earnings, net of tax, as of the balance sheet date. Amounts reclassified to net earnings relate to the realized gains (losses) on our investments and other financial instruments, excluding investments in unconsolidated affiliates, and are included in Realized gains and losses, net on the Consolidated Statements of Earnings.

Changes in the balance of Other comprehensive earnings by component are as follows:

| | Unrealized gain (loss) on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) | Unrealized (loss) gain relating to investments in unconsolidated affiliates | Unrealized (loss) gain on foreign currency translation and cash flow hedging | Minimum pension liability adjustment | Total Accumulated Other Comprehensive Earnings |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Balance December 31, 2013 | $ 87 | $ (41) | $ 7 | $ (16) | $ 37 |
| Other comprehensive (losses) earnings | (1) | (10) | (17) | (12) | (40) |
| Distribution of Remy to FNFV Group Shareholders | — | — | 3 | 2 | 5 |
| Balance December 31, 2014 | 86 | (51) | (7) | (26) | 2 |
| Other comprehensive (losses) earnings | (38) | (27) | (8) | 2 | (71) |
| Balance December 31, 2015 | $ 48 | $ (78) | $ (15) | $ (24) | $ (69) |

***Redeemable Non-controlling Interest***

Subsequent to the acquisition of LPS we issued 35% ownership interests in each of Black Knight and ServiceLink to funds affiliated with Thomas H. Lee Partners ("THL" or "the minority interest holder"). THL had an option to put its ownership interests of either or both of Black Knight and ServiceLink to us if no public offering of the corresponding business was consummated after four years from the date of FNF's purchase of LPS. The units owned by THL ("redeemable noncontrolling interests") may be settled in cash or common stock of FNF or a combination of both at our election. The redeemable noncontrolling interests will be settled at the current fair value at the time we receive notice of THL's put election as determined by the parties or by a third party appraisal under the terms of the Unit Purchase Agreement. As a result of Black Knight's IPO, discussed in the Recent Developments section above, THL's option to put its ownership interest in Black Knight expired. As a result of the ServiceLink Recapitalization, also discussed in the Recent Developments section above, the ownership interest by the minority interest holder was reduced from 35% to 21% . As of December 31, 2015, we do not believe the exercise of their remaining put right in ServiceLink to be probable.

As these redeemable noncontrolling interests provide for redemption features not solely within our control, we classify the redeemable noncontrolling interests outside of permanent equity. Redeemable noncontrolling interests held by third parties in subsidiaries owned or controlled by FNF is reported on the Consolidated Balance Sheet outside permanent of equity; and the Consolidated Statement of Earnings reflects the respective redeemable noncontrolling interests in Net earnings (loss) attributable to non-controlling interests, the effect of which is removed from the net earnings attributable to Fidelity National Financial, Inc. common shareholders.

***Earnings Per Share***

Basic earnings per share, as presented on the Consolidated Statement of Earnings, is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. In periods when earnings are positive, diluted earnings per share is calculated by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding plus the impact of assumed conversions of potentially dilutive securities. For periods when we recognize a net loss, diluted earnings per share is equal to basic earnings per share as the impact of assumed conversions of potentially dilutive securities is considered to be antidilutive. We have granted certain stock options, shares of restricted stock, convertible debt instruments and certain other convertible share based payments which have been treated as common share equivalents for purposes of calculating diluted earnings per share for periods in which positive earnings have been reported.

The net earnings of Black Knight in our calculation of diluted earnings per share is adjusted for dilution related to certain Black Knight restricted stock granted to employees in accordance with ASC 260-10-55-20. We calculate the ratio of the Class B shares we own to the total weighted average diluted shares of Black Knight outstanding and multiply the ratio by their net earnings. The result is used as a substitution for Black Knight's net earnings attributable to FNF included in our consolidated net earnings in the numerator for our diluted EPS calculation. As the effect was antidilutive for the year-ended December 31, 2015 there were no adjustments made to net earnings attributable to FNF in our calculation of diluted EPS. There are no adjustments to earnings attributable to FNF in our calculation of basic EPS. There are no adjustments made to net earnings attributable to FNFV in our calculation of basic or diluted EPS.

Options or other instruments which provide the ability to purchase shares of our common stock that are antidilutive are excluded from the computation of diluted earnings per share. For the years ended December 31, 2015 , 2014 , and 2013 , options to purchase 1 million shares, 2 million shares and 1 million shares, respectively, of our common stock were excluded from the computation of diluted earnings per share.

As of the close of business on June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. As a result of the recapitalization, the weighted average shares outstanding presented on the Consolidated Statements of Earnings includes shares of Old FNF common stock, FNF Group common stock and FNFV Group common stock weighted over the 12 month period ended December 31, 2014. However, earnings per share attributable to Old FNF common shareholders are computed by dividing net earnings of FNF from January 1, 2014 through June 30, 2014 by the weighted average number of Old FNF common shares outstanding during the corresponding period ( 273 million basic shares and 282 million diluted shares). Earnings per share attributable to FNF Group common shareholders and to FNFV Group common shareholders are computed by dividing net earnings attributable to the FNF Group common shareholders and to the FNFV Group common shareholders from July 1, 2014 through December 31, 2014 by the weighted average number of common shares outstanding for each class of common stock during the corresponding period ( 276 million basic shares, 285 million diluted shares and 92 million basic shares, 93 million diluted shares, respectively).

***Transactions with Related Parties***

As we no longer have any officers in common with Fidelity National Information Services, Inc. ("FIS"), effective January 1, 2014, we no longer consider FIS a related party. We have described below transactions with FIS through December 31, 2013.

*Agreements with FIS*

A summary of the agreements that were in effect with FIS through December 31, 2013 is as follows:

- Information Technology (“IT”) and data processing services from FIS. This agreement governs IT support services provided to us by FIS, primarily consisting of infrastructure support and data center management. Certain subsidiaries of FIS also provided technology consulting services to FNF during 2013.
- Administrative aviation corporate support and cost-sharing services to FIS.

A detail of net revenues and expenses between us and FIS that were included in our results of operations for the periods presented is as follows:

| | Year Ended December 31, 2013 |
|---|---|
| | (In millions) |
| Corporate services and cost-sharing revenue | $ 7 |
| Data processing expense | (34) |
| Net expense | $ (27) |

We believe the amounts we earned or were charged under each of the foregoing arrangements are fair and reasonable. The information technology infrastructure support and data center management services provided to us 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 FNF earned or was 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.

***Stock-Based Compensation Plans***

We account for stock-based compensation plans using the fair value method. Using the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date, using the Black-Scholes Model, and recognized over the service period.

***Management Estimates***

The preparation of these Consolidated Financial Statements in conformity with GAAP requires us 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 Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Certain Reclassifications***

Certain reclassifications have been made in the 2014 and 2013 Consolidated Financial Statements to conform to classifications used in 2015 . These reclassifications have not changed net earnings or total equity, as previously reported.

**Note B. Acquisitions**

The results of operations and financial position of the entities acquired during any year are included in the Consolidated Financial Statements from and after the date of acquisition.

***Acquisition and Merger with Lender Processing Services***

On January 2, 2014, we completed the purchase of LPS. The purchase consideration paid was $37.14 per share of LPS common stock, of which $28.10 per share was paid in cash and the remaining $9.04 was paid in Old FNF common shares. The purchase consideration represented an exchange ratio of 0.28742 of Old FNF common shares per share of LPS common stock. Total consideration paid for LPS was $ 3.4 billion , which consisted of $ 2,535 million in cash and $ 839 million in Old FNF common stock. In order to pay the stock component of the consideration, we issued 25,920,078 Old FNF shares to the former LPS shareholders. Goodwill has been recorded based on the amount that the purchase price exceeded the fair value of the net assets acquired.

The purchase price was as follows (in millions):

| | |
|---|---|
| Cash paid for LPS outstanding shares | $ 2,535 |
| Less: cash acquired from LPS | (282) |
| Net cash paid for LPS | 2,253 |
| FNF common stock issued (25,920,078 shares) | 839 |
| Total net consideration paid | $ 3,092 |

The purchase price has been allocated to the LPS assets acquired and liabilities assumed based on our best estimates of their fair values as of the acquisition date.

The purchase price allocation was completed in 2014. The purchase price allocation is as follows (in millions):

| | |
|---|---|
| Trade and notes receivable | $ 184 |
| Investments | 77 |
| Prepaid expenses and other assets | 59 |
| Property and equipment | 149 |
| Capitalized software | 536 |
| Intangible assets including title plants | 1,010 |
| Income tax receivable | 59 |
| Goodwill | 3,011 |
| Total assets | 5,085 |
| Notes payable | 1,093 |
| Reserve for title claims | 54 |
| Deferred tax liabilities | 405 |
| Other liabilities assumed | 441 |
| Total liabilities | 1,993 |
| Net assets acquired | $ 3,092 |

***Pro-forma Financial Results***

For comparative purposes, selected unaudited pro-forma consolidated results of operations of FNF for the years ended December 31, 2014 and 2013 are presented below. Pro-forma results presented assume the consolidation of LPS occurred as of the beginning of the 2013 period.

Amounts reflect our 65% ownership interest in BKFS, LLC and our 65% ownership interest in ServiceLink at the acquisition date and were adjusted to exclude costs directly attributable to the acquisition of LPS including transaction costs, severance costs and costs related to our synergy bonus program associated with the acquisition (in millions).

| | Year Ended December 31, | |
|---|---|---|
| | **2014** | **2013** |
| Total revenues | $ 8,024 | $ 9,164 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 723 | 497 |

In connection with the LPS acquisition, we formed a wholly-owned subsidiary, Black Knight Financial Services, Inc. (now known as Black Knight Holdings, Inc. "BKHI"). After acquiring LPS, we retained a 65% ownership interest in each of the subsidiaries (BKFS, LLC and ServiceLink) and the subsidiaries each issued 35% minority ownership interest to THL and certain related entities on January 3, 2014. BKFS, LLC and ServiceLink now own and operate the former LPS businesses and our legacy ServiceLink business.

Effective June 1, 2014, we completed an internal reorganization to contribute our subsidiary Property Insight, a company which provides information used by title insurance underwriters, title agents and closing attorneys to underwrite title insurance policies for real property sales and transfer, from our Title segment to BKFS, LLC. As a result of this transfer, our ownership percentage in BKFS, LLC increased to 67% . Our results for periods since June 1, 2014, reflect our now 67% ownership interest in BKFS, LLC.

As a result of the Black Knight IPO and ServiceLink Reorganization discussed in Note A, our ownership interest in BKFS, LLC and ServiceLink changed to 55% and 79% , respectively, as of May 26, 2015 and June 20, 2015, respectively. Our results for periods subsequent to these dates reflect the new ownership percentages in BKFS, LLC and ServiceLink.

***Other Acquisitions***

On February 12, 2015, we closed the purchase of all of the membership interest in Buyers Protection Group Holdings, LLC ("BPG"), pursuant to a certain Membership Interest Purchase Agreement, for $46 million . We first consolidated the results of BPG as of March 31, 2015. BPG is a recognized leader in home warranty, home inspection services and commercial inspections.

**Note C. Fair Value Measurements**

The fair value hierarchy established by the accounting standards on fair value measurements includes three levels which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

*Level 1.* Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

*Level 2.* Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3.* Financial assets and liabilities whose values are based on model inputs that are unobservable.

The following table presents our fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2015 and 2014 , respectively:

| | December 31, 2015 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Assets: | | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 117 | $ — | $ 117 |
| State and political subdivisions | — | 768 | — | 768 |
| Corporate debt securities | — | 1,495 | — | 1,495 |
| Foreign government bonds | — | 107 | — | 107 |
| Mortgage-backed/asset-backed securities | — | 71 | — | 71 |
| Preferred stock available for sale | 42 | 247 | — | 289 |
| Equity securities available for sale | 334 | 11 | — | 345 |
| Total | $ 376 | $ 2,816 | $ — | $ 3,192 |

| | December 31, 2014 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 115 | $ — | $ 115 |
| State and political subdivisions | — | 948 | — | 948 |
| Corporate debt securities | — | 1,820 | — | 1,820 |
| Foreign government bonds | — | 37 | — | 37 |
| Mortgage-backed/asset-backed securities | — | 105 | — | 105 |
| Preferred stock available for sale | 50 | 173 | — | 223 |
| Equity securities available for sale | 145 | — | — | 145 |
| Total | $ 195 | $ 3,198 | $ — | $ 3,393 |

Our Level 2 fair value measures for fixed-maturities available for sale are provided by third-party pricing services. We utilize one firm for our taxable bond and preferred stock portfolios and another for our tax-exempt bond portfolios. These pricing services are leading global providers of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are:

- U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.
- State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.
- Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, or any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.
- Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.
- Mortgage-backed/asset-backed securities: These securities are comprised of commercial mortgage-backed securities, agency mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities. They are valued

based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.

- Preferred stock: Preferred stocks are valued by calculating the appropriate spread over a comparable US Treasury security. Inputs include benchmark quotes and other relevant market data.
- Equity securities available for sale: This security is valued using a blending of two models, a discounted cash flow model and a comparable company model utilizing earnings and multiples of similar publicly-traded companies.

Prior to December 31, 2014 our Level 2 financial assets and liabilities included our interest rate swap, foreign exchange contracts, and commodity contracts which were valued using the income approach. This approach uses techniques to convert future amounts to a single present value amount based upon market expectations (including present value techniques, option-pricing and excess earnings models). As of December 31, 2015 and December 31, 2014 we no longer hold these Level 2 financial assets and liabilities.

In 2014, our Level 3 investments consisted of structured notes that were purchased in 2009. During the third quarter of 2014, all of our outstanding structured notes matured and we received $39 million in cash upon maturity, resulting in a net realized gain of $ 1 million for the year ended December 31, 2014 . We held no structured notes or other Level 3 investments at December 31, 2015 or December 31, 2014 .

The following table presents the changes in our investments that are classified as Level 3 for the year ended December 31, 2014 (in millions):

| | | |
|---|---|---|
| Balance, December 31, 2013 | $ | 38 |
| Proceeds received upon maturity | | (39) |
| Realized gain (loss) | | 1 |
| Balance, December 31, 2014 | $ | — |

The carrying amounts of short-term investments, accounts receivable and notes receivable approximate fair value due to their short-term nature. The fair value of our notes payable is included in Note J.

Additional information regarding the fair value of our investment portfolio is included in Note D.

**Note D. Investments**

The carrying amounts and fair values of our available for sale securities at December 31, 2015 and 2014 are as follows:

| | December 31, 2015 | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Fair Value |
| | | | (In millions) | | |
| Fixed maturity investments available for sale: | | | | | |
| U.S. government and agencies | $ 117 | $ 115 | $ 2 | $ — | $ 117 |
| States and political subdivisions | 768 | 748 | 20 | — | 768 |
| Corporate debt securities | 1,495 | 1,509 | 14 | (28) | 1,495 |
| Foreign government bonds | 107 | 120 | — | (13) | 107 |
| Mortgage-backed/asset-backed securities | 71 | 68 | 3 | — | 71 |
| Preferred stock available for sale | 289 | 290 | 5 | (6) | 289 |
| Equity securities available for sale | 345 | 276 | 81 | (12) | 345 |
| Total | $ 3,192 | $ 3,126 | $ 125 | $ (59) | $ 3,192 |

| | December 31, 2014 | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Fair Value |
| | | | (In millions) | | |
| Fixed maturity investments available for sale: | | | | | |
| U.S. government and agencies | $ 115 | $ 112 | $ 3 | $ — | $ 115 |
| States and political subdivisions | 948 | 917 | 31 | — | 948 |
| Corporate debt securities | 1,820 | 1,793 | 37 | (10) | 1,820 |
| Foreign government bonds | 37 | 40 | — | (3) | 37 |
| Mortgage-backed/asset-backed securities | 105 | 101 | 4 | — | 105 |
| Preferred stock available for sale | 223 | 223 | 3 | (3) | 223 |
| Equity securities available for sale | 145 | 72 | 79 | (6) | 145 |
| Total | $ 3,393 | $ 3,258 | $ 157 | $ (22) | $ 3,393 |

The cost basis of fixed maturity securities available for sale includes an adjustment for amortized premium or discount since the date of purchase. At December 31, 2015 all of our mortgage-backed and asset-backed securities are rated AAA by Moody's Investors Service which is the highest rating available by Moody's. The mortgage-backed and asset-backed securities are made up of $ 49 million of agency mortgage-backed securities, $ 8 million of collateralized mortgage obligations, and $ 14 million in asset-backed securities.

The change in net unrealized gains and (losses) on fixed maturities for the years ended December 31, 2015 , 2014 , and 2013 was $ (64) million , $(20) million , and $(58) million , respectively.

The following table presents certain information regarding contractual maturities of our fixed maturity securities at December 31, 2015 :

| Maturity | December 31, 2015 Amortized Cost | % of Total | Fair Value | % of Total |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| One year or less | $ 405 | 15.8% | $ 404 | 15.8% |
| After one year through five years | 1,829 | 71.4 | 1,828 | 71.5 |
| After five years through ten years | 232 | 9.1 | 229 | 8.9 |
| After ten years | 26 | 1.0 | 26 | 1.0 |
| Mortgage-backed/asset-backed securities | 68 | 2.7 | 71 | 2.8 |
| | $ 2,560 | 100.0% | $ 2,558 | 100.0% |

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. Because of the potential for prepayment on mortgage-backed and asset-backed securities, they are not categorized by contractual maturity.

Fixed maturity securities valued at approximately $ 136 million and $ 141 million were on deposit with various governmental authorities at December 31, 2015 and 2014 , respectively, as required by law.

Equity securities are carried at fair value. The change in unrealized gains on equity securities for the years ended December 31, 2015 , 2014 and 2013 was a net (decrease) increase of $ (4) million , $8 million , and $30 million , respectively.

Our investments at December 31, 2015 and 2014 included investments in banks at a cost basis of $382 million and $372 million , respectively, and a fair value of $382 million and $380 million , respectively. Our investments at December 31, 2015 and 2014 included investments in insurance companies at a cost basis of $9 million and $52 million , respectively, and a fair value of $10 million and $53 million , respectively.

Net 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 be en in a continuous unrealized loss position at December 31, 2015 and 2014 are as follows (in millions):

***December 31, 2015***

| | Less than 12 Months | | 12 Months or Longer | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| Corporate debt securities | 747 | (24) | 20 | (4) | 767 | (28) |
| Foreign government bonds | 106 | (13) | — | — | 106 | (13) |
| Preferred stock available for sale | 140 | (4) | 24 | (2) | 164 | (6) |
| Equity securities available for sale | 92 | (12) | — | — | 92 | (12) |
| Total temporarily impaired securities | $ 1,085 | $ (53) | $ 44 | $ (6) | $ 1,129 | $ (59) |

***December 31, 2014***

| | Less than 12 Months | | 12 Months or Longer | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| Corporate debt securities | 682 | (9) | 17 | (1) | 699 | (10) |
| Foreign government bonds | 21 | (1) | 16 | (2) | 37 | (3) |
| Preferred stock available for sale | 59 | (1) | 19 | (2) | 78 | (3) |
| Equity securities available for sale | 8 | (6) | — | — | 8 | (6) |
| Total temporarily impaired securities | $ 770 | $ (17) | $ 52 | $ (5) | $ 822 | $ (22) |

The unrealized losses for the corporate debt securities were primarily caused by widening credit spreads that we consider to be temporary rather than changes in credit quality. We expect to recover the entire amortized cost basis of our temporarily impaired fixed maturity securities as we do not intend to sell these securities and we do not believe that we will be required to sell the fixed maturity securities before recovery of the cost basis. For these reasons, we do not consider these securities other-than-temporarily impaired at December 31, 2015. It is reasonably possible that declines in fair value below cost not considered other-than-temporary in the current period could be considered to be other-than-temporary in a future period and earnings would be reduced to the extent of the impairment.

The unrealized losses for the equity securities available for sale were primarily caused by market volatility. We expect to recover the entire cost basis of our temporarily impaired equity securities available for sale as we do not intend to sell these securities and we do not believe that we will be required to sell the equity securities available for sale before recovery of the cost basis. For thes e reasons, we do not consider these securities other-than-temporarily impaired at December 31, 2015 . It is reasonably possible that declines in fair value below cost not considered other-than-temporary in the current period could be considered to be other-than-temporary in a future period and earnings would be reduced to the extent of the impairment.

During the years ended December 31, 2015 , 2014 and 2013 we incurred impairment charges relating to investments that were determined to be other-than-temporarily impaired, which resulted in impairment charges of $14 million , $6 million and $1 million , respectively. Impairment charges during all three years were for fixed maturity securities that we determined the credit risk of these holdings was high and the ability of the issuer to pay the full amount of the principal outstanding was unlikely. Impairment charges in the 2015 period also included an immaterial portion related to equity securities.

As of December 31, 2015 , we held $2 million in securities for which other-than-temporary impairments had been previously recognized. As of December 31, 2014 , we held $5 million investments for which an other-than-temporary impairment had been previously recognized. It is possible that future events may lead us to recognize potential future impairment losses related to our investment portfolio and that unanticipated future events may lead us to dispose of certain investment holdings and recognize the effects of any market movements in our consolidated financial statements.

The following table presents realized gains and losses on investments and other assets and proceeds from the sale or maturity of investments and other assets for the years ended December 31, 2015 , 2014 , and 2013 , respectively:

| | Year ended December 31, 2015 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 14 | $ (17) | $ (3) | $ 1,076 |
| Preferred stock available for sale | 1 | — | 1 | 58 |
| Equity securities available for sale | 13 | (11) | 2 | 51 |
| Other assets | | | (13) | — |
| Total | | | $ (13) | $ 1,185 |

| | Year ended December 31, 2014 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 6 | $ (6) | $ — | $ 1,152 |
| Preferred stock available for sale | — | (2) | (2) | 73 |
| Equity securities available for sale | 4 | — | 4 | 11 |
| Other long-term investments | | | — | — |
| Other assets | | | (15) | 5 |
| Total | | | $ (13) | $ 1,241 |

| | Year ended December 31, 2013 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 10 | $ (4) | $ 6 | $ 887 |
| Preferred stock available for sale | 7 | (2) | 5 | 121 |
| Equity securities available for sale | 15 | (1) | 14 | 43 |
| Other long-term investments | | | (3) | — |
| Other assets | | | (6) | 1 |
| Total | | | $ 16 | $ 1,052 |

Interest and investment income consists of the following:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | (In millions) | | |
| Cash and cash equivalents | $ — | $ — | $ 1 |
| Fixed maturity securities available for sale | 82 | 89 | 99 |
| Equity securities and preferred stock available for sale | 24 | 14 | 16 |
| Other | 16 | 23 | 11 |
| Total | $ 123 | $ 126 | $ 127 |

Included in our other long-term investments in 2013 and into 2014 were fixed-maturity structured notes. The structured notes were carried at fair value (see Note C) and changes in the fair value of these structured notes are recorded as Realized gains and losses in the Consolidated Statements of Earnings. During the third quarter of 2014, all of our outstanding structured notes matured and we received $39 million in cash upon maturity. We held no structured notes as of December 31, 2015 or December 31, 2014 . We recorded a gain of $ 1 million related to the structured notes in the year ended December 31, 2014 , and a loss of $3 million related to the structured notes in 2013.

Investments in unconsolidated affiliates are recorded using the equity method of accounting and as of December 31, 2015 and 2014 consisted of the following (in millions):

| | Ownership at December 31, 2015 | 2015 | 2014 |
|---|---|---|---|
| Ceridian | 32% | $ 358 | $ 725 |
| Other | various | 163 | 45 |
| Total | | $ 521 | $ 770 |

On November 17, 2014, Ceridian completed the exchange of its subsidiary Comdata to FleetCor in a transaction valued at approximately $3.5 billion . We recognized $495 million in equity in earnings of unconsolidated affiliates in the twelve months ended December 31, 2014 as a result of the transaction.

During the year ended December 31, 2015, Ceridian sold a portion of its holdings of Fleetcor common stock. The sale resulted in increased distributions to us from Ceridian. During the year ended December 31, 2015 we received distributions from Ceridian of approximately $292 million . The distributions resulted in a corresponding decrease in our associated balance of Investments in unconsolidated affiliates.

During the year ended December 31, 2014, we sold $2 million of Ceridian bonds. We did not sell any Ceridian bonds in the year ended December 31, 2015. Our investment in Ceridian bonds had a fair value of $23 million and $32 million as of December 31, 2015 and 2014.

Prior to 2014 we accounted for our equity in Ceridian on a three-month lag. However, during the first quarter of 2014, we began to account for our equity in Ceridian on a real-time basis. The year ended December 31, 2014 includes results for the 15 months ended December 31, 2014. The Ceridian results from October 1, 2013 to December 31, 2013 resulted in recording $4 million in Equity in losses of unconsolidated affiliates. The year ended December 31, 2015 includes Ceridian's results for the 12 months ended December 31, 2015 and the year ended December 31, 2013 includes Ceridian's results for the 12 months ended September 30, 2013.

During the fourth quarter of 2013, Ceridian entered into a memorandum of understanding to resolve claims brought by a putative class of U.S. Fueling Merchants. Under the terms of the memorandum of understanding, which will need to be finalized in a definitive settlement agreement and approved by the Court, Ceridian has agreed to make a one-time cash payment of $ 100 million as part of a $130 million global settlement with other defendants in the lawsuit, and to provide certain prospective relief with respect to specific provisions in its merchant agreements. This settlement will provide Ceridian and affiliated companies with a broad release of claims and will limit their exposure to legal claims by merchants. Our portion of the settlement of $ 32 million was recorded by us in the first quarter of 2014, as at that time we reported the results of Ceridian on a three-month lag.

Summarized financial information for the periods included in our Consolidated Financial Statements for Ceridian is presented below:

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| | (In millions) | |
| Total current assets before customer funds | $ 442 | $ 1,417 |
| Customer funds | 4,333 | 4,957 |
| Goodwill and other intangible assets, net | 2,297 | 2,509 |
| Other assets | 135 | 92 |
| Total assets | $ 7,207 | $ 8,975 |
| Current liabilities before customer obligations | $ 243 | $ 205 |
| Customer obligations | 4,312 | 4,931 |
| Long-term obligations, less current portion | 1,162 | 1,168 |
| Other long-term liabilities | 351 | 391 |
| Total liabilities | 6,068 | 6,695 |
| Equity | 1,139 | 2,280 |
| Total liabilities and equity | $ 7,207 | $ 8,975 |

| | 12 Months Ending December 31, 2015 | 15 Months Ending December 31, 2014 |
|---|---|---|
| | (In millions) | |
| Total revenues | $ 773 | $ 1,042 |
| Loss before income taxes | (53) | (76) |
| Gain on sale of Comdata | — | 1,526 |
| Net (loss) earnings | (88) | 1,354 |

## Note E. Property and Equipment

Property and equipment consists of the following:

| | Year Ended December 31, 2015 | 2014 |
|---|---|---|
| | (In millions) | |
| Land | $ 55 | $ 132 |
| Buildings | 147 | 158 |
| Leasehold improvements | 234 | 244 |
| Data processing equipment | 277 | 315 |
| Furniture, fixtures and equipment | 399 | 389 |
| | 1,112 | 1,238 |
| Accumulated depreciation and amortization | (602) | (603) |
| | $ 510 | $ 635 |

Depreciation expense on property and equipment was $ 120 million, $ 122 million, and $ 97 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively.

**Note F. Goodwill**

Goo dwill consists of the following:

| | Title | Black Knight | FNF Core Corporate and Other | Remy | Restaurant Group | FNFV Corporate and Other | Total |
|---|---|---|---|---|---|---|---|
| | | | | (In millions) | | | |
| Balance, December 31, 2013 | $ 1,435 | $ — | $ 4 | $ 248 | $ 119 | $ 95 | $ 1,901 |
| Goodwill acquired during the year (1) | 854 | 2,223 | — | 14 | — | 6 | 3,097 |
| Adjustments to prior year acquisitions | — | — | (1) | — | — | 1 | — |
| Spin-off of Remy and Imaging | — | — | — | (262) | — | (15) | (277) |
| Segment changes (2) | (40) | — | 40 | — | — | — | — |
| Balance, December 31, 2014 | $ 2,249 | $ 2,223 | $ 43 | $ — | $ 119 | $ 87 | $ 4,721 |
| Goodwill acquired during the year | 66 | — | 5 | — | — | 9 | 80 |
| Adjustments to prior year acquisitions | (12) | 1 | (3) | — | — | 1 | (13) |
| Sale of Cascade Timberlands | — | — | — | — | — | (12) | (12) |
| Spin-off of J. Alexander's | — | — | — | — | (16) | — | (16) |
| Balance, December 31, 2015 | $ 2,303 | $ 2,224 | $ 45 | $ — | $ 103 | $ 85 | $ 4,760 |

(1) During 2014, we acquired LPS and subsequently completed an internal reorganization in which the assets of LPS were divided between the Title and Black Knight segments and Property Insight was contributed from the Title segment to Black Knight.
(2) During 2015, we reclassified Pacific Union International and other similar but smaller real estate service providers from the Title segment and into FNF Core Corporate & Other. See Note R for further discussion.

**Note G. Capitalized Software**

Capitalized software consists of the following:

| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
|---|---|---|
| | (In millions) | |
| Capitalized software | $ 900 | $ 841 |
| Accumulated amortization | (347) | (271) |
| | $ 553 | $ 570 |

Amortization expense on software was $ 83 million , $ 84 million , and $ 14 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively.

**Note H. Other Intangible Assets**

Other intangible assets consist of the following:

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| | (In millions) | |
| Customer relationships and contracts | $ 1,260 | $ 1,200 |
| Trademarks and tradenames | 135 | 154 |
| Other | 67 | 63 |
| | 1,462 | 1,417 |
| Accumulated amortization | (493) | (307) |
| | $ 969 | $ 1,110 |

Amortization expense for amortizable intangible assets, which consist primarily of customer relationships, was $ 193 million, $ 193 million, and $ 23 million for the years ended December 31, 2015 , 2014 and 2013 , respectively. Other intangible assets primarily represent non-amortizable intangible assets such as trademarks and licenses. Estimated amortization expense for the next five years for assets owned at December 31, 2015 , is $ 163 million in 2016 , $ 159 million in 2017 , $ 156 million in 2018 , $ 153 million in 2019 and $ 117 million in 2020 .

**Note I. Accounts Payable and Other Accrued Liabilities**

Accounts payable and other accrued liabilities consist of the following:

| | December 31, | |
|---|---|---|
| | 2015 | 2014 |
| | (In millions) | |
| Accrued benefits | $ 252 | $ 264 |
| Salaries and incentives | 319 | 292 |
| Accrued rent | 34 | 36 |
| Trade accounts payable | 68 | 81 |
| Accrued recording fees and transfer taxes | 12 | 50 |
| Accrued premium taxes | 21 | 11 |
| Deferred revenue | 215 | 164 |
| Other accrued liabilities | 362 | 410 |
| | $ 1,283 | $ 1,308 |

**Note J. Notes Payable**

Notes payable consists of the following:

| | December 31, | |
|---|---|---|
| | 2015 | 2014 |
| | (In millions) | |
| Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022 | $ 397 | $ 395 |
| Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018 | 288 | 284 |
| Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017 | 300 | 299 |
| FNF Term Loan, interest payable monthly at LIBOR + 1.63% | — | 1,094 |
| Revolving Credit Facility, unsecured, unused portion of $800 at December 31, 2015, due July 2018 with interest payable monthly at LIBOR + 1.45% | (5) | (7) |
| Unsecured Black Knight Infoserv notes, including premium, interest payable semi-annually at 5.75%, due April 2023 | 402 | 616 |
| Black Knight Term A Facility, due May 27, 2020 with interest currently payable monthly at LIBOR + 2.00% (2.44% at December 31, 2015) | 771 | — |
| Black Knight Term B Facility, due May 27, 2022 with interest currently payable quarterly at LIBOR + 3.00% (3.75% at December 31, 2015) | 343 | — |
| Black Knight Revolving Credit Facility, unused portion of $300, due May 27, 2020 with interest currently payable monthly at LIBOR + 2.00% (2.44% at December 31, 2015) | 95 | — |
| ABRH Term Loan, interest payable monthly at LIBOR + 2.50% (2.92% at December 31, 2015), due August 2019 | 100 | 106 |
| ABRH Revolving Credit Facility, unused portion of $85 at December 31, 2015, due August 2019 with interest payable monthly at LIBOR + 2.50% | — | — |
| Digital Insurance Revolving Credit Facility, unused portion $26 at December 31, 2015, due March 31, 2020 with interest payable monthly at LIBOR + 2.50% - 3.50% (3.80% at December 31, 2015) | 99 | — |
| Other | 3 | 16 |
| | $ 2,793 | $ 2,803 |

At December 31, 2015 , the estimated fair value of our long-term debt was approximately $3,162 million or $ 337 million higher than its carrying value, excluding unamortized debt issuance costs. The fair value of our unsecured notes payable was $1,728 million as of December 31, 2015 . The fair values of our unsecured notes payable are based on established market prices for the securities on December 31, 2015 and are considered Level 2 financial liabilities. The carrying value of the Black Knight Term A, Term B, and Revolving Credit facilities; the ABRH term loan; and the Digital Insurance revolving credit facility approximate fair value at December 31, 2015 , as they are variable rate instruments with short reset periods (either monthly or quarterly) which reflect current market rates. The revolving credit facilities are considered Level 2 financial liabilities.

On May 27, 2015, BKIS entered into a credit and guaranty agreement (the “BKIS Credit Agreement”) with an aggregate borrowing capacity of $1.6 billion with JPMorgan Chase Bank, N.A. as administrative agent, the guarantors party thereto, the other agent's party thereto and the lenders party thereto. The BKIS Credit Agreement provides for (i) an $800 million term loan A facility (the “Term A Facility”), (ii) a $400 million term loan B facility (the “Term B Facility”) and (iii) a $400 million revolving credit facility (the “Revolving Credit Facility”, and collectively with the Term A Facility and Term B Facility, the “Facilities”). The loans under the Term A Facility and the Revolving Credit Facility mature on May 27, 2020 and the loans under the Term B Facility mature on May 27, 2022. The Facilities are guaranteed by substantially all of BKIS’s wholly-owned domestic restricted subsidiaries and Black Knight Financial Services, LLC, a Delaware limited liability company and the direct parent company of BKIS (“Holdings”), and are secured by associated collateral agreements which pledge a lien on virtually all of the BKIS’s assets, including fixed assets and intangibles, and the assets of the guarantors. The Term A Facility and the Revolving Credit Facility bear interest at rates based upon, at the option of BKIS, either (i) the base rate plus a margin of between 50 and 125 basis points depending on the total leverage ratio of Holdings and its restricted subsidiaries on a consolidated basis (the “Consolidated Leverage Ratio”) and (ii) the Eurodollar rate plus a margin of between 150 and 225 basis points depending on the Consolidated Leverage Ratio. Until the delivery of the initial financial statements under the BKIS Credit Agreement, the Term A Facility and the Revolving Credit Facility bear interest, at the option of BKIS, at either (i) the base rate plus a margin of 125 basis points or (ii) the Eurodollar rate plus a margin of 225 basis points. The Term B Facility bears interest at rates based upon, at the option of BKIS, either (i) the base rate plus a margin of 175 or 200 basis points depending on the Consolidated Leverage Ratio and (ii) the Eurodollar rate plus a margin of 275 or 300 basis points depending on the Consolidated Leverage Ratio; subject to a Eurodollar rate floor of 75 basis points. Until the delivery of the initial financial statements under the BKIS Credit Agreement, the Term B Facility bears interest, at the option of BKIS, at either (i) the base rate plus a margin of 200 basis points or (ii) the Eurodollar rate plus a margin of 300 basis points. In addition, BKIS will pay an unused commitment fee of between 25 and 35 basis points on the undrawn commitments under the Revolving Credit Facility, also depending on the Consolidated Leverage Ratio. As of December 31, 2015 BKIS had aggregate outstanding debt of $1,259 million under the BKIS Credit Agreement, net of debt issuance costs. As of December 31, 2015 we hold approximately $50 million of the outstanding Term B notes which eliminate in consolidation.

On March 31, 2015, Digital Insurance, entered into a senior secured credit facility (the “Digital Insurance Facility”) with Bank of America, N.A. (“Bank of America”) as Administrative Agent, JPMorgan Chase Bank, N.A. as Syndication Agent, and the other financial institutions party thereto. The Digital Insurance Facility provides for a maximum revolving loan of up to $120 million with a maturity date of March 31, 2020. The Digital Insurance Facility is guaranteed by Digital Insurance Holdings, Inc. (“DIH”) and each subsidiary of Digital Insurance (together with DIH, the “Loan Parties”) and secured by (i) a lien on all equity interests in Digital Insurance and each of its present and future subsidiaries, (ii) all property and assets of Digital Insurance and (iii) all proceeds and products of the property described in (i) and (ii) above. Pricing under the Digital Insurance Facility is based on an applicable margin between 250 and 350 basis points over LIBOR and between 150 and 250 basis points over the Base Rate (which is the highest of (a) 50 basis points in excess of the federal funds rate, (b) the Bank of America “prime rate” and (c) 100 basis points in excess of the one month LIBOR adjusted daily rate). A commitment fee amount is also due at a rate per annum equal to between 25 and 40 basis points on the actual daily unused portions of the Digital Insurance Facility. The Digital Insurance Facility also allows Digital Insurance to request up to $15 million in letters of credit commitments and $10 million in swingline debt from Bank of America. The Digital Insurance Facility allows Digital Insurance to elect to increase the amount of revolving commitments by up to $40 million so long as (i) no default or event of default exists under the Digital Insurance Facility at the time of such request and (ii) Digital Insurance is in compliance with its financial covenants on a pro forma basis after giving effect to such request. The Digital Insurance facility is subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on Digital Insurance’s creation of liens, incurrence of indebtedness, dispositions of assets, restricted payments and transactions with affiliates. The Digital Insurance Facility includes customary events of default for facilities of this type, which include a cross-default provision whereby an event of default will be deemed to have occurred if any Loan Party fails to make any payment when due in respect of any indebtedness having a principal amount of $7.5 million or more or otherwise defaults under such indebtedness and such default results in a right by the lender to accelerate such Loan Party’s obligations. As of December 31, 2015, Digital Insurance had outstanding debt of $99 million under the Digital Insurance Facility, net of debt issuance costs.

On August 19, 2014, ABRH entered into a credit agreement (the “ABRH Credit Facility”) with Wells Fargo Bank, National Association as Administrative Agent, Swingline Lender and Issuing Lender (the “ABRH Administrative Agent”), Bank of America, N.A. as Syndication Agent and the other financial institutions party thereto. The ABRH Credit Facility provides for a maximum revolving loan of $100 million (the "ABRH Revolver") with a maturity date of August 19, 2019. As of December 31, 2014, ABRH has nothing outstanding on this revolver. Additionally, the ABRH Credit Facility provides for a maximum term loan (the "ABRH Term Loan") of $110 million with quarterly installment repayments through June 30, 2019 and a maturity date of August 19, 2019 for the outstanding unpaid principal balance and all accrued and unpaid interest. ABRH has borrowed the entire $110 million under this term loan. Pricing for the ABRH Credit Facility is based on an applicable margin between 225 basis points to 300 basis points over LIBOR and between 125 basis points and 200 basis points over the Base Rate (which is the highest of (a) 50 basis points in excess of the federal funds rate, (b) the ABRH Administrative Agent "prime rate," or (c) the sum of 100 basis points plus one-month LIBOR). A commitment fee amount is also due at a rate per annum equal to between 325 and 400 basis points on the average daily unused portion of the commitments under the ABRH Revolver. The ABRH Credit Facility also allows for ABRH to request up to $40 million of letters of credit commitments and $20 million in swingline debt from the ABRH Administrative Agent. The ABRH Credit Facility allows for ABRH to elect to enter into incremental term loans or request incremental revolving commitments (the "ABRH Incremental Loans") under this facility so long as, (i) the total outstanding balance of the ABRH Revolver, the ABRH Term Loan and any ABRH Incremental Loans does not exceed $250 million , (ii) ABRH is in compliance with its financial covenants, (iii) no default or event of default exists under the ABRH Credit Facility on the day of such request either before or after giving effect to the request, (iv) the representations and warranties made under the ABRH Credit Facility are correct and (v) certain other conditions are satisfied. The ABRH Credit Facility is subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on ABRH's creation of liens, sales of assets, incurrence of indebtedness, restricted payments and transactions with affiliates. The covenants addressing restricted payments include certain limitations on the declaration or payment of dividends by ABRH to its parent, Fidelity Newport Holdings, LLC ("FNH"), and by FNH to its members. One such limitation restricts the amount of dividends that ABRH can pay to its parent (and that FNH can in turn pay to its members) up to $2 million in the aggregate (outside of certain other permitted dividend payments) in a fiscal year (with some carryover rights for undeclared dividends for subsequent years). Another limitation allows that, so long as ABRH satisfies certain leverage and liquidity requirements to the satisfaction of the ABRH Administrative Agent, ABRH may declare a special one-time dividend to Newport Global Opportunities Fund LP, and Fidelity National Financial Ventures, LLC or one of the entities under their control (other than portfolio companies) in an amount up to $75 million if such dividend occurs on or before November 17, 2014, or up to $1.5 million if such dividend occurs on or before June 15, 2016. The ABRH Credit Facility includes customary events of default for facilities of this type (with customary grace periods, as applicable), which include a cross-default provision whereby an event of default will be deemed to have occurred if ABRH or any of its guarantors, which consists of FNH and certain of its subsidiaries (together, the "Loan Parties") or any of their subsidiaries default on any agreement with a third party of $10 million or more related to their indebtedness and such default results in a right by such third party to accelerate such Loan Party's or its subsidiary's obligations. The ABRH Credit Facility provides that, upon the occurrence of an event of default, the ABRH Administrative Lender may (i) declare the principal of, and any and all accrued and unpaid interest and all other amounts owed in respect of, the loans immediately due and payable, (ii) terminate loan commitments and (iii) exercise all other rights and remedies available to the ABRH Administrative Lender or the lenders under the loan documents. ABRH had $15 million of outstanding letters of credit and $85 million of remaining borrowing capacity under its revolving credit facility as of December 31, 2015 .

On January 2, 2014, as a result of the LPS acquisition, FNF acquired $600 million aggregate principal amount of 5.75% Senior Notes due in 2023, initially issued by BKIS on October 12, 2012 (the "Black Knight Senior Notes"). The Black Knight Senior Notes were registered under the Securities Act of 1933, as amended, carry an interest rate of 5.75% and will mature on April 15, 2023. Interest is payable semi-annually on the 15th day of April and October. The Black Knight Senior Notes are senior unsecured obligations and were guaranteed by us as of January 2, 2014. Prior to October 15, 2017, BKIS may redeem some or all of the Black Knight Senior Notes by paying a "make-whole" premium based on U.S. Treasury rates. On or after October 15, 2017, BKIS may redeem some or all of the Black Knight Senior Notes at the redemption prices described in the Black Knight Senior Notes indenture, plus accrued and unpaid interest. In addition, if a change of control occurs, BKIS is required to offer to purchase all outstanding Black Knight Senior Notes at a price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).The Black Knight Senior Notes contain covenants that, among other things, limit BKIS's ability and the ability of certain of its subsidiaries (a) to incur or guarantee additional indebtedness or issue preferred stock, (b) to make certain restricted payments, including dividends or distributions on equity interests held by persons other than BKIS or certain subsidiaries, in excess of an amount generally equal to 50% of consolidated net income generated since July 1, 2008, (c) to create or incur certain liens, (d) to engage in sale and leaseback transactions, (e) to create restrictions that would prevent or limit the ability of certain subsidiaries to (i) pay dividends or other distributions to BKIS or certain other subsidiaries, (ii) repay any debt or make any loans or advances to BKIS or certain other subsidiaries or (iii) transfer any property or assets to BKIS or certain other subsidiaries, (f) to sell or dispose of assets of BKIS or any restricted subsidiary or enter into merger or consolidation transactions and (g) to engage in certain transactions with affiliates. As a result of our guarantee of the Black Knight Senior Notes on January

2, 2014, the notes became rated investment grade. The indenture provides that certain covenants are suspended while the Black Knight Senior Notes are rated investment grade. Currently covenants (a), (b), (e), certain provisions of (f) and (g) outlined above are suspended. These covenants will continue to be suspended as long as the notes are rated investment grade, as defined in the indenture. These covenants are subject to a number of exceptions, limitations and qualifications in the Black Knight Senior Notes indenture. The Black Knight Senior Notes contain customary events of default, including failure of BKIS (i) to pay principal and interest when due and payable and breach of certain other covenants and (ii) to make an offer to purchase and pay for the Black Knight Senior Notes tendered as required by the Black Knight Senior Notes. Events of default also include defaults with respect to any other debt of BKIS or debt of certain subsidiaries having an outstanding principal amount of $ 80 million or more in the aggregate for all such debt, arising from (i) failure to make a principal payment when due and such defaulted payment is not made, waived or extended within the applicable grace period or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity. Upon the occurrence of an event of default (other than a bankruptcy default with respect to BKIS or certain subsidiaries), the trustee or holders of at least 25% of the Black Knight Senior Notes then outstanding may accelerate the Black Knight Senior Notes by giving us appropriate notice. If, however, a bankruptcy default occurs with respect to BKIS or certain subsidiaries, then the principal of and accrued interest on the Black Knight Senior Notes then outstanding will accelerate immediately without any declaration or other act on the part of the trustee or any holder. On January 16, 2014, we issued an offer to purchase the Black Knight Senior Notes pursuant to the change of control provisions above at a purchase price of 101% of the principal amount plus accrued interest to the purchase date. The offer expired on February 18, 2014. As a result of the offer, bondholders tendered $ 5 million in principal of the Black Knight Senior Notes, which were subsequently purchased by us on February 24, 2014. On May 29, 2015, Black Knight completed a redemption of $205 million in aggregate principal of its Black Knight Senior Notes at a price of 105.75% under the note feature allowing redemption using proceeds from an equity offering.

On October 24, 2013, we entered into a bridge loan commitment letter (the “Bridge Loan Commitment Letter”) with Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bank of America, N.A. (“Bank of America”), J.P. Morgan Securities LLC and JP Morgan Chase Bank, N.A. The Bridge Loan Commitment Letter provides for up to an $ 800 million short-term loan facility (the “Bridge Facility”). The proceeds of the loans under the Bridge Facility were used to fund, in part, the cash consideration for the acquisition of LPS and pay certain costs, fees and expenses in connection with the LPS merger. Pursuant to the Bridge Loan Commitment Letter, we executed a promissory note in favor of the Bridge Facility lenders on the closing date of the Merger that evidenced the terms of the Bridge Facility. The Bridge Facility matured on the second business day following the funding thereof and required scheduled amortization payments. Borrowings under the Bridge Facility bear interest at a rate equal to the highest of (i) the Bank of America prime rate, (ii) the federal fund effective rate from time to time plus 0.5% and (iii) the one month adjusted London interbank offered rate ("LIBOR") plus 1.0% . Other than as set forth in this paragraph, the terms of the Bridge Facility are substantially the same as the terms of the Amended Term Loan Agreement discussed below. As part of the acquisition of LPS on January 2, 2014, the Bridge Facility was funded and subsequently repaid the following day.

On July 11, 2013, FNF entered into a term loan credit agreement with Bank of America, N.A., as administrative agent (in such capacity, the “TL Administrative Agent”), the lenders party thereto and the other agents party thereto (the “Term Loan Agreement”). The Term Loan Agreement permits us to borrow up to $ 1.1 billion to fund the acquisition of LPS. The term loans under the Term Loan Agreement mature on the date that is five years from the funding date of the term loans under the Term Loan Agreement. Term loans under the Term Loan Agreement generally bear interest at a variable rate based on either (i) the base rate (which is the highest of (a) 0.5% in excess of the federal funds rate, (b) the TL Administrative Agent’s “prime rate”, or (c) the sum of 1.0% plus one-month LIBOR) plus a margin of between 50 basis points and 100 basis points depending on the senior unsecured long-term debt ratings of FNF or (ii) LIBOR plus a margin of between 150 basis points and 200 basis points depending on the senior unsecured long-term debt ratings of FNF. Based on our current Moody’s and Standard & Poor’s senior unsecured long-term debt ratings of Baa3/BBB-, respectively, the applicable margin for term loans subject to LIBOR is 175 basis points over LIBOR. In addition, we will pay an unused commitment fee of 25 basis points on the entire term loan facility until the earlier of the termination of the term loan commitments or the funding of the term loans. Under the Term Loan Agreement, we are subject to customary affirmative, negative and financial covenants, including, among other things, limits on the creation of liens, limits on the incurrence of indebtedness, restrictions on investments, dispositions and transactions with affiliates, limitations on dividends and other restricted payments, a minimum net worth and a maximum debt to capitalization ratio. The Term Loan Agreement also includes customary events of default for facilities of this type (with customary grace periods, as applicable) and provides that, if an event of default occurs and is continuing, the interest rate on all outstanding obligations may be increased, payments of all outstanding term loans may be accelerated and/or the lenders’ commitments may be terminated. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Term Loan Agreement shall automatically become immediately due and payable, and the lenders’ commitments will automatically terminate. Under the Term Loan Agreement the financial covenants are the same as under the Restated Credit Agreement. On October 27, 2013, we amended the Term Loan Agreement to permit us to incur the indebtedness in respect of the Bridge Facility and incorporate other technical changes to describe the structure of the LPS merger. As part of the acquisition of LPS on January 2, 2014, the Term Loan Agreement was fully funded. In May 2015 we repaid the entire $1.1 billion outstanding balance of the term loans outstanding under the Term Loan Agreement.

On June 25, 2013, we entered into an agreement to amend and restate our existing $ 800 million Second Amended and Restated Credit Agreement (the “Existing Credit Agreement”), dated as of April 16, 2012 with Bank of America, N.A., as administrative agent (in such capacity, the “Administrative Agent”) and the other agents party thereto (the “Revolving Credit Facility”). Among other changes, the Revolving Credit Facility amended the Existing Credit Agreement to permit us to make a borrowing under the Revolving Credit Facility to finance a portion of the acquisition of LPS on a “limited conditionality” basis, incorporates other technical changes to permit us to enter into the Acquisition and extends the maturity of the Existing Credit Agreement. The lenders under the Existing Credit Agreement have agreed to extend the maturity date of their commitments under the credit facility from April 16, 2016 to July 15, 2018 under the Revolving Credit Facility. Revolving loans under the credit facility generally bear interest at a variable rate based on either (i) the base rate (which is the highest of (a) 0.5% in excess of the federal funds rate, (b) the Administrative Agent's “prime rate”, or (c) the sum of 1% plus one-month LIBOR) plus a margin of between 32.5 and 60 basis points depending on the senior unsecured long-term debt ratings of FNF or (ii) LIBOR plus a margin of between 132.5 and 160 basis points depending on the senior unsecured long-term debt ratings of FNF. Based on our current Moody’s and Standard & Poor’s senior unsecured long-term debt ratings of Baa3/BBB-, respectively, the applicable margin for revolving loans subject to LIBOR is 145 basis points. In addition, we pay a facility fee of between 17.5 and 40 basis points on the entire facility, also depending on our senior unsecured long-term debt ratings. Under the Revolving Credit Facility, we are subject to customary affirmative, negative and financial covenants, including, among other things, limits on the creation of liens, limits on the incurrence of indebtedness, restrictions on investments, dispositions and transactions with affiliates, limitations on dividends and other restricted payments, a minimum net worth and a maximum debt to capitalization ratio. The Revolving Credit Facility also includes customary events of default for facilities of this type (with customary grace periods, as applicable) and provides that, if an event of default occurs and is continuing, the interest rate on all outstanding obligations may be increased, payments of all outstanding loans may be accelerated and/or the lenders' commitments may be terminated. These events of default include a cross-default provision that, subject to limited exceptions, permits the lenders to declare the Revolving Credit Facility in default if: (i) (a) we fail to make any payment after the applicable grace period under any indebtedness with a principal amount (including undrawn committed amounts) in excess of 3.0% of our net worth, as defined in the Revolving Credit Facility, or (b) we fail to perform any other term under any such indebtedness, or any other event occurs, as a result of which the holders thereof may cause it to become due and payable prior to its maturity; or (ii) certain termination events occur under significant interest rate, equity or other swap contracts. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Revolving Credit Facility shall automatically become immediately due and payable, and the lenders' commitments will automatically terminate. Under the Revolving Credit Facility the financial covenants remain essentially the same as under the Old Credit Agreement, except that the total debt to total capitalization ratio limit of 35% increased to 37.5% for a period of one year after the closing of the LPS acquisition and the net worth test was reset. As of December 31, 2015 and 2014, there was no outstanding balance under the Revolving Credit Facility and $5 million and $7 million , respectively, in unamortized debt issuance costs.

On August 28, 2012, we completed an offering of $400 million in aggregate principal amount of 5.50% notes due September 2022 (the "5.50% notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The notes were priced at 99.513% of par to yield 5.564% annual interest. As such we recorded a discount of $2 million , which is netted against the $400 million aggregate principal amount of the 5.50% notes. The discount is amortized to September 2022 when the 5.50% notes mature. The 5.50% notes will pay interest semi-annually on the 1st of March and September, beginning March 1, 2013. We received net proceeds of $396 million , after expenses, which were used to repay the $237 million aggregate principal amount outstanding of our 5.25% unsecured notes maturing in March 2013, the $50 million outstanding on our revolving credit facility, and the remainder is being held for general corporate purposes. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of the Company in an aggregate amount exceeding $100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

On August 2, 2011, we completed an offering of $300 million in aggregate principal amount of 4.25% convertible senior notes due August 2018 (the "Notes") in an offering conducted in accordance with Rule 144A under the Securities Act of 1933, as amended. The Notes contain customary event-of-default provisions which, subject to certain notice and cure-period conditions, can result in the acceleration of the principal amount of, and accrued interest on, all outstanding Notes if we breach the terms of the Notes or the indenture pursuant to which the Notes were issued. The Notes are unsecured and unsubordinated obligations and (i) rank senior in right of payment to any of our existing or future unsecured indebtedness that is expressly subordinated in right of payment to the Notes; (ii) rank equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; (iii) are effectively subordinated in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) are structurally subordinated to all existing and future indebtedness and liabilities of our subsidiaries. Interest is payable on the principal amount of the Notes, semi-annually in arrears in cash on February 15 and August 15 of each year, commencing February 15, 2012. The Notes mature on August 15, 2018, unless earlier purchased by us or converted. The Notes were issued for cash at 100% of their principal amount. However, for financial reporting purposes, the notes were deemed to have been issued at 92.818% of par value, and as such we recorded a discount of $22 million to be amortized to August 2018, when the Notes mature. The Notes will be convertible into cash, shares of common stock, or a combination of cash and shares of common stock, at our election, based on an initial conversion rate, subject to adjustment, of 46.387 shares per $1,000 principal amount of the Notes (which represents an initial conversion price of approximately $ 21.56 per share), only in the following circumstances and to the following extent: (i) during any calendar quarter commencing after December 31, 2011, if, for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter, the last reported sale price per share of our common stock on such trading day is greater than or equal to 130% of the applicable conversion price on such trading day; (ii) during the five consecutive business day period immediately following any ten consecutive trading day period (the “measurement period”) in which, for each trading day of the measurement period, the trading price per $1,000 principal amount of notes was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the applicable conversion rate on such trading day; (iii) upon the occurrence of specified corporate transactions; or (iv) at any time on and after May 15, 2018. However, in all cases, the Notes will cease to be convertible at the close of business on the second scheduled trading day immediately preceding the maturity date. It is our intent and policy to settle conversions through “net-share settlement”. Generally, under “net-share settlement,” the conversion value is settled in cash, up to the principal amount being converted, and the conversion value in excess of the principal amount is settled in shares of our common stock. As of October 1, 2013, these notes were convertible under the 130% Sale Price Condition described above. On March 28, 2014, $ 42 thousand in principal of these bonds were converted at the election of the bondholder. These bonds had a fair value of $ 65 thousand . The conversion was completed in the second quarter of 2014.

On May 5, 2010, we completed an offering of $300 million in aggregate principal amount of our 6.60% notes due May 2017 (the "6.60% Notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The 6.60% Notes were priced at 99.897% of par to yield 6.61% annual interest. We received net proceeds of $ 297 million , after expenses, which were used to repay outstanding borrowings under our credit agreement. Interest is payable semi-annually. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of FNF in an aggregate amount exceeding $ 100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

Gross principal maturities of notes payable at December 31, 2015 are as follows (in millions):

| | |
|---|---|
| 2016 | $ 53 |
| 2017 | 372 |
| 2018 | 395 |
| 2019 | 179 |
| 2020 | 704 |
| Thereafter | 1,118 |
| | $ 2,821 |

## Note K. Income Taxes

Income tax expense on continuing operations consists of the following:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | (In millions) | | |
| Current | $ 374 | $ 113 | $ 128 |
| Deferred | (84) | 199 | 67 |
| | $ 290 | $ 312 | $ 195 |

Total income tax expense (benefit) was allocated as follows (in millions):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| Net earnings from continuing operations | $ 290 | $ 312 | $ 195 |
| Tax expense (benefit) attributable to net earnings from discontinued operations | — | (1) | 4 |
| Other comprehensive earnings (loss): | | | |
| Unrealized loss on investments and other financial instruments | (40) | (6) | (30) |
| Unrealized loss on foreign currency translation and cash flow hedging | (7) | (3) | (2) |
| Reclassification adjustment for change in unrealized gains and losses included in net earnings | — | — | 3 |
| Minimum pension liability adjustment | 3 | (6) | 13 |
| Total income tax benefit allocated to other comprehensive earnings | (44) | (15) | (16) |
| Additional paid-in capital, stock-based compensation | (21) | (16) | (17) |
| Total income taxes | $ 225 | $ 280 | $ 166 |

A reconciliation of the federal statutory rate to our effective tax rate is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| Federal statutory rate | 35.0 % | 35.0 % | 35.0 % |
| State income taxes, net of federal benefit | 3.0 | 3.5 | 2.9 |
| Deductible dividends paid to FNF 401(k) plan | (0.2) | (0.4) | (0.2) |
| Tax exempt interest income | (0.7) | (2.0) | (1.4) |
| Tax Credits | (1.0) | (2.5) | (1.4) |
| Consolidated Partnerships | (0.5) | 5.8 | (0.4) |
| Non-deductible expenses and other, net | (1.1) | (2.9) | (1.0) |
| Effective tax rate excluding equity investments | 34.5 % | 36.5 % | 33.5 % |
| Equity Investments | (1.1) | 43.2 | (1.8) |
| Effective tax rate | 33.4 % | 79.7 % | 31.7 % |

The significant components of deferred tax assets and liabilities at December 31, 2015 and 2014 consist of the following:

| | December 31, | |
|---|---|---|
| | 2015 | 2014 |
| | (In millions) | |
| Deferred Tax Assets: | | |
| Employee benefit accruals | $ 37 | $ 35 |
| Other investments | 14 | — |
| Net operating loss carryforwards | 30 | 29 |
| Insurance reserve discounting | — | 17 |
| Accrued liabilities | 20 | 11 |
| Allowance for uncollectible accounts received | 2 | — |
| Pension plan | 7 | 7 |
| Tax credits | 43 | 44 |
| State income taxes | 17 | 7 |
| Other | 3 | — |
| Total gross deferred tax asset | 173 | 150 |
| Less: valuation allowance | 12 | 11 |
| Total deferred tax asset | $ 161 | $ 139 |
| Deferred Tax Liabilities: | | |
| Title plant | $ (84) | $ (83) |
| Amortization of goodwill and intangible assets | (118) | (108) |
| Other investments | — | (83) |
| Other | (17) | (29) |
| Investment securities | (29) | (53) |
| Depreciation | (11) | (5) |
| Partnerships | (459) | (474) |
| Insurance reserve discounting | (37) | — |
| Allowance for uncollectible accounts received | — | (7) |
| Total deferred tax liability | $ (755) | $ (842) |
| Net deferred tax liability | $ (594) | $ (703) |

Our net deferred tax liability was $594 million and $703 million at December 31, 2015 , and 2014 , respectively. The significant changes in the deferred taxes are as follows: The deferred tax asset related to Other Investments increased by $97 million mainly due to recognition of tax gains recorded on our investment in Ceridian. The deferred tax liability for insurance reserve discounting increased by $54 million largely due to a reclassification of $28 million between other of $(18) million and allowance for uncollected accounts received of $(10) million . The $26 million increase in other related to current year activity in the claims reserves. The deferred tax liability for investment securities decreased by $24 million due to book changes in unrealized gains. The deferred tax liability relating to partnerships decreased by $11 million primarily due Black Knight and ServiceLink activity. The deferred tax liability on amortization increased by $10 million partially due to the Pacific Union acquisition.

As of December 31, 2015 and 2014 we had a valuation allowance of $ 12 million and $ 11 million, respectively. The increase of $1 million relates to net operating losses associated with the BPG acquisition.

At December 31, 2015 , we have net operating losses on a pretax basis of $ 79 million available to carryforward and offset future federal taxable income. The net operating losses are US federal net operating losses arising from LandAmerica, Digital Insurance, NextAce, LPS, BPG and Black Knight Financial Services, Inc. acquisitions made since 2008 and are subject to an annual Internal Revenue Code Section 382 limitation. These losses will begin to expire in year 2023 and we fully anticipate utilizing these losses prior to expiration with the exception of $3 million of gross net operating losses at BPG that are offset by a $1 million valuation allowance. Digital Insurance has a deferred tax asset for state net operating losses; however, it is largely offset by a $1 million valuation allowance.

At December 31, 2015 and 2014, we had $ 43 million and $ 44 million of tax credits, respectively. The credits primarily consist of general business credits from acquisitions in the Restaurant Group. We anticipate that these credits will be utilized prior to expiration after a valuation allowance of $10 million on the general business credits.

Tax benefits of $ 21 million , $ 16 million , and $ 17 million associated with the exercise of employee stock options and the vesting of restricted stock grants were allocated to equity for the years ended December 31, 2015 , 2014, and 2013, respectively.

As of December 31, 2015 and 2014 , we had approximately $3 million (including interest of less than $1 million ) and $ 5 million (including interest of $ 1 million ), respectively, of total gross unrecognized tax benefits that, if recognized, would favorably affect our income tax rate. These amounts are reported on a gross basis and do not reflect a federal tax benefit on state income taxes. We record interest and penalties related to income taxes as a component of income tax expense.

The Internal Revenue Service (“IRS”) has selected us to participate in the Compliance Assurance Program that is a real-time audit. We are currently under audit by the Internal Revenue Service for the 2013, 2014, 2015 and 2016 tax years. We file income tax returns in various foreign and US state jurisdictions.

## Note L. Summary of Reserve for Claim Losses

A summary of the reserve for claim losses follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | (Dollars in millions) | | |
| Beginning balance | $ 1,621 | $ 1,636 | $ 1,748 |
| Reserve assumed, net (1) | — | 52 | — |
| Reinsurance recoverable | 1 | 7 | — |
| Claim loss provision related to: | | | |
| Current year | 224 | 202 | 220 |
| Prior years | 22 | 26 | 71 |
| Total title claim loss provision | 246 | 228 | 291 |
| Claims paid, net of recoupments related to: | | | |
| Current year | (7) | (5) | (9) |
| Prior years | (278) | (297) | (394) |
| Total title claims paid, net of recoupments | (285) | (302) | (403) |
| Ending balance of claim loss reserve for title insurance | $ 1,583 | $ 1,621 | $ 1,636 |
| Provision for title insurance claim losses as a percentage of title insurance premiums | 5.7% | 6.2% | 7.0% |

(1) Reserves of $ 54 million were acquired in the acquisition of LPS on January 2, 2014, and a reserve of $ 2 million was released due to the sale of a small title operation in 2014.

We continually update loss reserve estimates as new information becomes known, new loss patterns emerge, or as other contributing factors are considered and incorporated into the analysis of reserve for claim losses. 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. Due to the uncertainty inherent in the process and to the judgment used by management, the ultimate liability may be greater or less than our current reserves. As a result of continued volatility experienced in claim development on policy years 2005 - 2008, we believe there is an increased level of uncertainty attributable to these policy years. If actual claims loss development varies from what is currently expected and is not offset by other factors, it is possible that our recorded reserves may fall outside a reasonable range of our actuary's central estimate, which may require additional reserve adjustments in future periods.

## Note M. Commitments and Contingencies

*Legal and Regulatory Contingencies*

In the ordinary course of business, we are involved in various pending and threatened litigation matters related to our title operations, some of which include claims for punitive or exemplary damages. This customary litigation includes but is not limited to a wide variety of cases arising out of or related to title and escrow claims, for which we make provisions through our loss reserves. Additionally, like other insurance companies, our ordinary course litigation includes a number of class action and purported class action lawsuits, which make allegations related to aspects of our insurance operations. We believe that no actions, other than the matters discussed below, depart from customary litigation incidental to our insurance business.

Our Restaurant Group companies are a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to injury or wrongful death under "dram shop" laws that allow a person to sue us based on any injury caused by an intoxicated person who was wrongfully served alcoholic beverages at one of the restaurants; individual and purported class or collective action claims alleging violation of federal and state employment, franchise and other laws; and claims from guests or employees alleging illness, injury or other food quality, health or operational concerns. These companies are also subject to compliance with extensive government laws and regulations related to employment practices and policies and the manufacture, preparation, and sale of food and alcohol.

We review lawsuits and other legal and regulatory matters (collectively "legal proceedings") on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings where it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts and which represents our best estimate has been recorded. Our accrual for legal and regulatory matters was $75 million and $95 million as of December 31, 2015 and December 31, 2014. Of this accrual, $67 million and $84 million relates to historical LPS matters as of December 31, 2015 and 2014, respectively. As discussed elsewhere, LPS was acquired on January 2, 2014. None of the amounts we have currently recorded are considered to be individually or in the aggregate material to our financial condition. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending cases is generally not yet determinable. While some of these matters could be material to our operating results or cash flows for any particular period if an unfavorable outcome results, at present we do not believe that the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our financial condition.

Following a review by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and the Office of Thrift Supervision (collectively, the "banking agencies"), Lender Processing Services, Inc. ("LPS") entered into a consent order (the "Order") dated April 13, 2011 with the banking agencies. The banking agencies' review of LPS's services included the services provided by LPS's default operations to mortgage servicers regulated by the banking agencies, including document execution services. The Order does not make any findings of fact or conclusions of wrongdoing, nor did LPS admit any fault or liability. Under the Order, LPS agreed to further study the issues identified in the review and to enhance LPS's compliance, internal audit, risk management and board oversight plans with respect to those businesses. LPS also agreed to engage an independent third party to conduct a risk assessment and review of LPS's default management businesses and the document execution services it provided to mortgage servicers from January 1, 2008 through December 31, 2010.

The document execution review by the independent third party has been on indefinite hold since June 30, 2013 while the banking agencies consider what, if any, additional review work they would like the independent third party to undertake. Accordingly, the document execution review has taken and will continue to take longer to complete than the Company originally anticipated. In addition, the LPS default operations that were subject to the Order were contributed to ServiceLink Holdings, LLC ("ServiceLink") in connection with the LPS Acquisition and Reorganization. To the extent such review, once completed, requires additional remediation of mortgage documents or identifies any financial injury from the document execution services LPS provided, ServiceLink (as a result of the contribution of the underlying LPS business) has agreed to implement an appropriate plan to address the issues. The Order contains various deadlines to accomplish the undertakings set forth therein, including the preparation of a remediation plan following the completion of the document execution review. ServiceLink will continue to make periodic reports to the banking agencies on the progress with respect to each of the undertakings in the Order. Although the Order does not include any fine or other monetary penalty, the banking agencies reserved their right to impose civil monetary penalties at any time. Based on discussions with the banking agencies and actions taken by the banking agencies with respect to other companies, the Company believes the likelihood that the banking agencies will assess a civil monetary penalty is both probable and reasonably estimable, and ServiceLink Holdings, LLC has included an estimate of such loss in its accrual for loss contingencies. The banking agencies notified ServiceLink in December 2015 that they wish to discuss terminating the Order through a possible agreed civil monetary penalty amount in lieu of requiring any additional document execution review by the independent third party. At this time, the parties have not agreed on a possible civil monetary penalty amount. The Company does not believe an adjustment to the amount already accrued in loss contingencies is warranted based upon discussions thus far. The parties have entered into a tolling agreement to allow the parties to engage in these discussions. This matter is subject to a Cross-Indemnity Agreement dated December 22, 2014, between Black Knight Financial Services, LLC and ServiceLink Holdings, LLC.

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

*Escrow Balances*

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 accompanying Consolidated Balance Sheets. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to $ 14.3 billion at December 31, 2015 . 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, 2015 and 2014 related to these arrangements.

*Operating Leases*

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

| | |
|---|---|
| 2016 | $ 272 |
| 2017 | 176 |
| 2018 | 145 |
| 2019 | 115 |
| 2020 | 83 |
| Thereafter | 251 |
| Total future minimum operating lease payments | $ 1,042 |

Rent expense incurred under operating leases during the years ended December 31, 2015 , 2014 and 2013 was $ 136 million, $ 130 million, and $ 194 million, respectively. Rent expense in 2015 , 2014 , and 2013 includes abandoned lease charges related to office closures of $ 1 million, $ 4 million, and $ 1 million, respectively.

On June 29, 2004 we entered into an off-balance sheet financing arrangement (commonly referred to as a "synthetic lease"). The owner/lessor in this arrangement acquired land and various real property improvements associated with new construction of an office building in Jacksonville, Florida, that are part of FNF's corporate campus and headquarters. The lessor financed the acquisition of the facilities through funding provided by third-party financial institutions. On June 27, 2011, we renewed and amended the synthetic lease for the facilities. The amended lease provides for a five year term ending June 27, 2016 and had an outstanding balance as of December 31, 2015 of $71 million . The amended lease includes guarantees by us of up to 83.0% of the outstanding lease balance, and options to purchase the facilities at the outstanding lease balance. The guarantee becomes effective if we decline to purchase the facilities at the end of the lease and also decline to renew the lease. We are currently in the process of exploring our options for purchasing the facilities or renewing the lease, but have not finalized our plans. The lessor is a third-party company and we have no affiliation or relationship with the lessor or any of its employees, directors or affiliates, and transactions with the lessor are limited to the operating lease agreements and the associated rent expense that have been included in Other operating expenses in the Consolidated Statements of Earnings. We do not believe the lessor is a variable interest entity, as defined in the FASB standard on consolidation of variable interest entities.

*Unconditional Purchase Obligations*

The Restaurant Group has unconditional purchase obligations with various vendors. These purchase obligations are primarily food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. We used both historical and projected volume and pricing as of December 31, 2015 to determine the amount of the obligations. Black Knight has data processing and maintenance commitments with various vendors. We used current outstanding contracts with the vendors to determine the amount of the obligations.

Purchase obligations as of December 31, 2015 are as follows (in millions):

| | |
|---|---|
| 2016 | $ 215 |
| 2017 | 60 |
| 2018 | 44 |
| 2019 | 14 |
| 2020 | 6 |
| Thereafter | — |
| Total purchase commitments | $ 339 |

**Note N. Regulation and Equity**

*Regulation*

Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, 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 enter into transactions with affiliates. 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. The process of state regulation of changes in rates ranges from states which set rates, to states where individual companies or associations of companies prepare rate filings which are submitted for approval, to a few states in which rate changes do not need to be filed for approval.

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

Pursuant to statutory accounting requirements of the various states in which our insurers are domiciled, these insurers 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, 2015 , the combined statutory unearned premium reserve required and reported for our title insurers was $ 1,728 million . In addition to statutory unearned premium reserves, each of our insurers maintains reserves for known claims and surplus funds for policyholder protection and business operations.

Each of our insurance subsidiaries is regulated by the insurance regulatory authority in its respective state of domicile, as well as that of each state in which it is licensed. The insurance commissioners of their respective states of domicile are the primary regulators of our title insurance subsidiaries. Each of the insurers is subject to periodic regulatory financial examination by regulatory authorities.

Our 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, 2015 , $ 2,049 million of our net assets are restricted from dividend payments without prior approval from the Departments of Insurance. During 2016 , our title insurers can pay or make distributions to us of approximately $ 334 million, without prior approval.

The combined statutory capital and surplus of our title insurers was approximately $ 1,412 million and $ 1,472 million as of December 31, 2015 and 2014 , respectively. The combined statutory net earnings (losses) of our title insurance subsidiaries were $ 381 million, $ 276 million, and $ 352 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively.

Statutory-basis financial statements are prepared in accordance with accounting practices prescribed or permitted by the various state insurance regulatory authorities. The National Association of Insurance Commissioners' (“NAIC” *) Accounting Practices and Procedures* manual (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by each of the states that regulate us. Each of our states of domicile for our title insurance underwriter subsidiaries have adopted a material prescribed accounting practice that differs from that found in NAIC SAP. Specifically, in both years the timing of amounts released from the statutory unearned premium reserve under NAIC SAP differs from the states' required practice. Statutory surplus at December 31, 2015 and 2014 , respectively, was lower by approximately $ 206 million and $ 212 million than if we had reported such amounts in accordance with NAIC SAP.

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

Pursuant to statutory requirements of the various states in which our insurers are domiciled, such insurers must maintain certain levels of minimum capital and surplus. Required levels of minimum capital and surplus are not significant to the insurers individually or in the aggregate. Each of our insurers has complied with the minimum statutory requirements as of December 31, 2015 .

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 requirements for each underwritten title company is less than $ 1 million . These companies were in compliance with their respective minimum net worth requirements at December 31, 2015 .

There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders although there are limits on the ability of certain subsidiaries to pay dividends to us, as described above.

*Equity*

On September 16, 2015, J. Alexander's and FNF entered into a Separation and Distribution Agreement, pursuant to which FNF agreed to distribute one hundred percent ( 100% ) of its shares of J. Alexander's common stock, on a pro rata basis, to the holders of FNFV common stock. Holders of FNFV common stock received, as a distribution from FNF, approximately 0.17272 shares of J. Alexander’s common stock for every one share of FNFV common stock held at the close of business on September 22, 2015, the record date for the distribution (the “Distribution”). The Distribution was made on September 28, 2015. As a result of the Distribution, J. Alexander's is now an independent public company and its common stock is listed under the symbol “JAX” on the New York Stock Exchange. The Distribution was generally tax-free to FNFV shareholders for U.S. federal income tax purposes, except to the extent of any cash received in lieu of J. Alexander's fractional shares.

On May 26, 2015, Black Knight closed its initial public offering ("IPO") of 20,700,000 shares of Class A common stock at a price to the public of $24.50 per share, which included 2,700,000 shares of Class A common stock issued upon the exercise in full of the underwriters' option to purchase additional shares. Black Knight received net proceeds of $475 million from the offering, after deduction of underwriter discount and expenses. In connection with the IPO, Black Knight amended and restated its certificate of incorporation to authorize the issuance of two classes of common stock, Class A common stock and Class B common stock, which will generally vote together as a single class on all matters submitted for a vote to stockholders. As a result, Black Knight issued shares of Class B common stock to us, and certain Thomas H. Lee Partners affiliates, as the holders of membership interests in Black Knight Financial Services, LLC ("BKFS, LLC") prior to the IPO. Class B common stock is not publicly traded and does not entitle the holders thereof to any of the economic rights, including rights to dividends and distributions upon liquidation that would be provided to holders of Class A common stock. Prior to the IPO, we owned 67% of the membership interests in BKFS, LLC. Following the IPO, we owned 55% of the outstanding shares of Black Knight in the form of Class B common stock, with a corresponding ownership interest in BKFS, LLC.

On March 20, 2015, we completed our tender offer to purchase shares of FNFV stock. As a result of the offer, we accepted for purchase 12,333,333 shares of FNFV Group Common Stock for a purchase price of $15.00 per common share, for a total aggregate cost of $185 million , excluding fees and expenses related to the tender offer.

On October 28, 2014, our Board of Directors approved a three -year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2015 , we repurchased a total of 8,187,382 shares for $106 million , or an average of $12.95 per share under this program. Subsequent to year-end we repurchased a total of 1,143,900 shares for $11 million , or an average of $9.71 per share under this program through market close on February 19, 2016 . Since the original commencement of the plan adopted November 6, 2014, we have repurchased a total of 9,447,382 shares for $119 million , or an average of $12.57 per share, and there are 552,618 shares available to be repurchased under this program through market close on February 19, 2016 . On February 18, 2016, our Board of Directors approved a new FNFV Group three -year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through February 28, 2019.

On June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. We issued 277,462,875 shares of FNF Group common stock and 91,711,237 shares of FNFV Group common stock. See Note A for further discussion on the recapitalization of FNF common stock.

On January 2, 2014, we completed the purchase of LPS. As part of the consideration, $839 million or 25,920,078 shares of Old FNF common stock was issued to LPS shareholders. See Note B of the Notes to Consolidated Financial Statements for further information on the acquisition of LPS.

On July 21, 2012, our Board of Directors approved a three -year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our FNF Group common stock through July 31, 2015. On July 20, 2015, our Board of Directors approved a new three -year stock repurchase program under which we can purchase up to 25 million shares through July 30, 2018. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2015 , we repurchased a total 5,875,000 FNF Group shares under these programs for $214 million , or an average price of $36.41 per share. Subsequent to year-end we repurchased a total of 500,000 shares for $17 million , or an average of $33.19 per share under this program through market on February 19, 2016 . Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 3,380,000 FNF common shares for $ 98 million , or an average of $ 28.97 per share, and there are no shares available to be repurchased under this program. Since the original commencement of the plan adopted July 20, 2015, we have repurchased a total of 5,075,000 FNF common shares for $182 million , or an average of $35.92 per share, and there are 19,925,000 shares available to be repurchased under this program.

## Note O. Employee Benefit Plans

***Stock Purchase Plan***

During the three-year period ended December 31, 2015 , our eligible employees could voluntarily participate in employee stock purchase plans (“ESPPs”) sponsored by us and our subsidiaries. Pursuant to the ESPPs, employees may contribute an amount between 3% and 15% of their base salary and certain commissions. We contribute varying amounts as specified in the ESPPs.

We contributed $ 21 million, $ 18 million, and $ 17 million to the ESPPs in the years ended December 31, 2015 , 2014 , and 2013 , respectively, in accordance with the employer’s matching contribution.

***401(k) Profit Sharing Plan***

During the three-year period ended December 31, 2015 , we have offered our employees the opportunity to participate in our 401(k) profit sharing plans (the “401(k) Plan”), qualified voluntary contributory savings plans which are available to substantially all of our employees. Eligible employees may contribute up to 40% of their pretax annual compensation, up to the amount allowed pursuant to the Internal Revenue Code. Beginning in 2012, we initiated an employer match on the 401(k) Plan whereby we matched $0.25 on each $1.00 contributed up to the first 6% of eligible earnings contributed to the 401(k) Plan. Effective April 1, 2013, we increased the employer match from $0.25 to $0.375 on each $1.00 contributed up to the first 6% of eligible earnings contributed to the 401 (k) Plan. On June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Participants in the FNF 401(k) Plan received one share of FNF Group Common Stock and 0.3333 of a share of FNFV Group Common Stock for each share of Old FNF common stock that they held at the close of business on June 30, 2014. The employer match for the years ended December 31, 2015 , 2014 and 2013 was $ 28 million , $25 million and $17 million , respectively, that was credited to the FNF Stock Fund in the FNF 401(k) Plan, through July 1, 2014. Subsequent to July 1, 2014, the employer match has been credited based on the participant's individual investment elections.

***Stock Option Plans***

In 2005, we established the FNT 2005 Omnibus Incentive Plan (the “Omnibus Plan”) authorizing the issuance of up to 8 million shares of common stock, subject to the terms of the Omnibus Plan. On October 23, 2006, the shareholders of FNF approved an amendment to increase the number of shares available for issuance under the Omnibus Plan by 16 million shares. The increase was in part to provide capacity for options and restricted stock to be issued to replace Old FNF options and restricted stock. On May 29, 2008, May 25, 2011 and May 22, 2013, the shareholders of FNF approved amendments to increase the number of shares for issuance under the Omnibus Plan by 11 million, 6 million, and 6 million shares, respectively. The primary purpose of the increase was to assure that we had adequate means to provide equity incentive compensation to our employees on a going-forward basis. The Omnibus Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units and performance shares, performance units, other cash and stock-based awards and dividend equivalents. As of December 31, 2015 , there were 1,391,874 shares of restricted stock and 9,300,509 stock options outstanding under this plan. Awards granted are approved by the Compensation Committee of the Board of Directors. Options vest over a 3 year period and have a contractual life o f 7 years. The exercise price for options granted equals the market price of the underlying stock on the grant date. Stock option grants vest according to certain time based and operating performance criteria. Option exercises by participants are settled on the open market.

On June 30, 2014, we completed the recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Each share of the previously outstanding FNF Class A common stock ("Old FNF common stock") was converted into one share of FNF Group common stock, which now trades on the New York Stock Exchange under the current trading symbol "FNF," and 0.3333 of a share of FNFV Group common stock. All participants in the stock option and restricted stock plans at the time of the recapitalization were granted a one-time grant of additional FNF Group options and restricted shares. The grant was made in order for each participant to maintain their current intrinsic value in the plan. This one-time grant did not result in any additional compensation for the employees participating in the plan. Awards granted are determined and approved by the Compensation Committee of the Board of Directors.

FNF Group stock option transactions under the Omnibus Plan for 2013 , 2014 , and 2015 are as follows:

| | Options | Weighted Average Exercise Price | Exercisable |
|---|---|---|---|
| Balance, December 31, 2012 | 8,967,074 | $ 16.27 | 8,147,381 |
| Granted | 3,712,416 | 27.90 | |
| Exercised | (3,267,937) | 18.28 | |
| Canceled | (52,813) | 22.59 | |
| Balance, December 31, 2013 | 9,358,740 | $ 20.15 | 5,180,504 |
| Granted | 1,112,133 | 29.80 | |
| Options granted for FNFV recapitalization | 1,346,302 | 17.86 | |
| Exercised | (2,418,713) | 15.80 | |
| Canceled | (5,251) | 23.85 | |
| Balance, December 31, 2014 | 9,393,211 | $ 19.43 | 5,173,802 |
| Granted | 1,886,320 | 34.84 | |
| Exercised | (1,966,937) | 12.96 | |
| Canceled | (12,085) | 26.62 | |
| Balance, December 31, 2015 | 9,300,509 | $ 23.92 | 5,256,426 |

FNF Group restricted stock transactions under the Omnibus Plan in 2013 , 2014 , and 2015 are as follows:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Balance, December 31, 2012 | 2,924,738 | $ 18.46 |
| Granted | 650,728 | 27.90 |
| Canceled | (8,116) | 17.44 |
| Vested | (1,654,278) | 17.30 |
| Balance, December 31, 2013 | 1,913,072 | $ 22.68 |
| Granted | 785,705 | 29.80 |
| Restricted shares granted for FNFV recapitalization | 363,392 | 28.46 |
| Canceled | (4,656) | 21.29 |
| Vested | (1,286,732) | 17.33 |
| Balance, December 31, 2014 | 1,770,781 | $ 25.08 |
| Granted | 613,960 | 34.84 |
| Canceled | (10,105) | 26.14 |
| Vested | (982,762) | 23.00 |
| Balance, December 31, 2015 | 1,391,874 | $ 30.85 |

FNFV restricted stock transactions under the Omnibus Plan in 2014 and 2015 are as follows:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Balance, December 31, 2013 | — | $ — |
| Granted | 1,233,333 | 14.69 |
| Canceled | — | — |
| Vested | — | — |
| Balance, December 31, 2014 | 1,233,333 | $ 14.69 |
| Granted | — | — |
| Canceled | (31,746) | 14.69 |
| Vested | (411,109) | 14.69 |
| Balance, December 31, 2015 | 790,478 | $ 14.69 |

The following table summarizes information related to stock options outstanding and exercisable as of December 31, 2015 :

| | Options Outstanding | | | | Options Exercisable | | | |
|---|---|---|---|---|---|---|---|---|
| Range of Exercise Prices | Number of Options | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Intrinsic Value | Number of Options | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Intrinsic Value |
| | | | | (In millions) | | | | (In millions) |
| $0.00 — $6.16 | 1,100,006 | 0.82 | $ 6.16 | $ 31 | 1,100,006 | 0.82 | $ 6.16 | $ 31 |
| $6.17 — $12.22 | 453,856 | 0.90 | 12.22 | 10 | 453,856 | 0.90 | 12.22 | 10 |
| $12.23 — $15.76 | 28,537 | 0.20 | 15.76 | 1 | 28,537 | 0.20 | 15.76 | 1 |
| $15.77 — $18.17 | 28,547 | 0.42 | 18.17 | — | 28,547 | 0.42 | 18.17 | — |
| $18.18 — $21.90 | 705,212 | 3.86 | 19.62 | 11 | 705,212 | 3.86 | 19.62 | 11 |
| $21.91 — $24.24 | 4,009,334 | 4.90 | 24.24 | 42 | 2,589,192 | 4.90 | 24.24 | 27 |
| $24.25 — $34.84 | 2,975,017 | 6.47 | 33.00 | 5 | 351,076 | 5.85 | 29.80 | 2 |
| | 9,300,509 | | | $ 100 | 5,256,426 | | | $ 82 |

We account for stock-based compensation plans in accordance with GAAP on share-based payments, which requires that compensation cost relating to share-based payments be recognized in the consolidated financial statements based on the fair value of each award. Using 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. Net earnings attributable to FNF Shareholders reflects stock-based compensation expense amounts of $ 56 million for the year ended December 31, 2015 , $ 51 million for the year ended December 31, 2014 , and $35 million for the year ended December 31, 2013 , which are included in personnel costs in the reported financial results of each period.

The risk free interest rates used in the calculation of compensation cost on stock options are the rates that correspond to the weighted average expected life of an option. The volatility was estimated based on the historical volatility of FNF's stock price over a term equal to the weighted average expected life of the options. For options granted in the years ended December 31, 2015 , 2014 , and 2013 , we used risk free interest rates of 1.4% , 1.5% , and 1.1% , respectively; volatility factors for the expected market price of the common stock of 22% , 24% , and 26% , respectively; expected dividend yields of 2.4% , 2.6% , and 2.6% , respectively; and weighted average expected lives of 4.6 years, 4.6 years, and 4.4 years, respectively. The weighted average fair value of each option granted in the years ended December 31, 2015 , 2014 , and 2013 , were $ 5.15 , $ 4.81 , and $ 4.67 , respectively.

At December 31, 2015 , the total unrecognized compensation cost related to non-vested stock option grants and restricted stock grants is $ 67 million , which is expected to be recognized in pre-tax income over a weighted average period of 1.59 years.

***Profits Interests Plan***

As of December 31, 2015 there were 11 million profits interests outstanding in ServiceLink and no profits interest outstanding in Black Knight. As of December 31, 2014, there were 11 million profits interest outstanding in both ServiceLink and Black Knight. The profits interests were issued to certain members of management, directors, and certain employees, and vest over 3 years, with 50% vesting after the second year and 50% vesting after the third year. The terms of the profits interest grants provide for the grantees to participate in any incremental value of Black Knight and ServiceLink in excess of its fair value at the date of grant in proportion to the Class A member unit holders participation in the same. The fair values of Black Knight and ServiceLink at the date of grant is otherwise known as the hurdle amount. Profits interests granted are determined and approved by the Compensation Committee of the Board of Directors. Once vested, Class B units are not subject to expiration. The Class B units may be settled under various scenarios. According to the terms of the Profits Interest Plan (or the "Plan") and depending on the scenario, the Class B units may be settled in shares of FNF Group common stock or cash at our election. The profits interest in Black Knight were converted to restricted stock units upon their IPO in the current year.

The profits interest holders have an option to put their profits interests to us if no public offering of the corresponding businesses has been consummated after four years from the date of grant. The units may be settled in cash or FNF Group common stock or a combination of both at our election and will be settled at the current fair value at the time we receive notice of the put election. The fair value will be determined by the parties or by a third party appraisal under the terms of the Plan. As the profits interests provide for redemption features not solely within our control, we classify the redemption value outside of permanent equity in redeemable noncontrolling interests. The redemption value is equal to the difference in the per unit fair value of the underlying member units and the hurdle amount, based upon the proportionate required service period rendered to date.

We account for the profits interests granted to employees and directors in accordance with GAAP on share-based payments, which requires that compensation cost relating to share-based payments made to employees and directors be recognized in the consolidated financial statements based on the fair value of each award. Using 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. We utilized the Black-Scholes model to calculate the fair value of the profits interests' awards on the date of grant ("Calculation").

The hurdle rate as of the date of grant was used to determine the per unit strike price for the Calculation. The risk free interest rates used in the calculation of the fair value of profits interests are the rates that correspond to the weighted average expected life of the profits interests. The volatility was estimated based on the historical volatility of Black Knight and ServiceLink peers and of the historical LPS stock price over a term equal to the weighted average expected life of the profits interests. We used a weighted average risk free interest rate of 1.06% , a volatility factor for the expected market price of the member units of 33.3% and a weighted average expected life of 3.5 years with a discount of 22.0 % for lack of marketability, resulting in a weighted average fair value of $ 2.04 per profits interests unit granted. There was no redemption value of the outstanding profits interests as of December 31, 2015 as the fair value of ServiceLink was less than the hurdle rate.

Profits interest expense is included in Personnel costs in the Consolidated Statements of Earnings and Non-controlling interest in the Consolidated Statements of Equity. Net earnings from continuing operations reflect profits interest expense of $13 million and $14 million for the years ended December 31, 2015 and December 31, 2014, respectively.

As of December 31, 2015, the total unrecognized compensation cost related to non-vested profits interests grants is $8 million which is expected to be recognized in pre-tax income over a weighted average period of 1 year.

***Pension Plans***

In 2000, FNF merged with Chicago Title Corporation ("Chicago Title"). In connection with the merger, we assumed Chicago Title's noncontributory defined contribution plan and noncontributory defined benefit pension plan (the "Pension Plan"). The Pension Plan covers certain Chicago Title employees. The 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 accumulated benefit obligation is the same as the projected benefit obligation due to the pension plan being frozen as of December 31, 2000. Pursuant to GAAP on employers' accounting for defined benefit pension and other post retirement plans, the measurement date is December 31.

The net pension liability included in Accounts payable and other accrued liabilities as of December 31, 2015 , and 2014 was $ 13 million and $ 14 million, respectively. The discount rate used to determine the benefit obligation as of the years ended December 31, 2015 and 2014 was 3.72% and 3.37% , respectively. As of the years ended December 31, 2015 and 2014 the projected benefit obligation was $ 172 million and $ 185 million, respectively, and the fair value of plan assets was $ 159 million and $ 171 million, respectively. The net periodic expense included in the results of operations relating to these plans was $8 million, $6 million, and $9 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively.

***Postretirement and Other Nonqualified Employee Benefit Plans***

We assumed certain health care and life insurance benefits for retired Chicago Title employees in connection with the FNF merger with Chicago Title. Beginning on January 1, 2001, these benefits were offered to all employees who met specific eligibility requirements. Additionally, in connection with the acquisition of LandAmerica Financial Group's two principal title insurance underwriters, Commonwealth Land Title Insurance Company and Lawyers Title Insurance Corporation , as well as United Capital Title Insurance Company (collectively, the "LFG Underwriters"), we assumed certain of the LFG Underwriters' nonqualified benefit plans, which provide various postretirement benefits to certain executives and retirees. The costs of these benefit plans are accrued during the periods the employees render service. We are both self-insured and fully insured for 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 primarily contributory, with coverage amounts declining with increases in a retiree's age. The aggregate benefit obligation for these plans was $ 17 million at December 31, 2015 and $20 million at December 31, 2014 . The net costs relating to these plans were immaterial for the years ended December 31, 2015 , 2014 , and 2013 .

**Note P. 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, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | | (In millions) | |
| Cash paid during the year: | | | |
| Interest | $ 124 | $ 140 | $ 87 |
| Income taxes | 250 | 75 | 242 |
| Non-cash investing and financing activities: | | | |
| Investing activities: | | | |
| Change in proceeds of sales of investments available for sale receivable in period | $ (25) | $ 3 | $ (3) |
| Change in purchases of investments available for sale payable in period | (2) | 5 | (3) |
| Financing activities: | | | |
| Liabilities assumed in connection with acquisitions: | | | |
| Fair value of net assets acquired | $ 155 | $ 5,250 | $ 30 |
| Less: Total purchase price | 111 | 2,363 | 25 |
| Liabilities assumed | $ 44 | $ 2,887 | $ 5 |
| Treasury stock purchases payable at period end | $ (7) | $ — | $ — |

**Note Q. Financial Instruments with Off-Balance Sheet Risk and Concentration of Risk**

*Title*

In the normal course of business we and certain of our subsidiaries enter into off-balance sheet credit arrangements associated with certain aspects of the title insurance business and other activities.

We generate a significant amount of title insurance premiums in California, Texas, New York and Florida. Title insurance premiums as a percentage of the total title insurance premiums written from those four states are detailed as follows:

| | 2015 | 2014 | 2013 |
|---|---|---|---|
| California | 15.1% | 15.0% | 15.2% |
| Texas | 14.4% | 15.4% | 14.4% |
| New York | 8.1% | 7.9% | 7.4% |
| Florida | 8.1% | 7.8% | 7.6% |

Black Knight generates a significant amount of revenue from large customers, including a large customer that accounted for 12.0% of total revenue in the year ended December 31, 2015 and two large customers that accounted for 13.5% and 11.8% of total revenue, respectively, in the year ended December 31, 2014.

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents, short-term investments, and trade receivables.

We place cash equivalents and short-term investments with high credit quality financial institutions and, by policy, limit 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 our customer base, thus spreading the trade receivables credit risk. We control credit risk through monitoring procedures.

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents and trade receivables.

**Note R. Segment Information**

During the fourth quarter of 2013, we determined that the Corporate and Other segment would be split in order to differentiate operations and costs related to our FNF Core businesses from those associated with FNFV. As a result, we reorganized our reporting segments to reflect this change.

On January 2, 2014, we acquired LPS. As a result we created a new segment in 2014, Black Knight, which contains the technology, data and analytics operations of the former LPS company. We have combined the acquired transaction services business of LPS with our existing ServiceLink operations which reside in the Title segment.

During the fourth quarter of 2015, we determined that Pacific Union International, Inc. ("Pacific Union"), a luxury real estate broker based in California in which we acquired a controlling stake in December 2014, better aligned with the businesses within our FNF Core Corporate and Other segment. Because of the timing of the acquisition, we did not record any of the results of the operations of Pacific Union in 2014. Pacific Union's Total assets of $48 million and Goodwill of $40 million as of December 31, 2014 were previously included in the Title segment, but have been reclassified to the FNF Core Corporate and Other segment in the tables below.

Summarized financial information concerning our reportable segments is shown in the following tables. There are several intercompany corporate related arrangements between our various FNF Core businesses. The effects of these arrangements including intercompany notes and related interest and any other non-operational intercompany revenues and expenses have been eliminated in the segment presentations below.

As of and for the year ended December 31, 2015 :

| | Title | Black Knight | FNF Core Corporate and Other | **Total FNF Core** | Restaurant Group | FNFV Corporate and Other | **Total FNFV** | **Total** |
|---|---|---|---|---|---|---|---|---|
| | | | | **(In millions)** | | | | |
| Title premiums | $ 4,286 | $ — | $ — | **$ 4,286** | $ — | $ — | **$ —** | **$ 4,286** |
| Other revenues | 2,005 | 931 | 185 | **3,121** | — | 203 | **203** | **3,324** |
| Restaurant revenues | — | — | — | **—** | 1,412 | — | **1,412** | **1,412** |
| Revenues from external customers | 6,291 | 931 | 185 | **7,407** | 1,412 | 203 | **1,615** | **9,022** |
| Interest and investment income (loss), including realized gains and losses | 137 | (5) | (5) | **127** | (19) | 2 | **(17)** | **110** |
| Total revenues | 6,428 | 926 | 180 | **7,534** | 1,393 | 205 | **1,598** | **9,132** |
| Depreciation and amortization | 144 | 194 | 7 | **345** | 49 | 16 | **65** | **410** |
| Interest expense | — | 50 | 72 | **122** | 6 | 3 | **9** | **131** |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates | 836 | 139 | (113) | **862** | 7 | (2) | **5** | **867** |
| Income tax expense (benefit) | 305 | 35 | (30) | **310** | (2) | (18) | **(20)** | **290** |
| Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates | 531 | 104 | (83) | **552** | 9 | 16 | **25** | **577** |
| Equity in earnings (loss) of unconsolidated affiliates | 6 | — | — | **6** | — | (22) | **(22)** | **(16)** |
| Earnings (loss) from continuing operations | $ 537 | $ 104 | $ (83) | **$ 558** | $ 9 | $ (6) | **$ 3** | **$ 561** |
| Assets | $ 8,533 | $ 3,703 | $ 266 | **$ 12,502** | $ 508 | $ 921 | **$ 1,429** | **$ 13,931** |
| Goodwill | 2,303 | 2,224 | 45 | **4,572** | 103 | 85 | **188** | **4,760** |

As of and for the year ended December 31, 2014 :

| | Title | Black Knight | FNF Core Corporate and Other | **Total FNF Core** | Restaurant Group | FNFV Corporate and Other | **Total FNFV** | **Total** |
|---|---|---|---|---|---|---|---|---|
| | | | | **(In millions)** | | | | |
| Title premiums | $ 3,671 | $ — | $ — | **$ 3,671** | $ — | $ — | **$ —** | **$ 3,671** |
| Other revenues | 1,855 | 852 | (13) | **2,694** | — | 110 | **110** | **2,804** |
| Restaurant revenues | — | — | — | **—** | 1,436 | — | **1,436** | **1,436** |
| Revenues from external customers | 5,526 | 852 | (13) | **6,365** | 1,436 | 110 | **1,546** | **7,911** |
| Interest and investment income (loss), including realized gains and losses | 118 | — | 7 | **125** | (13) | 1 | **(12)** | **113** |
| Total revenues | 5,644 | 852 | (6) | **6,490** | 1,423 | 111 | **1,534** | **8,024** |
| Depreciation and amortization | 145 | 188 | 3 | **336** | 52 | 15 | **67** | **403** |
| Interest expense | — | 31 | 91 | **122** | 8 | (3) | **5** | **127** |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates | 534 | (15) | (113) | **406** | 13 | (27) | **(14)** | **392** |
| Income tax expense (benefit) | 192 | (7) | (23) | **162** | 1 | 149 | **150** | **312** |
| Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates | 342 | (8) | (90) | **244** | 12 | (176) | **(164)** | **80** |
| Equity in earnings (loss) of unconsolidated affiliates | 4 | — | — | **4** | — | 428 | **428** | **432** |
| Earnings (loss) from continuing operations | $ 346 | $ (8) | $ (90) | **$ 248** | $ 12 | $ 252 | **$ 264** | **$ 512** |
| Assets | $ 8,250 | $ 3,598 | $ 78 | **$ 11,926** | $ 658 | $ 1,261 | **$ 1,919** | **$ 13,845** |
| Goodwill | 2,249 | 2,223 | 43 | **4,515** | 119 | 87 | **206** | **4,721** |

As of and for the year ended December 31, 2013 :

| | Title | FNF Core Corporate and Other | **Total FNF Core** | Restaurant Group | FNFV Corporate and Other (1), (2) | **Total FNFV** | **Total** |
|---|---|---|---|---|---|---|---|
| | | | | **(In millions)** | | | |
| Title premiums | $ 4,152 | $ — | **$ 4,152** | $ — | $ — | **$ —** | **$ 4,152** |
| Other revenues | 1,597 | 53 | **1,650** | — | 87 | **87** | **1,737** |
| Restaurant revenues | — | — | **—** | 1,408 | — | **1,408** | **1,408** |
| Revenues from external customers | 5,749 | 53 | **5,802** | 1,408 | 87 | **1,495** | **7,297** |
| Interest and investment income (loss), including realized gains and losses | 145 | (4) | **141** | (1) | 3 | **2** | **143** |
| Total revenues | 5,894 | 49 | **5,943** | 1,407 | 90 | **1,497** | **7,440** |
| Depreciation and amortization | 65 | 3 | **68** | 53 | 12 | **65** | **133** |
| Interest expense | — | 68 | **68** | 8 | (3) | **5** | **73** |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings of unconsolidated affiliates | 808 | (152) | **656** | 12 | (52) | **(40)** | **616** |
| Income tax expense (benefit) | 297 | (60) | **237** | (4) | (38) | **(42)** | **195** |
| Earnings (loss) from continuing operations, before equity in earnings of unconsolidated affiliates | 511 | (92) | **419** | 16 | (14) | **2** | **421** |
| Equity in earnings (loss) of unconsolidated affiliates | 5 | (1) | **4** | — | (30) | **(30)** | **(26)** |
| Earnings (loss) from continuing operations | $ 516 | $ (93) | **$ 423** | $ 16 | $ (44) | **$ (28)** | **$ 395** |
| Assets | $ 6,762 | $ 1,130 | **$ 7,892** | $ 670 | $ 1,946 | **$2,616** | **$ 10,508** |
| Goodwill | 1,435 | 4 | **1,439** | 119 | 343 | **462** | **1,901** |

(1) Assets in 2013 also included $ 1,255 million for Remy, which is now presented as discontinued operations.

(2) Goodwill in 2013 also included $ 248 million or Remy, which is now presented as discontinued operations.

The activities in our segments include the following:

**FNF Core Operations**

*Title*

This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty insurance. This segment also includes the transaction services business acquired from Lender Processing Services, Inc. ("LPS"), now combined with our ServiceLink business. Transaction services include other title-related services used in the production and management of mortgage loans, including mortgage loans that experience default.

*Black Knight*

This segment consists of the operations of Black Knight, which, through leading software systems and information solutions, provides mission critical technology and data and analytics services that facilitate and automate many of the business processes across the life cycle of a mortgage.

*FNF Core Corporate and Other*

This segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance-related operations.

**FNFV**

*Restaurant Group*

This segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH and its affiliates are the owners and operators of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Legendary Baking concepts. This segment also includes the results of J. Alexander's, Inc. ("J. Alexander's") through September 28, 2015, the date it was distributed to FNFV shareholders. On January 25, 2016, substantially all of the assets of the Max & Erma's restaurant concept were sold pursuant to an Asset Purchase Agreement.

*FNFV Corporate and Other*

This segment primarily consists of our share in the operations of certain equity investments, including Ceridian, as well as consolidated investments, including Digital Insurance in which we own 96% , and other smaller operations which are not title related.

## Note S. Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU provides a new comprehensive revenue recognition model that requires companies to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This update also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. This update permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting. Upon issuance of ASU 2015-14, the effective date of ASU 2014-09 was deferred to annual and interim periods beginning on or after December 15, 2017.

In February 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-02 *Consolidation* (Topic 810). This ASU changes the way reporting enterprises evaluate whether (a) they should consolidate limited partnerships and similar entities, (b) fees paid to a decision maker or service provider are variable interests in a variable interest entity (VIE), and (c) variable interests in a VIE held by related parties of the reporting enterprise require the reporting enterprise to consolidate the VIE. The ASU eliminates the ASU 2010-10 deferral of the ASU 2009-17 VIE consolidation requirements for certain investment companies and similar entities. In addition, the ASU excludes money market funds that are required to comply with Rule 2a-7 of the Investment Company Act of 1940 or that operate under requirements similar to those in Rule 2a-7 from the GAAP consolidation requirements. The ASU also significantly changes how to evaluate voting rights for entities that are not similar to limited partnerships when determining whether the entity is a VIE, which may affect entities for which the decision making rights are conveyed though a contractual arrangement. The update allows for the application of the amendments using a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the fiscal year of adoption or retrospective application prior periods. This update is effective for annual and interim periods beginning on or after December 15, 2015, with early application permitted. We are currently evaluating this ASU and do not expect this update to have a material impact on our results of operations or our financial position.

In April 2015, FASB issued ASU No. 2015-03 *Interest - Presentation of Debt Issuance Costs* (Subtopic 835-30). The ASU was issued as part of FASB's current plan to simplify overly complex standards. To simplify presentation of debt issuance costs, the amendments in this ASU require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by this ASU. The update requires retrospective application to all prior period amounts presented. This update is effective for annual and interim periods beginning on or after December 15, 2015, with early application permitted. We early adopted the standard as of June 30, 2015 and have retrospectively applied the standard to all periods presented. Accordingly, unamortized debt issuance costs of $32 million and $23 million have been reclassified from Other intangible assets to offset Notes payable in the Consolidated Balance Sheets as of December 31, 2015 and December 31, 2014, respectively.

In May 2015, FASB issued ASU No. 2015-09 *Financial Services - Insurance* (Topic 944): Disclosures about Short-Duration Contracts. The amendments in this ASU require insurance entities to disclose for annual reporting periods additional information about the liability for unpaid claims and claim adjustment expenses related to short-duration contracts. The amendments also require insurance entities to disclose information about significant changes in methodologies and assumptions used to calculate the liability for unpaid claims and claim adjustment expenses. This update is effective for annual and interim periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016, with early application permitted. We do not expect this update to have a significant effect on our ongoing financial reporting as our primary insurance products are not short-duration contracts. However, we are still evaluating the totality of the effects the update will have on our disclosures.

In September 2015, the FASB issued ASU No. 2015-16 *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*

. The amendments in this ASU require that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The acquirer will be required to record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. Entities will also be required to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. The amendments in this ASU are effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The ASU requires the prospective application of the amendments for adjustments to provisional amounts that occur after its effective date. While we are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures, the ASU would potentially have a material effect in future periods on large acquisitions with significant measurement period adjustments.

In January 2016, the FASB issued ASU No. 2016-01 *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* . The primary amendments required by the ASU include: requiring equity investments with readily determinable fair values to be measured at fair value through net income rather than through other comprehensive income; allowing entities with equity investments without readily determinable fair values to report the investments at cost, adjusted for changes in observable prices, less impairment; requiring entities that elect the fair value option for financial liabilities to report the change in fair value attributable to instrument-specific credit risk in other comprehensive income; and clarifying that entities should assess the need for a valuation allowance on a deferred tax asset related to available-for-sale debt securities in combination with other deferred tax assets. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The ASU requires a cumulative-effect adjustment of the balance sheet as of the beginning of the year of adoption. Early adoption of the ASU is not permitted, except for the provision related to financial liabilities for which the fair value option has been elected. We are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures. We have not yet determined the effect of the standard on our consolidated financial statements and related disclosures.

**Note T. Net Income Attributable to FNF Group Shareholders and Change in Total Equity**

The following table presents the effect of the change in our ownership percentage in Black Knight Financial Services, LLC on equity attributable to FNF.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 527 | $ 583 | $ 394 |
| Increase in FNF's additional paid in capital for reduction in ownership percentage in Black Knight Financial Services, LLC | 53 | — | — |
| Decrease in noncontrolling interests resulting from decreased ownership percentage | (96) | — | — |
| Net decrease in total equity | $ (43) | $ — | $ — |
| Change from net earnings attributable to Fidelity National Financial, Inc. common shareholders and change in total equity | $ 484 | $ 583 | $ 394 |

**Item 9.** ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

**Item 9A.** ***Controls and Procedures***

As of the end of the year covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Act is: (a) recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms; and (b) accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) or 15d-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting. Management has adopted the framework in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under this framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2015 . The effectiveness of our internal control over financial reporting as of December 31, 2015 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein.

### Item 9B. *Other Information*

None.

## PART III

### Items 10-14.

Within 120 days after the close of our fiscal year, we intend to file with the Securities and Exchange Commission the matters required by these items.

## PART IV

**Item 15.** ***Exhibits, Financial Statement Schedules and Reports on Form 8-K***

(a) (1) *Financial Statements.* The following is a list of the Consolidated Financial Statements of Fidelity National Financial, Inc. and its subsidiaries included in Item 8 of Part II:



(a) (2) *Financial Statement Schedules.* The following is a list of financial statement schedules filed as part of this annual report on Form 10-K:



All other schedules are omitted because they are not applicable or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

(a) (3) The following exhibits are incorporated by reference or are set forth on pages to this Form 10-K:

| Exhibit Number | Description |
|---|---|
| 2.1 | Securities Exchange and Distribution Agreement between Old FNF and the Registrant, dated as of June 25, 2006, as amended and restated as of September 18, 2006 (incorporated by reference to Annex A to the Registrant's Schedule 14C filed on September 19, 2006 |
| 2.2 | Agreement and Plan of Merger, dated as of May 28, 2013, among Fidelity National Financial, Inc., Lion Merger Sub, Inc. and Lender Processing Services, Inc. (incorporated by reference to Exhibit 2.1 to Fidelity National Financial, Inc.'s Current Report on Form 8-K, filed on May 28, 2013) |
| 3.1 | Fourth Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the company's Current Report on Form 8-K filed on June 30, 2014) |
| 3.2 | Third Amended and Restated Bylaws of Fidelity National Financial, Inc., February 3, 2016 (incorporated by reference to Exhibit 3.1 to Fidelity National Financial, Inc.'s Current Report on Form 8-K, dated February 9, 2016) |
| 4.1 | Supplemental Indenture, dated as of January 2, 2014, among Lender Processing Services, Inc., Fidelity National Financial, Inc., Black Knight Lending Solutions, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013) |
| 4.2 | Indenture between the Registrant and The Bank of New York Trust Company, N.A., dated December 8, 2005 (incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2005) |
| 4.3 | First Supplemental Indenture between the Registrant and the Bank of New York Trust Company, N.A., dated as of January 6, 2006 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on January 24, 2006) |
| 4.4 | Second Supplemental Indenture, dated May 5, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A., dated as of May 5, 2010 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.5 | Third Supplemental Indenture, dated as of June 30, 2014, between the Registrant and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on June 30, 2014) |
| 4.6 | Form of Subordinated Indenture between the Registrant and the Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.2 (A) to the Registrant's Registration Statement on Form S-3 filed on November 14, 2007) |
| 4.7 | Form of 6.60% Note due 2017 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.8 | Form of 4.25% Convertible Note due August 2018 (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed on August 2, 2011) |
| 4.9 | Specimen certificate for shares of the Registrant's FNF Group common stock, par value $0.0001 per Share (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-4/A filed on May 5, 2014) |
| 4.10 | Specimen certificate for shares of the Registrant's FNFV Group common stock, par value $0.0001 per Share (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-4/A filed on May 5, 2014) |
| 10.1 | First Amendment, dated as of October 24, 2013, to the Third Amended and Restated Credit Agreement, dated as of June 25, 2013, among the Registrant, Bank of American, N.A., as administrative agent, and the other agents parties thereto (incorporated by reference to the Current Report on Form 8-K filed on October 25, 2013) |
| 10.2 | Amendment, dated as of June 25, 2013, to the Second Amended and Restated Credit Agreement, dated as of April 16, 2012, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto, including the Third Amended and Restated Credit Agreement among the parties dated as of June 25, 2013, which is included as Exhibit A thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on June 26, 2013) |
| 10.3 | Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan, effective as of September 26, 2005 (incorporated by reference to Appendix A to the Registrant's Schedule 14A filed on April 12, 2013) (1) |
| 10.4 | Term Loan Credit Agreement, dated as of August 19, 2013, among ABRH ,LLC, the lenders party thereto, Wells Fargo Bank N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on November 10, 2014) |
| 10.5 | Term Loan Credit Agreement, dated as of July 11, 2013, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Registrant's Current Report on Form 8-K filed on July 12, 2013) |
| 10.6 | First Amendment, dated as of October 24, 2013, to the Term Loan Credit Agreement, dated as of July 11, 2013, among the Registrant, Bank of American, N.A., as administrative agent, and the other agents parties thereto (incorporated by reference to the Current Report on Form 8-K filed on October 25, 2013) |

| Exhibit Number | Description |
|---|---|
| 10.7 | Credit Agreement, dated as of March 31, 2015, among Digital Insurance, Inc., Bank of America, N.A., as administrative agent, and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) |
| 10.8 | Credit and Guaranty Agreement, dated as of May 27, 2015, by and among Black Knight InfoServ, LLC, a Delaware limited liability company, as the borrower, JPMorgan Chase Bank, N.A. as administrative agent, the guarantors party thereto, the other agents party thereto and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 27, 2015) |
| 10.9 | Second Amendment, dated as of May 27, 2015, to Third Amended and Restated Credit Agreement, dated as of June 25, 2013, by and among Fidelity National Financial, Inc., a Delaware corporation, as the borrower, Bank of America, N.A., as administrative agent, the other agents party thereto and the financial institutions party thereto as lenders (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 27, 2015) |
| 10.10 | Fidelity National Financial, Inc. 2013 Employee Stock Purchase Plan (incorporated by reference to Annex D to the Registrant’s Schedule 14A filed on May 9, 2014)(1) |
| 10.11 | Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2015 Awards (1) |
| 10.12 | Form of Notice of FNF Group Stock Option Award and FNF Group Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2015 Awards (1) |
| 10.13 | Form of Notice of FNFV Group Restricted Stock Grant and FNFV Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for September 2014 Awards (incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014) (1) |
| 10.14 | Form of Notice of Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.11 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.15 | Form of Notice of Stock Option Award and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.12 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.16 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.17 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.18 | Tax Disaffiliation Agreement by and among Old FNF, the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.1 to Old FNF’s Form 8-K, filed on October 27, 2006) |
| 10.19 | Cross-Indemnity Agreement by and between the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.2 to FIS’s Form 8-K, filed on October 27, 2006) |
| 10.20 | Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.11 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.21 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.22 | Amendment effective as of July 1, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.11 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012)(1) |
| 10.23 | Amendment effective as of January 2, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.16 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2011)(1) |
| 10.24 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.15 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2009) |
| 10.25 | Amended and Restated Employment Agreement between Fidelity National Financial, Inc. and Brent B. Bickett, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.14 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008)(1) |

| Exhibit Number | Description |
|---|---|
| 10.26 | Amended and Restated Employment Agreement between BKFS I Management and William P. Foley, II, effective as of January 8, 2016 (1) |
| 10.27 | Director Services Agreement between Fidelity National Financial, Inc. and William P. Foley, II, effective as of January 8, 2016 (1) |
| 10.28 | Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (1) (incorporated by reference to Exhibit 10.16 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) |
| 10.29 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.30 | Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of January 30, 2013 (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.31 | Amendment No. 2 to Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of March 1, 2015 (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) (1) |
| 10.32 | Employment Agreement by and between BKFS I Management, Inc. and Michael L. Gravelle, effective as of March 1, 2015 (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) (1) |
| 10.33 | Fidelity National Title Group, Inc. Annual Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 11, 2011) (1) |
| 10.34 | Fidelity National Financial, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.35 | Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski, effective as of February 4, 2010 (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.36 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 1 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 10.37 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 2 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 10.38 | Black Knight Financial Services, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.39 | ServiceLink Holdings, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.2 to the to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.40 | Form of Black Knight Financial Services, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.41 | Form of ServiceLink Holdings, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.42 | Black Knight Financial Services, LLC Incentive Plan (incorporated by reference to Exhibit 10.5 to the to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.43 | Black Knight 2015 Omnibus Incentive Plan (incorporated by reference to to Exhibit 10.19 to Amendment No. 3 to the Form S-1 Registration Statement filed by Black Knight Financial Services, Inc. on March 30, 2015)(1) |
| 10.44 | Form of Grant Agreement for Restricted Stock Awards under the Black Knight Knight Financial Services, Inc. 2015 Omnibus Incentive Plan to be issued upon Exchange of Grant Units (incorporated by reference to Exhibit 10.31 to Amendment No. 4 to the Form S-1Registration Statement filed y Black Knight Financial Services, Inc. on May 4, 2015)(1) |
| 10.45 | Form of Restricted Stock Agreement for February 2016 Restricted Stock Awards with a three year vesting period under the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) |
| 10.46 | Form of Restricted Stock Agreement for February 2016 Restricted Stock Awards with a four year vesting period under the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) |
| 10.47 | ServiceLink Holdings, LLC Incentive Plan (incorporated by reference to Exhibit 10.6 to the to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |

| Exhibit Number | Description |
|---|---|
| 21.1 | Subsidiaries of the Registrant |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 99.1 | Unaudited Attributed Financial Information for FNF Group Tracking Stock |
| 99.2 | Unaudited Attributed Financial Information for FNFV Group Tracking Stock |
| 101 | The following materials from Fidelity National Financial, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Earnings, (iii) the Consolidated Statements of Comprehensive Earnings, (iv) the Consolidated Statements of Stockholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to the Consolidated Financial Statements. |

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(c) of Form 10-K

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Fidelity National Financial, Inc.

By: */s/ Raymond R. Quirk*

Raymond R. Quirk

Chief Executive Officer

Date: February 23, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| */s/ Raymond R. Quirk*<br>Raymond R. Quirk | Chief Executive Officer<br>(Principal Executive Officer) | February 23, 2016 |
| */s/ Anthony J. Park*<br>Anthony J. Park | Chief Financial Officer<br>(Principal Financial and Accounting Officer) | February 23, 2016 |
| */s/ William P. Foley, II*<br>William P. Foley, II | Director and Chairman of the Board | February 23, 2016 |
| */s/ Douglas K. Ammerman*<br>Douglas K. Ammerman | Director | February 23, 2016 |
| */s/ Willie D. Davis*<br>Willie D. Davis | Director | February 23, 2016 |
| */s/ Thomas M. Hagerty*<br>Thomas M. Hagerty | Director | February 23, 2016 |
| */s/ Daniel D. (Ron) Lane*<br>Daniel D. (Ron) Lane | Director | February 23, 2016 |
| */s/ Richard N. Massey*<br>Richard N. Massey | Director | February 23, 2016 |
| */s/ John D. Rood*<br>John D. Rood | Director | February 23, 2016 |
| */s/ Peter O. Shea, Jr.*<br>Peter O. Shea, Jr. | Director | February 23, 2016 |
| */s/ Cary H. Thompson*<br>Cary H. Thompson | Director | February 23, 2016 |
| */s/ Frank P. Willey*<br>Frank P. Willey | Director | February 23, 2016 |

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

Under date of February 23, 2016 , we reported on the Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2015 and 2014 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2015 , as contained in the Annual Report on Form 10-K for the year 2015 . In connection with our audits of the aforementioned Consolidated Financial Statements, we also audited the related financial statement schedules as listed under Item 15(a)(2). These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic Consolidated Financial Statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

Jacksonville, Florida
February 23, 2016
Certified Public Accountants

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**BALANCE SHEETS**

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| | (In millions, except share data) | |
| **ASSETS** | | |
| Cash | $ 293 | $ 151 |
| Short term investments | 163 | — |
| Notes receivable | 621 | 2,635 |
| Investments in and amounts due from subsidiaries | 6,326 | 5,962 |
| Property and equipment, net | 4 | 6 |
| Prepaid expenses and other assets | 21 | — |
| Income taxes receivable | — | 60 |
| Total assets | $ 7,428 | $ 8,814 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 55 | $ 52 |
| Income taxes payable | 45 | — |
| Deferred tax liability | 594 | 703 |
| Notes payable | 980 | 2,065 |
| Total liabilities | 1,674 | 2,820 |
| Equity: | | |
| FNF Group common stock, $0.0001 par value; authorized 487,000,000 shares as of December 31, 2015 and 2014; outstanding of 275,781,160 and 279,443,239 as of December 31, 2015 and 2014, respectively; and issued of 282,394,970 and 279,824,125 as of December 31, 2015 and 2014, respectively | — | — |
| FNFV Group common stock, $0.0001 par value; authorized 113,000,000 shares as of December 31, 2015 and 2014; outstanding of 72,217,882 and 92,828,470 as of December 31, 2015 and 2014, respectively; and issued of 80,581,466 and 92,946,545 as of December 31, 2015 and 2014, respectively | — | — |
| Additional paid-in capital | 4,795 | 4,855 |
| Retained earnings | 1,374 | 1,150 |
| Accumulated other comprehensive earnings | (69) | 2 |
| Less: Treasury stock, 14,977,394 shares and 493,737 shares as of December 31, 2015 and 2014, respectively, at cost | (346) | (13) |
| Total equity of Fidelity National Financial, Inc. common shareholders | 5,754 | 5,994 |
| Total liabilities and equity | $ 7,428 | $ 8,814 |

See Notes to Financial Statements and
Accompanying Report of Independent Registered Public Accounting Firm

**SCHEDULE II**

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**STATEMENTS OF EARNINGS AND RETAINED EARNINGS**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | (In millions, except per share data) | | |
| **Revenues:** | | | |
| Other fees and revenue | $ 3 | $ 1 | $ 3 |
| Interest and investment income and realized gains | 86 | 168 | 15 |
| Total revenues | 89 | 169 | 18 |
| **Expenses:** | | | |
| Personnel expenses | 28 | 35 | 93 |
| Other operating expenses | 1 | (20) | 50 |
| Interest expense | 74 | 93 | 70 |
| Total expenses | 103 | 108 | 213 |
| (Losses) earnings before income tax (benefit) expense and equity in earnings of subsidiaries | (14) | 61 | (195) |
| Income tax (benefit) expense | (5) | 22 | (61) |
| (Losses) earnings before equity in earnings of subsidiaries | (9) | 39 | (134) |
| Equity in earnings of subsidiaries | 536 | 544 | 528 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 527 | $ 583 | $ 394 |
| Basic earnings per share Old FNF common shareholders | | $ 0.33 | $ 1.71 |
| Weighted average shares outstanding Old FNF common shareholders, basic basis | | 138 | 230 |
| Diluted earnings per share Old FNF Common shareholders | | $ 0.32 | $ 1.68 |
| Weighted average shares outstanding Old FNF common shareholders, diluted basis | | 142 | 235 |
| Basic earnings per share FNF Group common shareholders | $ 1.95 | $ 0.77 | |
| Weighted average shares outstanding FNF Group common shareholders, basic basis | 277 | 138 | |
| Diluted earnings per share FNF Group Common shareholders | $ 1.89 | $ 0.75 | |
| Weighted average shares outstanding FNF Group common shareholders, diluted basis | 286 | 142 | |
| Basic earnings per share FNFV Group common shareholders | $ (0.16) | $ 3.04 | |
| Weighted average shares outstanding FNFV Group common shareholders, basic basis | 79 | 46 | |
| Diluted earnings per share FNFV Group Common shareholders | $ (0.16) | $ 3.01 | |
| Weighted average shares outstanding FNFV Group common shareholders, diluted basis | 82 | 47 | |
| Retained earnings, beginning of year | $ 1,150 | $ 1,089 | $ 849 |
| Dividends declared | (222) | (203) | (154) |
| Distribution of Remy to FNFV Group common shareholders | — | (319) | — |
| Distribution of J. Alexander's to FNFV Group common shareholders | (81) | — | — |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 527 | 583 | 394 |
| Retained earnings, end of year | $ 1,374 | $ 1,150 | $ 1,089 |

See Notes to Financial Statements and
Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**
**STATEMENTS OF CASH FLOWS**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| | (In millions) | | |
| **Cash Flows From Operating Activities:** | | | |
| Net earnings | $ 527 | $ 583 | $ 394 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Equity in earnings of subsidiaries | (536) | (544) | (528) |
| Depreciation and amortization | 2 | 2 | 1 |
| Stock-based compensation | 38 | 32 | 30 |
| Tax benefit associated with the exercise of stock-based compensation | (21) | (16) | (17) |
| Net change in income taxes | 17 | 540 | (96) |
| Net (increase) decrease in prepaid expenses and other assets | (25) | 62 | (29) |
| Net (decrease) increase in accounts payable and other accrued liabilities | (11) | (91) | 101 |
| Net cash (used in) provided operating activities | (9) | 568 | (144) |
| **Cash Flows From Investing Activities:** | | | |
| Net purchases of short-term investment activities | (163) | — | — |
| Additions to notes receivable | (28) | (3,025) | (30) |
| Collection of notes receivable | 1,542 | 390 | — |
| Net additions to investments in subsidiaries | — | — | 8 |
| Net cash provided by (used in) investing activities | 1,351 | (2,635) | (22) |
| **Cash Flows From Financing Activities:** | | | |
| Equity offering | — | — | 511 |
| Borrowings | — | 1,500 | — |
| Debt service payments | (1,100) | (400) | (7) |
| Debt issuance costs | — | — | (16) |
| Dividends paid | (220) | (203) | (153) |
| Purchases of treasury stock | (506) | — | (34) |
| Exercise of stock options | 26 | 40 | 60 |
| Tax benefit associated with the exercise of stock-based compensation | 21 | 16 | 17 |
| Distribution to FNFV | — | (100) | — |
| Other financing activity | (15) | (8) | — |
| Net dividends from subsidiaries | 594 | 268 | 571 |
| Net cash (used in) provided by financing activities | (1,200) | 1,113 | 949 |
| Net change in cash and cash equivalents | 142 | (954) | 783 |
| Cash at beginning of year | 151 | 1,105 | 322 |
| Cash at end of year | $ 293 | $ 151 | $ 1,105 |

See Notes to Financial Statements and
See Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**NOTES TO FINANCIAL STATEMENTS**

**A. Summary of Significant Accounting Policies**

Fidelity National Financial, Inc. transacts substantially all of its business through its subsidiaries. The Parent Company Financial Statements should be read in connection with the aforementioned Consolidated Financial Statements and Notes thereto included elsewhere herein. Certain reclassifications have been made in the 2014 presentation to conform to the classifications used in 2015 .

In 2014 we began reporting our Investments in subsidiaries net of non-controlling interest on the Balance Sheets and similarly on the Statement of Earnings, we report Equity in earnings of subsidiaries net of (Losses) earnings attributable to non-controlling interest. The amount of Non-controlling interest reflected in Investments in subsidiaries was $834 million and $79 million as of December 31, 2015 and 2014 , respectively. The amount of Earnings (losses) attributable to non-controlling interest reflected in Equity in earnings of subsidiaries on the Statements of Earnings was $34 million , $(64) million and $17 million for the years ending December 31, 2015 , 2014 and 2013 , respectively.

**B. Notes Payable**

Notes payable consist of the following:

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| | (In millions) | |
| Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022 | $ 397 | $ 395 |
| Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018 | 288 | 284 |
| Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017 | 300 | 299 |
| FNF Term Loan, interest payable monthly at LIBOR + 1.63% | — | 1,094 |
| Revolving Credit Facility, unsecured, unused portion of $800 at December 31, 2015, due July 2018 with interest payable monthly at LIBOR + 1.45% | (5) | (7) |
| | $ 980 | $ 2,065 |

**C. Supplemental Cash Flow Information**

| | Year Ended December 31, 2015 | 2014 | 2013 |
|---|---|---|---|
| | (In millions) | | |
| Cash paid during the year: | | | |
| Interest paid | $ 72 | $ 103 | $ 61 |
| Income tax payments | 250 | 75 | 242 |

**D. Cash Dividends Received**

We have received cash dividends from subsidiaries and affiliates of $ 0.2 billion , $ 0.4 billion , and $ 0.1 billion during the years ended December 31, 2015 , 2014 , and 2013 , respectively.

See Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE V

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**
**VALUATION AND QUALIFYING ACCOUNTS**

**Years Ended December 31, 2015 , 2014 and 2013**

| Column A Description | Column B Balance at Beginning of Period | Column C Additions: Charge to Costs and Expenses | Column C Additions: Other (Described) | Column D Deduction (Described) | Column E Balance at End of Period |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Year ended December 31, 2015: | | | | | |
| Reserve for claim losses | $ 1,621 | $ 246 | $ 1 (2) | $ 285 (1) | $ 1,583 |
| Year ended December 31, 2014: | | | | | |
| Reserve for claim losses | $ 1,636 | $ 228 | $ 59 (3) | $ 302 (1) | $ 1,621 |
| Year ended December 31, 2013: | | | | | |
| Reserve for claim losses | $ 1,748 | $ 291 | $ — | $ 403 (1) | $ 1,636 |

(1) Represents payments of claim losses, net of recoupments.
(2) Represents recording a reinsurance recoverable.
(3) Represents an increase of $54 million to the reserve for claim losses as a result of the acquisition of LPS (See Note B), a $2 million decrease to the reserve due to the sale of a small title operation and recording $7 million increase to the claims reserve for a reinsurance recoverable.

See Accompanying Report of Independent Registered Public Accounting Firm

## EXHIBIT INDEX

| Exhibit Number | Description |
|---|---|
| 2.1 | Securities Exchange and Distribution Agreement between Old FNF and the Registrant, dated as of June 25, 2006, as amended and restated as of September 18, 2006 (incorporated by reference to Annex A to the Registrant’s Schedule 14C filed on September 19, 2006 |
| 2.2 | Agreement and Plan of Merger, dated as of May 28, 2013, among Fidelity National Financial, Inc., Lion Merger Sub, Inc. and Lender Processing Services, Inc. (incorporated by reference to Exhibit 2.1 to Fidelity National Financial, Inc.’s Current Report on Form 8-K, filed on May 28, 2013) |
| 3.1 | Fourth Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the company's Current Report on Form 8-K filed on June 30, 2014) |
| 3.2 | Third Amended and Restated Bylaws of Fidelity National Financial, Inc., February 3, 2016 (incorporated by reference to Exhibit 3.1 to Fidelity National Financial, Inc.’s Current Report on Form 8-K, dated February 9, 2016) |
| 4.1 | Supplemental Indenture, dated as of January 2, 2014, among Lender Processing Services, Inc., Fidelity National Financial, Inc., Black Knight Lending Solutions, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 3.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013) |
| 4.2 | Indenture between the Registrant and The Bank of New York Trust Company, N.A., dated December 8, 2005 (incorporated by reference to Exhibit 4.1 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2005) |
| 4.3 | First Supplemental Indenture between the Registrant and the Bank of New York Trust Company, N.A., dated as of January 6, 2006 (incorporated by reference to Exhibit 4.1 to the Registrant’s Current Report on Form 8-K filed on January 24, 2006) |
| 4.4 | Second Supplemental Indenture, dated May 5, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A., dated as of May 5, 2010 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.5 | Third Supplemental Indenture, dated as of June 30, 2014, between the Registrant and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on June 30, 2014) |
| 4.6 | Form of Subordinated Indenture between the Registrant and the Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.2 (A) to the Registrant’s Registration Statement on Form S-3 filed on November 14, 2007) |
| 4.7 | Form of 6.60% Note due 2017 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.8 | Form of 4.25% Convertible Note due August 2018 (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed on August 2, 2011) |
| 4.9 | Specimen certificate for shares of the Registrant’s FNF Group common stock, par value $0.0001 per Share (incorporated by reference to Exhibit 4.1 to the Registrant’s Registration Statement on Form S-4/A filed on May 5, 2014) |
| 4.10 | Specimen certificate for shares of the Registrant’s FNFV Group common stock, par value $0.0001 per Share (incorporated by reference to Exhibit 4.2 to the Registrant’s Registration Statement on Form S-4/A filed on May 5, 2014) |
| 10.1 | First Amendment, dated as of October 24, 2013, to the Third Amended and Restated Credit Agreement, dated as of June 25, 2013, among the Registrant, Bank of American, N.A., as administrative agent, and the other agents parties thereto (incorporated by refrence to the Current Report on Form 8-K filed on October 25, 2013) |
| 10.2 | Amendment, dated as of June 25, 2013, to the Second Amended and Restated Credit Agreement, dated as of April 16, 2012, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto, including the Third Amended and Restated Credit Agreement among the parties dated as of June 25, 2013, which is included as Exhibit A thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on June 26, 2013) |
| 10.3 | Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan, effective as of September 26, 2005 (incorporated by reference to Appendix A to the Registrant’s Schedule 14A filed on April 12, 2013) (1) |
| 10.4 | Term Loan Credit Agreement, dated as of August 19, 2013, among ABRH ,LLC, the lenders party thereto, Wells Fargo Bank N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on November 10, 2014) |
| 10.5 | Term Loan Credit Agreement, dated as of July 11, 2013, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Registrant’s Current Report on Form 8-K filed on July 12, 2013) |
| 10.6 | First Amendment, dated as of October 24, 2013, to the Term Loan Credit Agreement, dated as of July 11, 2013, among the Registrant, Bank of American, N.A., as administrative agent, and the other agents parties thereto (incorporated by reference to the Current Report on Form 8-K filed on October 25, 2013) |

| Exhibit Number | Description |
| --- | --- |
| 10.7 | Credit Agreement, dated as of March 31, 2015, among Digital Insurance, Inc., Bank of America, N.A., as administrative agent, and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) |
| 10.8 | Credit and Guaranty Agreement, dated as of May 27, 2015, by and among Black Knight InfoServ, LLC, a Delaware limited liability company, as the borrower, JPMorgan Chase Bank, N.A. as administrative agent, the guarantors party thereto, the other agents party thereto and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 27, 2015) |
| 10.9 | Second Amendment, dated as of May 27, 2015, to Third Amended and Restated Credit Agreement, dated as of June 25, 2013, by and among Fidelity National Financial, Inc., a Delaware corporation, as the borrower, Bank of America, N.A., as administrative agent, the other agents party thereto and the financial institutions party thereto as lenders (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 27, 2015) |
| 10.10 | Fidelity National Financial, Inc. 2013 Employee Stock Purchase Plan (incorporated by reference to Annex D to the Registrant’s Schedule 14A filed on May 9, 2014)(1) |
| 10.11 | Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2015 Awards (1) |
| 10.12 | Form of Notice of FNF Group Stock Option Award and FNF Group Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2015 Awards (1) |
| 10.13 | Form of Notice of FNFV Group Restricted Stock Grant and FNFV Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for September 2014 Awards (incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014) (1) |
| 10.14 | Form of Notice of Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.11 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.15 | Form of Notice of Stock Option Award and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.12 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.16 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.17 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.18 | Tax Disaffiliation Agreement by and among Old FNF, the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.1 to Old FNF’s Form 8-K, filed on October 27, 2006) |
| 10.19 | Cross-Indemnity Agreement by and between the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.2 to FIS’s Form 8-K, filed on October 27, 2006) |
| 10.20 | Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.11 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.21 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.22 | Amendment effective as of July 1, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.11 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012)(1) |
| 10.23 | Amendment effective as of January 2, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.16 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2011)(1) |
| 10.24 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.15 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2009) |
| 10.25 | Amended and Restated Employment Agreement between Fidelity National Financial, Inc. and Brent B. Bickett, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.14 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008)(1) |

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| Exhibit Number | Description |
|---|---|
| 10.26 | Amended and Restated Employment Agreement between BKFS I Management and William P. Foley, II, effective as of January 8, 2016 (1) |
| 10.27 | Director Services Agreement between Fidelity National Financial, Inc. and William P. Foley, II, effective as of January 8, 2016 (1) |
| 10.28 | Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (1) (incorporated by reference to Exhibit 10.16 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) |
| 10.29 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.30 | Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of January 30, 2013 (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.31 | Amendment No. 2 to Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of March 1, 2015 (incorporated by reference to Exhibit 10.3 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) (1) |
| 10.32 | Employment Agreement by and between BKFS I Management, Inc. and Michael L. Gravelle, effective as of March 1, 2015 (incorporated by reference to Exhibit 10.3 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2015) (1) |
| 10.33 | Fidelity National Title Group, Inc. Annual Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 11, 2011) (1) |
| 10.34 | Fidelity National Financial, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.35 | Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski, effective as of February 4, 2010 (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.36 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 1 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 10.37 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 2 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 10.38 | Black Knight Financial Services, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.1 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.39 | ServiceLink Holdings, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.2 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.40 | Form of Black Knight Financial Services, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.41 | Form of ServiceLink Holdings, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.42 | Black Knight Financial Services, LLC Incentive Plan (incorporated by reference to Exhibit 10.5 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.43 | Black Knight 2015 Omnibus Incentive Plan (incorporated by reference to to Exhibit 10.19 to Amendment No. 3 to the Form S-1 Registration Statement filed by Black Knight Financial Services, Inc. on March 30, 2015)(1) |
| 10.44 | Form of Grant Agreement for Restricted Stock Awards under the Black Knight Knight Financial Services, Inc. 2015 Omnibus Incentive Plan to be issued upon Exchange of Grant Units (incorporated by reference to Exhibit 10.31 to Amendment No. 4 to the Form S-1 Registration Statement filed by Black Knight Financial Services, Inc. on May 4, 2015)(1) |
| 10.45 | Form of Restricted Stock Agreement for February 2016 Restricted Stock Awards with a three year vesting period under the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) |
| 10.46 | Form of Restricted Stock Agreement for February 2016 Restricted Stock Awards with a four year vesting period under the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (1) |
| 10.47 | ServiceLink Holdings, LLC Incentive Plan (incorporated by reference to Exhibit 10.6 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |

| Exhibit Number | Description |
|---|---|
| 21.1 | Subsidiaries of the Registrant |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 99.1 | Unaudited Attributed Financial Information for FNF Group Tracking Stock |
| 99.2 | Unaudited Attributed Financial Information for FNFV Group Tracking Stock |
| 101 | The following materials from Fidelity National Financial, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Earnings, (iii) the Consolidated Statements of Comprehensive Earnings, (iv) the Consolidated Statements of Stockholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to the Consolidated Financial Statements. |

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(c) of Form 10-K

**Exhibit 10.11**

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**

**Notice of Restricted Stock Grant**

You (the "Grantee") have been granted the following award of restricted Shares of FNF Group Common Stock (the "Restricted Stock"), par value $0.0001 per share (the "Shares"), by Fidelity National Financial, Inc. (the "Company"), pursuant to the Fidelity National Financial, Inc. Amended and Restated 2005 Omnibus Incentive Plan (the "Plan") and the terms set forth in the attached Restricted Stock Award Agreement:

| | |
|---|---|
| Name of Grantee: | |
| Number of Shares of Restricted Stock Granted: | |
| Effective Date of Grant: | October 29, 2015 |
| Vesting and Period of Restriction: | Subject to the terms of the Plan and the Restricted Stock Award Agreement attached hereto, the Period of Restriction shall lapse, and the Shares shall vest and become free of the forfeiture provisions contained in the Restricted Stock Award Agreement, with respect to one third of the shares on each anniversary of the Effective Date of Grant and satisfaction of the Performance Restriction as set forth on Exhibit A of the Restricted Stock Award Agreement, attached hereto. |

By your electronic acceptance/signature below, you agree and acknowledge that the Restricted Stock is granted under and governed by the terms and conditions of the Plan and the attached Restricted Stock Award Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Restricted Stock Award Agreement.

**Fidelity National Financial, Inc.**
**Amended and Restated 2005 Omnibus Incentive Plan**

**Restricted Stock Award Agreement**

Section 1. **GRANT OF RESTRICTED STOCK**

(a) **Restricted Stock** . On the terms and conditions set forth in the Notice of Restricted Stock Grant and this Restricted Stock Award Agreement (the "Agreement"), the Company grants to the Grantee on the Effective Date of Grant the Shares of Restricted Stock (the "Restricted Stock") set forth in the Notice of Restricted Stock Grant.

(b) **Plan and Defined Terms** . The Restricted Stock is granted pursuant to the Plan. All terms, provisions, and conditions applicable to the Restricted Stock set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice of Restricted Stock Grant or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

Section 2. **FORFEITURE AND TRANSFER RESTRICTIONS**

(a) **Forfeiture** . Except as otherwise provided in Grantee's employment, director services or similar agreement in effect at the time of the employment termination:

(i) If the Grantee's employment or service as a Director or Consultant is terminated for any reason other than death, or Disability (as defined below), the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination.

(ii) If the Grantee's employment or service as a Director or Consultant is terminated due to the Grantee's death or Disability, a portion of the Shares which on the date of termination of employment remain subject to a Time-Based Restriction and/or the Performance Restriction (as defined in Exhibit A) shall vest and become free of the forfeiture and transfer restrictions contained in the Agreement (except as otherwise provided in Section 2(b) of this Agreement). The portion which shall vest shall be determined by the following formula (rounded to the nearest whole Share):

(A x B) - C, where

A = the total number of Shares granted under this Agreement,

B = the number of completed months to the date of termination of employment since the Effective Date of Grant divided by 36, and

C = the number of Shares granted under this Agreement which vested on or prior to the date of termination of employment.

All Shares that are subject to a Period of Restriction on the date of termination of employment or service as a Director or Consultant and which will not be vested pursuant to Section 2(a)(ii) above, shall be forfeited to the Company, for no consideration.

(iii) The term "Disability" shall have the meaning ascribed to such term in the Grantee's employment, director services or similar agreement with the Company. If the Grantee's employment, director services or similar agreement does not define the term "Disability," or if the Grantee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term "Disability" shall mean the Grantee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

(iv) If the Performance Restriction is not satisfied during the Measurement Period, all of the Shares that do not satisfy the performance criteria for the applicable Performance Period, shall be forfeited to the Company, for no consideration.

(b) **Transfer Restrictions** . During the Period of Restriction, the Restricted Stock may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, to the extent such Shares are subject to a Period of Restriction.

(c) **Holding Period** . If and when (i) the Grantee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President - Eastern Operations, President - Western Operations, President - Agency Operations, or Chief Legal Officer, and (ii) Grantee does not hold Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, then Grantee must retain 50% of the Shares acquired by Grantee as a result of the lapse of a Period of Restriction (excluding from the calculation any Shares withheld for purposes of satisfying Grantee's tax obligations in connection with such lapse of a Period of Restriction) until such time as the value of the Shares of FNF Group

Common Stock remaining in Grantee's possession following any sale, assignment, pledge, exchange, gift or other transfer of the Shares shall be sufficient to meet any applicable stock ownership guidelines of the Company in place at that time. For the avoidance of doubt, at any time when Grantee holds, in the aggregate, Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, Grantee may enter into a transaction with respect to any Shares acquired by Grantee as a result of the lapse of a Period of Restriction without regard to the holding period requirement contained in this Section 2(b) so long as Grantee shall continue to satisfy such stock ownership guidelines following such transaction.

(d) **Lapse of Restrictions** . The Period of Restriction shall lapse as to the Restricted Stock in accordance with the Notice of Restricted Stock Grant and the terms of this Agreement. Subject to the terms of the Plan and Section 6(a) hereof, upon lapse of the Period of Restriction, the Grantee shall own the Shares that are subject to this Agreement free of all restrictions other than the holding period described in Section 2(c) above. 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 Period of Restriction or other restriction imposed on the Restricted Stock that has not previously lapsed, including the holding period described in Section 2(c) above, shall lapse.

Section 3. **STOCK CERTIFICATES**

As soon as practicable following the grant of Restricted Stock, the Shares of Restricted Stock shall be registered in the Grantee's name in certificate or book-entry form. If a certificate is issued, it shall bear an appropriate legend referring to the restrictions and it shall be held by the Company, or its agent, on behalf of the Grantee until the Period of Restriction has lapsed. If the Shares are registered in book-entry form, the restrictions shall be placed on the book-entry registration. The Grantee may be required to execute and return to the Company a blank stock power for each Restricted Stock certificate (or instruction letter, with respect to Shares registered in book-entry form), which will permit transfer to the Company, without further action, of all or any portion of the Restricted Stock that is forfeited in accordance with this Agreement.

Section 4. **SHAREHOLDER RIGHTS**

Except for the transfer and dividend restrictions, and subject to such other restrictions, if any, as determined by the Committee, the Grantee shall have all other rights of a holder of Shares, including the right to vote (or to execute proxies for voting) such Shares. Unless otherwise determined by the Committee, if all or part of a dividend in respect of the Restricted Stock is paid in Shares or any other security issued by the Company, such Shares or other securities shall be held by the Company subject to the same restrictions as the Restricted Stock in respect of which the dividend was paid.

Section 5. **DIVIDENDS**

(a) Any dividends paid with respect to Shares which remain subject to a Period of Restriction shall not be paid to the Grantee but shall be held by the Company.

(b) Such held dividends shall be subject to the same Period of Restriction as the Shares to which they relate.

(c) Any dividends held pursuant to this Section 5 which are attributable to Shares which vest pursuant to this Agreement shall be paid to the Grantee within 30 days of the applicable vesting date.

(d) Dividends attributable to Shares forfeited pursuant to Section 2 of this Agreement shall be forfeited to the Company on the date such Shares are forfeited.

Section 6. **MISCELLANEOUS PROVISIONS**

(a) **Tax Withholding** . Pursuant to Article 20 of the Plan, the Committee shall have the power and right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Grantee's FICA obligations) required by law to be withheld with respect to this Award. The Committee may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including payroll taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(b) **Ratification of Actions** . By accepting this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated the Grantee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice of Restricted Stock Grant by the Company, the Board or the Committee.

(c) **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

(d) **Choice of Law** . This Agreement and the Notice of Restricted Stock Grant shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice of Restricted Stock Grant to be governed by or construed in accordance with the substantive law of another jurisdiction.

(e) **Arbitration** . Subject to, and in accordance with the provisions of Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice of Restricted Stock Grant shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice of Restricted Stock Grant, provided that all substantive questions of law shall be determined in accordance with the state and federal laws applicable in Indiana, without regard to internal principles relating to conflict of laws.

(f) **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(g) **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(h) **References to Plan** . All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

(i) **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

## EXHIBIT A

### Vesting and Restrictions

This grant is subject to both a Performance Restriction and a Time-Based Restriction, as described below (collectively, the “Period of Restriction”).

### Performance Restriction

In order for the Restricted Stock to vest, the Compensation Committee of the Board of Directors of the Company (the “Committee”) must determine that the Company has achieved 8.5% or greater Title Operating Margin (as defined below) in at least two calendar quarters of any of the next five calendar quarters starting October 1, 2015 (the “Performance Restriction”). The five calendar quarters starting October 1, 2015 and ending December 31, 2016 are referred to as the “Measurement Period.” “Title Operating Margin” shall mean the Title Pre-Tax Margin as used for the annual bonus plan. Calculation of Title Operating Margin will exclude claim loss reserve adjustments (positive or negative) for prior period loss development, extraordinary events or accounting adjustments, acquisitions, divestitures, major restructuring charges, and non-budgeted discontinued operations. The Committee will evaluate whether the Title Operating Margin has been achieved following the completion of each calendar quarter during the Measurement Period.

**Time-Based Restrictions**

| Anniversary Date | % of Restricted Stock |
|---|---|
| First (1 st ) anniversary of the Effective Date of Grant | 33.33% |
| Second (2 nd ) anniversary of the Effective Date of Grant | 33.33% |
| Third (3 rd ) anniversary of the Effective Date of Grant | 33.34% |

**Vesting**

If the Performance Restriction has been achieved as of an Anniversary Date, the percentage of the Restricted Stock indicated next to such Anniversary Date shall vest on such indicated Anniversary Date (such three year vesting schedule referred to as the “Time-Based Restrictions”). If the Performance Restriction is not achieved during the Measurement Period, none of the Restricted Stock granted hereunder shall vest and, for no consideration, will be automatically forfeited to the Company.

**Exhibit 10.12**

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**

**Notice of Stock Option Grant**

You (the "Optionee") have been granted the following option to purchase Shares of FNF Group Common Stock, par value $0.0001 per share ("Share"), by Fidelity National Financial, Inc. (the "Company"), pursuant to the Fidelity National Financial, Inc. Amended and Restated 2005 Omnibus Incentive Plan (the "Plan"):

| | |
|---|---|
| Name of Optionee: | |
| Total Number of Shares Subject to Option: | |
| Type of Option: | Nonqualified |
| Exercise Price Per Share: | $34.84 |
| Effective Date of Grant: | October 29, 2015 |
| Vesting Schedule: | Subject to the terms of the Plan and the Stock Option Agreement attached hereto, the right to exercise this Option shall vest with respect to one-third of the total number of Shares subject to this Option on each anniversary of the Effective Date of Grant. |
| Expiration Date: | 7th Anniversary of Effective Date of Grant<br><br>The Option is subject to earlier expiration, as provided in Section 3(b) of the attached Stock Option Agreement. |

By your electronic acceptance/signature below, you agree and acknowledge that this Option is granted under and governed by the terms and conditions of the Plan and the attached Stock Option Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Stock Option Agreement.

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**

**Stock Option Agreement**

SECTION 1. **GRANT OF OPTION.**

(a) **Option .** On the terms and conditions set forth in the Notice of Stock Option Grant, which is incorporated by reference, and this Stock Option Agreement (the “Agreement”), the Company grants to the Optionee on the Effective Date of Grant the Option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant.

(b) **Plan and Defined Terms .** The Option is granted pursuant to the Plan. All terms, provisions, and conditions applicable to the Option set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice of Stock Option Grant or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

SECTION 2. **RIGHT TO EXERCISE** .

The Option hereby granted shall be exercised by written notice to the Committee, specifying the number of Shares the Optionee desires to purchase together with provision for payment of the Exercise Price. Subject to such limitations as the Committee may impose (including prohibition of one more of the following payment methods), payment of the Exercise Price may be made by (a) check payable to the order of the Company, for an amount in United States dollars equal to the aggregate Exercise Price of such Shares, (b) by tendering to the Company Shares having an aggregate Fair Market Value (as of the trading date immediately preceding the date of exercise) equal to such Exercise Price, (c) by broker-assisted exercise, or (d) by a combination of such methods. The Company may require the Optionee to furnish or execute such other documents as the Company shall reasonably deem necessary (i) to evidence such exercise and (ii) to comply with or satisfy the requirements of the Securities Act of 1933, as amended, the Exchange Act, applicable state or non-U.S. securities laws or any other law.

SECTION 3. **TERM AND EXPIRATION.**

(a) **Basic Term.** Subject to earlier termination pursuant to the terms hereof, the Option shall expire on the expiration date set forth in the Notice of Stock Option Grant.

(b) **Termination of Employment or Service.** If the Optionee’s employment or service as a Director or Consultant, as the case may be, is terminated, except as otherwise provided in the Optionee’s employment, director services or similar agreement in effect at the time of the termination, the Option shall expire on the earliest of the following occasions:

(i) The expiration date set forth in the Notice of Stock Option Grant;

(ii) The date three months following the termination of the Optionee’s employment or service for any reason other than Cause, death, or Disability;

(iii) The date one year following the termination of the Optionee’s employment or service due to death or Disability; or

(iv) The date of termination of the Optionee’s employment or service for Cause.

The Optionee may exercise all or part of this Option at any time before its expiration under the preceding sentence, but, subject to the following sentence, only to the extent that the Option had become vested before the Optionee’s employment or service terminated. When the Optionee’s employment or service terminates, this Option shall expire immediately with respect to the number of Shares for which the Option is not yet vested. If the Optionee dies after termination of employment or service, but before the expiration of the Option, all or part of this Option may be exercised (prior to expiration) by the personal representative of the Optionee or by any person who has acquired this Option directly from the Optionee by will, bequest or inheritance, but only to the extent that the Option was vested and exercisable upon termination of the Optionee’s employment or service.

(c) **Definition of "Cause ."** The term "Cause" shall have the meaning ascribed to such term in the Optionee's employment, director services or similar agreement with the Company or any Subsidiary. If the Optionee's employment, director services or similar agreement does not define the term "Cause," or if the Optionee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term "Cause" shall mean (i) the willful engaging by the Optionee in misconduct that is demonstrably injurious to the Company or any Parent or Subsidiary (monetarily or otherwise), (ii) the Optionee's conviction of, or pleading guilty or nolo contendere to, a felony involving moral turpitude, or (iii) the Optionee's violation of any confidentiality, non-solicitation, or non-competition covenant to which the Optionee is subject.

(d) **Definition of "Disability ."** The term "Disability" shall have the meaning ascribed to such term in the Optionee's employment, director services or similar agreement with the Company or any Subsidiary. If the Optionee's employment, director services or similar agreement does not define the term "Disability," or if the Optionee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term "Disability" shall mean the Optionee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

SECTION 4. **TRANSFERABILITY OF OPTION.**

(a) **Generally.** Except as provided in Section 4(b) herein, the Option shall not be transferable by the Optionee other than by will or the laws of descent and distribution, and the Option shall be exercisable during the Optionee's lifetime only by the Optionee or on his or her behalf by the Optionee's guardian or legal representative.

(b) **Transfers to Family Members.** Notwithstanding Section 4(a) herein, if the Option is a Nonqualified Stock Option, the Optionee may transfer the Option for no consideration to or for the benefit of a Family Member, subject to such limits as the Committee may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Option.

(c) **Definition of " Family Member."** For purposes of this Agreement, the term "Family Member" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Optionee (including adoptive relationships), any person sharing the same household as the Optionee (other than a tenant or employee), a trust in which the above persons have more than fifty percent of the beneficial interests, a foundation in which the Optionee or the above persons control the management of assets, and any other entity in which the Optionee or the above persons own more than fifty percent of the voting interests.

SECTION 5. **MISCELLANEOUS PROVISIONS.**

(a) **Acknowledgements .** The Optionee hereby acknowledges that he or she has read and understands the terms of the Plan and this Agreement, and agrees to be bound by their respective terms and conditions. The Optionee acknowledges that there may be tax consequences upon the exercise or transfer of the Option and that the Optionee should consult an independent tax advisor prior to any exercise or transfer of the Option.

(b) **Tax Withholding .** Pursuant to Article 20 of the Plan, the Committee shall have the power and the right to deduct or withhold, or require the Optionee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Optionee's FICA obligations) required by law to be withheld with respect to this Option. The Committee may condition the delivery of Shares upon the Optionee's satisfaction of such withholding obligations. The Optionee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including the Optionee's FICA taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing and signed by the Optionee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(c) **Holding Period .** If and when (i) the Optionee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President - Eastern Operations, President - Western Operations, President - Agency Operations, or Chief Legal Officer, and (ii) Optionee does not hold Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, then Optionee must retain at least 50% of the Shares acquired by Optionee as a result of any exercise of this Option (excluding from the calculation any Shares withheld, sold, cancelled, or otherwise forfeited by Optionee for purposes of satisfying the exercise price and tax obligations in connection with the exercise of the Option) until such time as the value of the Shares of FNF Group Common Stock remaining in Grantee's possession following any sale, assignment, pledge, exchange, gift or other transfer of the Shares acquired by Optionee as a result of the exercise of this

Option shall be sufficient to meet any applicable stock ownership guidelines of the Company in place at that time. For the avoidance of doubt, at any time when Optionee holds, in the aggregate, Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, Optionee may enter into a transaction with respect to any Shares acquired by Optionee as a result of the exercise of the Option without regard to the holding period requirement contained in this Section 5(c) so long as Optionee shall continue to satisfy such stock ownership guidelines following such transaction.

(d) **Notice Concerning Disqualifying Dispositions** . If the Option is an Incentive Stock Option, the Optionee shall notify the Committee of any disposition of Shares issued pursuant to the exercise of the Option if the disposition constitutes a "disqualifying disposition" within the meaning of Sections 421 and 422 of the Code (or any successor provision of the Code then in effect relating to disqualifying dispositions). Such notice shall be provided by the Optionee to the Committee in writing within 10 days of any such disqualifying disposition.

(e) **Rights as a Stockholder** . Neither the Optionee nor the Optionee's transferee or representative shall have any rights as a stockholder with respect to any Shares subject to this Option until the Option has been exercised and Share certificates have been issued to the Optionee, transferee or representative, as the case may be.

(f) **Ratification of Actions** . By accepting this Agreement, the Optionee and each person claiming under or through the Optionee shall be conclusively deemed to have indicated the Optionee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice of Stock Option Grant by the Company, the Board, or the Committee.

(g) **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided in writing to the Company.

(h) **Choice of Law** . This Agreement and the Notice of Stock Option Grant shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice of Stock Option Grant to be governed by or construed in accordance with the substantive law of another jurisdiction.

(i) **Arbitration** . Subject to Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice of Stock Option Grant shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice of Stock Option Grant, provided that all substantive questions of law shall be determined in accordance with the state and Federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

(j) **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(k) **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(l) **References to Plan** . All references to the Plan (or to a Section or Article of the Plan) shall be deemed references to the Plan (or the Section or Article) as may be amended from time to time.

(m) **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

**Exhibit 10.26**

# AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement") is effective as of January 8, 2016 (the "Effective Date"), by and between **BKFS I MANAGEMENT, INC.** , a Delaware corporation (the "Company"), and **WILLIAM P. FOLEY, II** (the "Employee"). In consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. Purpose . This Agreement amends and restates, in its entirety, the Employment Agreement between the Company and Employee dated as of January 10, 2014 (the "Prior Agreement"). The purpose of this Agreement is to recognize the Employee's significant contributions to the overall financial performance and success of the Company and to provide a single, integrated document which shall provide the basis for the Employee's continued employment by the Company.

2. Employment and Duties . Subject to the terms and conditions of this Agreement, the Company employs the Employee to serve in an executive capacity as Chairman of the Black Knight Financial Services, Inc. ("Black Knight") Board of Directors (the "Board"). The Employee accepts such employment and agrees to undertake and discharge the duties, functions and responsibilities set forth in Appendix A attached hereto. In addition to the duties and responsibilities specifically assigned to the Employee pursuant to Appendix A, the Employee will perform such other duties and responsibilities as are from time to time assigned to the Employee by the Board in writing, consistent with the terms and provisions of this Agreement. The Company acknowledges and agrees that Employee is now and may continue to serve as Chairman of Fidelity National Financial, Inc. ("FNF") and ServiceLink Holdings, LLC ("ServiceLink"), Vice Chairman of Fidelity National Information Services, Inc. and as an owner and officer of several personal real estate, winery and restaurant investments.

3. Term . The term of this Agreement shall commence on the Effective Date and shall continue for a period of three (3) years ending on the third anniversary of the Effective Date or, if later, ending on the last day of any extension made pursuant to the next sentence, subject to prior termination as set forth in Section 8 (such term, including any extensions pursuant to the next sentence, the "Employment Term"). The Employment Term shall be extended automatically for one (1) additional year on the first anniversary of the Effective Date and for an additional year each anniversary thereafter unless and until either party gives written notice to the other not to extend the Employment Term before such extension would be effectuated. Notwithstanding any termination of the Employment Term or the Employee's employment, the Employee and the Company agree that Sections 8 through 10 shall remain in effect until all parties' obligations and benefits are satisfied thereunder.

4. Salary . During the Employment Term, the Company shall pay the Employee an annual base salary, before deducting all applicable withholdings, of no less than $600,000 per year, payable at the time and in the manner dictated by the Company's standard payroll policies. Such minimum annual base salary may be periodically reviewed and increased (but not decreased without the Employee's express written consent) at the discretion of the Board or the Compensation Committee of the Board (the "Committee") to reflect, among other matters, cost of living increase and performance results (the aggregate amount of paid salary in any given year shall be referred to as the "Annual Base Salary").

5. Other Compensation and Fringe Benefits . In addition to any executive bonus, deferred compensation and long-term incentive plans which the Company or an affiliate of the Company may from

time to time make available to the Employee, the Employee shall be entitled to the following during the Employment Term:

(a) the standard Company benefits enjoyed by the Company's other top executives as a group;

(b) participation in the FNF Executive Medical Plan (for the Employee and any covered dependents);

(c) eligibility to elect and purchase supplemental disability insurance in accordance with the Company’s or an affiliate's then current benefit offering;

(d) an annual incentive bonus opportunity under Black Knight’s annual incentive plan (“Annual Bonus Plan”) for each calendar year included in the Employment Term, with such opportunity to be earned based upon attainment of performance objectives established by the Committee (“Annual Bonus”). The Employee’s target Annual Bonus under the Annual Bonus Plan shall be no less than 250% of the Employee’s Annual Base Salary (collectively, the target and maximum are referred to as the “Annual Bonus Opportunity”). The Employee’s Annual Bonus Opportunity may be periodically reviewed and increased (but not decreased without the Employee’s express written consent) at the discretion of the Committee. The Annual Bonus shall be paid no later than the March 15 $^{th}$ first following the calendar year to which the Annual Bonus relates; and

(e) participation in Black Knight's equity incentive plans, as determined by the Compensation Committee of the Board (provided that the aggregate grant date fair value of Foley’s annual equity grants from Black Knight shall be at least $7,000,000).

6. Vacation . For and during each calendar year within the Employment Term, the Employee shall be entitled to reasonable paid vacation periods consistent with the Employee's position and in accordance with the Company's standard policies, or as the Board may approve. In addition, the Employee shall be entitled to such holidays consistent with the Company's standard policies or as the Board or the Committee may approve.

7. Expense Reimbursement . In addition to the compensation and benefits provided herein, the Company shall, upon receipt of appropriate documentation, reimburse the Employee each month for his reasonable travel, lodging, entertainment, promotion and other ordinary and necessary business expenses to the extent such reimbursement is permitted under the Company's expense reimbursement policy.

8. Termination of Employment . The Company or the Employee may terminate the Employee's employment at any time and for any reason in accordance with Subsection 8(a) below. The Employment Term shall be deemed to have ended on the last day of the Employee's employment. The Employment Term shall terminate automatically upon the Employee's death.

(a) Notice of Termination . Any purported termination of the Employee's employment (other than by reason of death) shall be communicated by written Notice of Termination (as defined herein) from one party to the other in accordance with the notice provisions contained in Section 25. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that indicates the Date of Termination (as that term is defined in Subsection 8(b)) and, with respect to a termination due to Disability (as that term is defined in Subsection 8(e)), Cause (as that term is defined in Subsection 8(d)), or Good Reason (as that term is defined in Subsection 8(f)), sets forth in reasonable detail the facts and circumstances that are alleged to provide a basis for such termination. A Notice of Termination from the Company shall specify whether the termination is with or without Cause or due to the Employee's Disability. A Notice of Termination from the Employee shall specify whether the termination is with or without Good Reason.

(b) Date of Termination . For purposes of this Agreement, "Date of Termination" shall mean the date specified in the Notice of Termination (but in no event shall such date be earlier than the thirtieth (30 th ) day following the date the Notice of Termination is given) or the date of the Employee's death.

(c) No Waiver . The failure to set forth any fact or circumstance in a Notice of Termination, which fact or circumstance was not known to the party giving the Notice of Termination when the notice was given, shall not constitute a waiver of the right to assert such fact or circumstance in an attempt to enforce any right under or provision of this Agreement.

(d) Cause . For purposes of this Agreement, a termination for "Cause" means a termination by the Company based upon the Employee's: (i) persistent failure to perform duties consistent with a commercially reasonable standard of care (other than due to a physical or mental impairment or due to an action or inaction directed by the Company that would otherwise constitute Good Reason); (ii) willful neglect of duties (other than due to a physical or mental impairment or due to an action or inaction directed by the Company that would otherwise constitute Good Reason); (iii) conviction of, or pleading nolo contendere to, criminal or other illegal activities involving dishonesty; (iv) material breach of this Agreement; or (v) failure to materially cooperate with or impeding an investigation authorized by the Board. The Employee's termination for Cause shall be effective when and if a resolution is duly adopted by an affirmative vote of at least ¾ of the Board (less the Employee), stating that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in the Notice of Termination and such conduct constitutes Cause under this Agreement; provided , however , that the Employee shall have been given reasonable opportunity (A) to cure any act or omission that constitutes Cause if capable of cure and (B), together with counsel, during the thirty (30) day period following the receipt by the Employee of the Notice of Termination and prior to the adoption of the Board's resolution, to be heard by the Board.

(e) Disability . For purposes of this Agreement, a termination based upon "Disability" means a termination by the Company based upon the Employee's entitlement to long-term disability benefits under the Company's or an affiliate's long-term disability plan or policy, as the case may be, as in effect on the Date of Termination.

(b) Good Reason . For purposes of this Agreement, a termination for "Good Reason" means a termination by the Employee during the Employment Term based upon the occurrence (without the Employee's express written consent) of any of the following:

(i) a material diminution in the Employee's position or title, or the assignment of duties to the Employee that are materially inconsistent with the Employee's position or title;

(ii) a material diminution in the Employee's Annual Base Salary or Annual Bonus Opportunity;

(iii) within six (6) months immediately preceding or within two (2) years immediately following a Change in Control: (A) a material adverse change in the Employee's status, authority or responsibility ( *e.g.* , the Employee no longer serving as Chairman of the Board would constitute such a material adverse change); (B) a material adverse change in the position to whom the Employee reports (including any requirement that the Employee report to a corporate officer or employee instead of reporting directly to the Board) or to the Employee's service relationship (or the conditions under which the Employee performs his duties) as a result of such reporting structure change, or a material diminution in the authority, duties or responsibilities of the position to whom the Employee reports; (C) a material diminution in the budget over which the Employee has managing authority; or (D) a material change in the geographic location of the Employee's principal place of employment ( *e.g.* , the Company has determined that a relocation of more than thirty-five (35) miles would constitute such a material change);

(iv) a material breach by the Company of any of its obligations under this Agreement; or

(v) election of a new director to the Company's Board who Employee (as a director of the Board) did not consent to or vote for.

Notwithstanding the foregoing, the Employee being placed on a paid leave for up to sixty (60) days pending a determination of whether there is a basis to terminate the Employee for Cause shall not constitute Good Reason. The Employee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder; provided , however , that no such event described above shall constitute Good Reason unless: (1) the Employee gives Notice of Termination to the Company specifying the condition or event relied upon for such termination either: (x) within ninety (90) days of the initial existence of such event; or (y) in the case of an event predating a Change in Control, within ninety (90) days of the Change in Control; and (2) the Company fails to cure the condition or event constituting Good Reason within thirty (30) days following receipt of the Employee's Notice of Termination. Employee and the Company hereby acknowledge and agree that none of the changes made to this Agreement or the replacement of the Amended and Restated Employment Agreement between FNF and Employee with the Director Services Agreement between FNF and Employee, or the termination of the Amended and Restated Employment Agreement between ServiceLink Management, Inc. (and none of the related changes to Employee's titles, authority, duties, positions, responsibilities, compensation or benefits) shall constitute Good Reason under this Agreement or any of the Employee's other agreements.

(c) Cross-Termination . A termination by Employee or FNF of the Employee's position on the Board of Directors of FNF for any reason under that certain Director Services Agreement between FNF and Employee shall constitute a termination for the same reason under this Agreement and Employee shall be entitled to the appropriate termination benefits under this Agreement.

9. Obligations of the Company Upon Termination .

(a) Termination by Foley for Good Reason, Not Re-Elected to the Board or Removed from the Board . If Foley's employment or service as a director is terminated: (1) by the Company for any reason other than Cause, Death or Disability; (2) by Foley for Good Reason; or (3) because Foley is not nominated to run for re-election to the Board as Chairman, is nominated, but does not receive enough votes to be re-elected to the Board, or is removed from the position of Chairman of the Board for reasons other than Cause:

(i) the Company shall pay the Employee the following (collectively, the "Accrued Obligations"): (A) within five (5) business days after the Date of Termination, any earned but unpaid Annual Base Salary; (B) within a reasonable time following submission of all applicable documentation, any expense reimbursement payments owed to the Employee for expenses incurred prior to the Date of Termination; and (C) no later than March 15 th of the year in which the Date of Termination occurs, any earned but unpaid Annual Bonus payments relating to the prior calendar year;

(ii) the Company shall pay the Employee no later than March 15 th of the calendar year following the year in which the Date of Termination occurs, a prorated Annual Bonus based upon the actual Annual Bonus that would have been earned by the Employee for the year in which the Date of Termination occurs (based upon the target Annual

Bonus Opportunity in the year in which the Date of Termination occurred, or the prior year if no target Annual Bonus Opportunity has yet been determined, and the actual satisfaction of the applicable performance measures, but ignoring any requirement under the Annual Bonus plan that the Employee must be employed on the payment date) multiplied by the percentage of the calendar year completed before the Date of Termination;

(iii) the Company shall pay the Employee, no later than the sixty-fifth (65 th ) calendar day after the Date of Termination, a lump-sum payment equal to 300% of the sum of: (A) the Employee's Annual Base Salary in effect immediately prior to the Date of Termination (disregarding any reduction in Annual Base Salary to which the Employee did not expressly consent in writing); and (B) the highest Annual Bonus paid to the Employee by the Company within the three (3) years preceding his termination of employment or, if higher, the target Annual Bonus Opportunity in the year in which the Date of Termination occurs;

(iv) all stock option, restricted stock, profits interest and other equity-based incentive awards granted by Black Knight or ServiceLink that were outstanding but not vested as of the Date of Termination shall become immediately vested and/or payable, as the case may be, unless the equity incentive awards are based upon satisfaction of performance criteria (not based solely on the passage of time); in which case, they will only vest pursuant to their express terms, provided, however, that any such equity awards that are vested pursuant to this provision and that constitute a non-qualified deferred compensation arrangement within the meaning of Code Section 409A shall be paid or settled on the earliest date coinciding with or following the Date of Termination that does not result in a violation of or penalties under Section 409A; and

(v) the Company shall provide (or cause an affiliate to provide) the Employee with certain continued welfare benefits as follows:

(A) Any life insurance coverage provided by the Company or an affiliate shall terminate at the same time as life insurance coverage would normally terminate for any other employee that terminates employment with the Company or an affiliate, and the Employee shall have the right to convert that life insurance coverage to an individual policy under the regular rules of the Company's or affiliate's, as the case may be, group policy. In addition, if the Employee is covered under or receives life insurance coverage provided by the Company or an affiliate on the Date of Termination, then within thirty (30) business days after the Date of Termination, the Company shall pay the Employee a lump sum cash payment equal to thirty-six (36) monthly life insurance premiums based on the monthly premiums that would be due assuming that the Employee had converted such life insurance coverage into an individual policy.

(B) As long as the Employee pays the full monthly premiums for COBRA coverage, the Company shall provide (or cause an affiliate to provide) the Employee and, as applicable, the Employee's eligible dependents with continued medical and dental coverage, on the same basis as provided to the Company's active executives and their dependents until the earlier of: (i) three (3) years after the Date of Termination; or (ii) the date the Employee is first eligible for medical and dental coverage (without pre-existing condition limitations) with a subsequent employer. In addition, within thirty (30) business days after the Date of Termination, the Company shall pay the Employee a lump sum cash payment equal to thirty-six (36) monthly medical and dental COBRA premiums based on the level of coverage in effect for the Employee ( *e.g.* , employee only or family coverage) on the Date of Termination.

(b) Termination by the Company for Cause and by the Employee without Good Reason . If the Employee's employment is terminated (i) by the Company for Cause or (ii) by the Employee without Good Reason, the Company's only obligation under this Agreement shall be payment of any Accrued Obligations.

(c) Termination due to Death or Disability . If the Employee's employment is terminated due to death or Disability, the Company shall pay the Employee (or to the Employee's estate or personal representative in the case of death), within thirty (30) business days after the Date of Termination: (i) any Accrued Obligations, plus (ii) a prorated Annual Bonus based upon the target Annual Bonus opportunity in the year in which the Date of Termination occurred (or the prior year if no target Annual Bonus Opportunity has yet been determined) multiplied by the percentage of the calendar year completed before the Date of Termination.

(d) Definition of Change in Control . For purposes of this Agreement, the term "Change in Control" shall mean that the conditions set forth in any one of the following subsections shall have been satisfied:

(i) the acquisition, directly or indirectly, by any "person" (within the meaning of Section 3(a)(9) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") and used in Sections 13(d) and 14(d) thereof) of "beneficial ownership" (within the meaning of Rule 13d-3 of the Exchange Act) of securities of Black Knight possessing more than fifty percent (50%) of the total combined voting power of all outstanding securities of Black Knight;

(ii) a merger or consolidation in which Black Knight is not the surviving entity, except for a transaction in which the holders of the outstanding voting securities of Black Knight immediately prior to such merger or consolidation hold, in the aggregate, securities possessing more than fifty percent (50%) of the total combined voting power of all outstanding voting securities of the surviving entity immediately after such merger or consolidation;

(iii) a reverse merger in which Black Knight is the surviving entity but in which securities possessing more than fifty percent (50%) of the total combined voting power of all outstanding voting securities of Black Knight are transferred to or acquired by a person or persons different from the persons holding those securities immediately prior to such merger;

(iv) during any period of two (2) consecutive years during the Employment Term or any extensions thereof, individuals, who, at the beginning of such period, constitute the Board, cease for any reason to constitute at least a majority thereof, unless the election of each director who was not a director at the beginning of such period has been approved in advance by directors representing at least two-thirds of the directors then in office who were directors at the beginning of the period;

(v) the sale, transfer or other disposition (in one transaction or a series of related transactions) of assets of Black Knight that have a total fair market value equal to or more than one-third of the total fair market value of all of the assets of Black Knight immediately prior to such sale, transfer or other disposition, other than a sale, transfer or other disposition to an entity (A) which immediately following such sale, transfer or other disposition owns, directly or indirectly, at least fifty percent (50%) of Black Knight's outstanding voting securities or (B) fifty percent (50%) or more of whose outstanding voting securities is immediately following such sale, transfer or other disposition owned, directly or indirectly, by Black Knight. For purposes of the foregoing clause, the sale of stock of a subsidiary of Black Knight (or the assets of such subsidiary) shall be treated as a sale of assets of Black Knight; or

(vi) the approval by the stockholders of a plan or proposal for the liquidation or dissolution of Black Knight.

(e) Six-Month Delay . To the extent the Employee is a "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code and the regulations and other guidance promulgated thereunder and any elections made by the Company in accordance therewith, notwithstanding the timing of payment provided in any other Section of this Agreement, no payment, distribution or benefit under this Agreement that constitutes a distribution of deferred compensation (within the meaning of Treasury Regulation Section 1.409A-1(b)) upon separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)), after taking into account all available exemptions, that would otherwise be payable during the six (6) month period after separation from service, will be made during such six (6) month period, and any such payment, distribution or benefit will instead be paid on the first business day after such six (6) month period, provided, however, that if the Employee dies following the Date of Termination and prior to the payment, distribution, settlement or provision of any payments, distributions or benefits delayed on account of Code Section 409A, such payments, distributions or benefits shall be paid or provided to the personal representative of the Employee's estate within 30 days after the date of Employee's death.

10. Excise Tax . If any payments or benefits paid or provided or to be paid or provided to the Employee or for Employee's benefit pursuant to the terms of this Agreement or otherwise (a "Payment" and, collectively, the "Payments") would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then Employee may elect for such Payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Code (the "Scaled Back Amount"). Any such election must be in writing and delivered to the Company within thirty (30) days after the Date of Termination. If Employee does not elect to have Payments reduced to the Scaled Back Amount, Employee shall be responsible for payment of any Excise Tax resulting from the Payments and Employee shall not be entitled to a gross-up payment under this Agreement or any other for such Excise Tax. If the Payments are to be reduced, they shall be reduced in the following order of priority: (i) first from cash compensation, (ii) next from equity compensation, then (iii) pro-rata among all remaining Payments and benefits. To the extent there is a question as to which Payments within any of the foregoing categories are to be reduced first, the Payments that will produce the greatest present value reduction in the Payments with the least reduction in economic value provided to Employee shall be reduced first. Notwithstanding the order of priority of reduction set forth above, the Employee may include in the Employee's election for a Scaled Back Amount a change to the order of such Payment reduction. The Company shall follow such revised reduction order, if and only if, the Company, in its sole judgment, determines such change does not violate the provisions of Code Section 409A.

11. Non-Delegation of the Employee's Rights . The obligations, rights and benefits of the Employee hereunder are personal and may not be delegated, assigned or transferred in any manner whatsoever, nor are such obligations, rights or benefits subject to involuntary alienation, assignment or transfer.

12. Confidential Information . The Employee acknowledges that he will occupy a position of trust and confidence and will have access to and learn substantial information about the Company and its affiliates and their operations that is confidential or not generally known in the industry including, without limitation, information that relates to purchasing, sales, customers, marketing, and the financial positions and financing arrangements of the Company and its affiliates. The Employee agrees that all such information is proprietary or confidential, or constitutes trade secrets and is the sole property of the Company and/or its affiliates, as

the case may be. The Employee will keep confidential, and will not reproduce, copy or disclose to any other person or firm, any such information or any documents or information relating to the Company's or its affiliates' methods, processes, customers, accounts, analyses, systems, charts, programs, procedures, correspondence or records, or any other documents used or owned by the Company or any of its affiliates, nor will the Employee advise, discuss with or in any way assist any other person, firm or entity in obtaining or learning about any of the items described in this Section 12. Accordingly, the Employee agrees that during the Employment Term and at all times thereafter he will not disclose, or permit or encourage anyone else to disclose, any such information, nor will he utilize any such information, either alone or with others, outside the scope of his duties and responsibilities with the Company and its affiliates.

13. Non-Competition.

(a) During Employment Term. The Employee agrees that, during the Employment Term, he will devote such business time, attention and energies reasonably necessary to the diligent and faithful performance of the services to the Company and its affiliates, and he will not engage in any way whatsoever, directly or indirectly, in any business that is a direct competitor with the Company's or its affiliates' principal business, nor solicit customers, suppliers or employees of the Company or affiliates on behalf of, or in any other manner work for or assist any business which is a direct competitor with the Company's or its affiliates' principal business. In addition, during the Employment Term, the Employee will undertake no planning for or organization of any business activity competitive with the work he performs as an employee of the Company, and the Employee will not combine or conspire with any other employee of the Company or any other person for the purpose of organizing any such competitive business activity.

(b) After Employment Term. The parties acknowledge that the Employee will acquire substantial knowledge and information concerning the business of the Company and its affiliates as a result of his employment. The parties further acknowledge that the scope of business in which the Company and its affiliates are engaged as of the Effective Date is national and very competitive and one in which few companies can successfully compete. Competition by the Employee in that business after the Employment Term would severely injure the Company and its affiliates. Accordingly, for a period of one (1) year after the Employee's employment terminates for any reason whatsoever, except as otherwise stated herein below, the Employee agrees: (i) not to become an employee, consultant, advisor, principal, partner or substantial shareholder of any firm or business that directly competes with the Company or its affiliates in their principal products and markets; and (ii), on behalf of any such competitive firm or business, not to solicit any person or business that was at the time of such termination and remains a customer or prospective customer, a supplier or prospective supplier, or an employee of the Company or an affiliate.

(c) Exclusion. Working, directly or indirectly, for any of the following entities shall not be considered competitive to the Company or its affiliates for the purpose of this Section 13: (i) Fidelity National Information Services, Inc., FNF, ServiceLink, their respective affiliates or their respective successors; or (ii) the Company, its affiliates or their successors.

14. Return of Company Documents. Upon termination of the Employment Term, the Employee shall return immediately to the Company all records and documents of or pertaining to the Company or its affiliates and shall not make or retain any copy or extract of any such record or document, or any other property of the Company or its affiliates.

15. Improvements and Inventions. Any and all improvements or inventions that the Employee may make or participate in during the Employment Term, unless wholly unrelated to the business of the Company and its affiliates and not produced within the scope of the Employee's employment hereunder,

shall be the sole and exclusive property of the Company. The Employee shall, whenever requested by the Company, execute and deliver any and all documents that the Company deems appropriate in order to apply for and obtain patents or copyrights in improvements or inventions or in order to assign and/or convey to the Company or an affiliate the sole and exclusive right, title and interest in and to such improvements, inventions, patents, copyrights or applications.

16. Actions. The parties agree and acknowledge that the rights conveyed by this Agreement are of a unique and special nature and that the Company will not have an adequate remedy at law in the event of a failure by the Employee to abide by its terms and conditions, nor will money damages adequately compensate for such injury. Therefore, it is agreed between and hereby acknowledged by the parties that, in the event of a breach by the Employee of any of the obligations of this Agreement, the Company shall have the right, among other rights, to damages sustained thereby and to obtain an injunction or decree of specific performance from any court of competent jurisdiction to restrain or compel the Employee to perform as agreed herein. The Employee hereby acknowledges that obligations under Sections and Subsections 12, 13(b), 14, 15, 16, 17 and 18 shall survive the termination of employment and be binding by their terms at all times subsequent to the termination of employment for the periods specified therein. Nothing herein shall in any way limit or exclude any other right granted by law or equity to the Company.

17. Release. Notwithstanding any provision herein to the contrary, the Company may require that, prior to payment of any amount or provision of any benefit under Section 9 (other than due to the Employee's death), the Employee shall have executed a complete release of the Company and its affiliates and related parties in such form as is reasonably required by the Company, and any waiting periods contained in such release shall have expired; provided, however, that such release relates only to the Employee's employment relationship with the Company. With respect to any release required to receive payments owed pursuant to Section 9, the Company must provide the Employee with the form of release no later than seven (7) days after the Date of Termination and the release must be signed by the Employee and returned to the Company, unchanged, effective and irrevocable, no later than sixty (60) days after the Date of Termination.

18. No Mitigation. The Company agrees that, if the Employee's employment hereunder is terminated during the Employment Term, the Employee is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Employee by the Company hereunder. Further, the amount of any payment or benefit provided for hereunder (other than pursuant to Subsection 9(a)(v)(B) hereof) shall not be reduced by any compensation earned by the Employee as the result of employment by another employer, by retirement benefits or otherwise.

19. Entire Agreement and Amendment. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter of this Agreement, and supersedes and replaces all prior agreements, understandings and commitments with respect to such subject matter. Without limiting the foregoing, the Employee and the Company hereby acknowledge and agree that, as of the Effective Date, the Prior Agreement shall be null and void and neither party shall have any rights or obligations thereunder. This Agreement may be amended only by a written document signed by both parties to this Agreement.

20. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. Any litigation pertaining to this Agreement shall be adjudicated in courts located in Duval County, Florida.

21. Successors. This Agreement may not be assigned by the Employee. In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the stock, business and/or assets of the Company, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption by a successor shall be a material breach of this Agreement. The Employee agrees and consents to any such assumption by a successor of the Company, as well as any assignment of this Agreement by the Company for that purpose. As used in this Agreement, "Company" shall mean the Company as herein before defined as well as any such successor that expressly assumes this Agreement or otherwise becomes bound by all of its terms and provisions by operation of law. This Agreement shall be binding upon and inure to the benefit of the parties and their permitted successors or assigns.

22. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. Attorneys' Fees. If any party finds it necessary to employ legal counsel or to bring an action at law or other proceedings against the other party to interpret or enforce any of the terms hereof, the party prevailing in any such action or other proceeding shall be promptly paid by the other party its reasonable legal fees, court costs, litigation expenses, all as determined by the court and not a jury, and such payment shall be made by the non-prevailing party no later than the end of the Employee's tax year following the Employee's tax year in which the payment amount becomes known and payable; provided, however, that on or after a Change in Control, and following the Employee's termination of employment with the Company, if any party finds it necessary to employ legal counsel or to bring an action at law or other proceedings against the other party to interpret or enforce any of the terms hereof, the Company shall pay (on an ongoing basis) to the Employee to the fullest extent permitted by law, all legal fees, court costs and litigation expenses reasonably incurred by the Employee or others on his behalf (such amounts collectively referred to as the "Reimbursed Amounts"); provided, further, that the Employee shall reimburse the Company for the Reimbursed Amounts if it is determined that a majority of the Employee's claims or defenses were frivolous or without merit. Requests for payment of Reimbursed Amounts, together with all documents required by the Company to substantiate them, must be submitted to the Company no later than ninety (90) days after the expense was incurred. The Reimbursed Amounts shall be paid by the Company within ninety (90) days after receiving the request and all substantiating documents requested from the Employee. The payment of Reimbursed Amounts during the Employee's tax year will not impact the Reimbursed Amounts for any other taxable year. The rights under this Section 23 shall survive the termination of employment and this Agreement until the expiration of the applicable statute of limitations.

24. Severability. If any section, subsection or provision hereof is found for any reason whatsoever to be invalid or inoperative, that section, subsection or provision shall be deemed severable and shall not affect the force and validity of any other provision of this Agreement. If any covenant herein is determined by a court to be overly broad thereby making the covenant unenforceable, the parties agree and it is their desire that such court shall substitute a reasonable judicially enforceable limitation in place of the offensive part of the covenant and that as so modified the covenant shall be as fully enforceable as if set forth herein by the parties themselves in the modified form. The covenants of the Employee in this Agreement shall each be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of the Employee against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants in this Agreement.

25. Notices . Any notice, request, or instruction to be given hereunder shall be in writing and shall be deemed given when personally delivered or three (3) days after being sent by United States Certified Mail, postage prepaid, with Return Receipt Requested, to the parties at their respective addresses set forth below:

To the Company:

BKFS I Management, Inc.
601 Riverside Avenue
Jacksonville, FL 32204
Attention: General Counsel

To the Employee:

William P. Foley, II
601 Riverside Avenue
Jacksonville, FL 32204

26. Waiver of Breach . The waiver by any party of any provisions of this Agreement shall not operate or be construed as a waiver of any prior or subsequent breach by the other party.

27. Tax Withholding . The Company or an affiliate may deduct from all compensation and benefits payable under this Agreement any taxes or withholdings the Company is required to deduct pursuant to state, federal or local laws.

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28. Code Section 409A . To the extent applicable, it is intended that this Agreement and any payment made hereunder shall comply with the requirements of Section 409A of the Code, and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service ("Code Section 409A"). Any provision that would cause the Agreement or any payment hereof to fail to satisfy Code Section 409A shall have no force or effect until amended to comply with Code Section 409A, which amendment may be retroactive to the extent permitted by Code Section 409A. Each payment under this Agreement shall be treated as a separate payment for purposes of Code Section 409A. In no event may Employee, directly or indirectly, designate the calendar year of any payment to be made under this Agreement. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Code Section 409A, including, without limitation, that (i) in no event shall reimbursements by the Company under this Agreement be made later than the end of the calendar year next following the calendar year in which the applicable fees and expenses were incurred; (ii) the amount of in-kind benefits that the Company is obligated to pay or provide in any given calendar year shall not affect the in-kind benefits that the Company is obligated to pay or provide in any other calendar year; (iii) the Employee’s right to have the Company pay or provide such reimbursements and in-kind benefits may not be liquidated or exchanged for any other benefit; and (iv) in no event shall the Company’s obligations to make such reimbursements or to provide such in-kind benefits apply later than the Employee’s remaining lifetime. Notwithstanding anything contained herein to the contrary, (x) in no event shall the Date of Termination occur until the Employee experiences a “separation of service” within the meaning of Code Section 409A, and the date on which such separation from service takes place shall be the “Date of Termination,” and all references herein to a “termination of employment” (or words of similar meaning) shall mean a “separation of service” within the meaning of Code Section 409A and (y) to the extent the payment of any amount pursuant to Section 9 of this Agreement constitutes deferred compensation (within the meaning of Treasury Regulation Section 1.409A-1(b)) and such amount is payable within a number of days ( *e.g.,* no later than the sixty-fifth (65 th ) calendar day after the Date of Termination) that begins in one calendar year and ends in a subsequent calendar year, such amount shall be paid in the subsequent calendar year. The Employee acknowledges that he has been advised to consult with an attorney and any other advisors of Employee’s choice prior to executing this Agreement, and the Employee further acknowledges that, in entering into this Agreement, he has not relied upon any representation or statement made by any agent or representative of Company or its affiliates that is not expressly set forth in this Agreement, including, without limitation, any representation with respect to the consequences or characterization (including for purpose of tax withholding and reporting) of the payment of any compensation or benefits hereunder under Section 409A of the Code and any similar sections of state tax law.

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the date first set forth above.

BKFS I MANAGEMENT, INC.

By:

Its:________________________________

WILLIAM P. FOLEY, II

## APPENDIX A

### Position Title: Chairman of the Board

DUTIES AND RESPONSIBILITIES: Reporting to the Board, the Employee's duties and responsibilities include:

1. Chairman of the Board of Directors of Black Knight Financial Services, Inc.;
2. strategic planning and initiatives;
3. mergers and acquisitions;
4. business development;
5. budget and long range planning advice;
6. presiding over meetings of the Board of Directors of Black Knight Financial Services, Inc. and members as Chairman;
7. planning the contents and agenda of such meetings with the assistance of Company management;
8. supervising the Company's communications with its shareholders;
9. participating in customer relations and public relations.

**Exhibit 10.27**

# DIRECTOR SERVICES AGREEMENT

THIS DIRECTOR SERVICES AGREEMENT (the "Agreement") is effective as of January 8, 2016 (the "Effective Date"), by and between **FIDELITY NATIONAL FINANCIAL, INC.** , a Delaware corporation (the "Company"), and **WILLIAM P. FOLEY, II** (the "Foley"). In consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. Purpose . The purpose of this Agreement is to provide a single, integrated document which shall provide the basis for Foley's continued services to the Company. This Agreement supersedes, in its entirety, the employment agreement between the Company and Foley, dated as of July 2, 2008, as amended as of February 4, 2010, August 1, 2012, August 27, 2013, and January 10, 2014 (the "Prior Agreement").

2. Services and Duties . Subject to the terms and conditions of this Agreement, the Company engages Foley to serve in a non-executive capacity as Chairman of the Board of Directors of the Company (the "Board") commencing as of the Effective Date. Foley accepts such engagement and agrees to undertake and discharge the duties, functions and responsibilities set forth in Appendix A attached hereto. In addition to the duties and responsibilities specifically assigned to Foley pursuant to Appendix A , Foley will perform such other duties and responsibilities as are from time to time assigned to Foley by a majority of the Board in writing, consistent with the terms and provisions of this Agreement. The Company acknowledges and agrees that Foley is now and may continue to serve as Chairman of Black Knight Financial Services, Inc. ("Black Knight") and ServiceLink Holdings, LLC ("ServiceLink"), Vice Chairman of Fidelity National Information Services, Inc. and as an owner and officer of several personal real estate, winery and restaurant investments. Foley acknowledges that the changes described in this Agreement do not give rise to a right to terminate services for Good Reason.

3. Term . The term of this Agreement shall commence on the Effective Date and shall continue for so long as Foley serves as Chairman of the Board (the "Term"). Notwithstanding any termination of the Term or Foley's services, Foley and the Company agree that Sections 7 through 9 shall remain in effect until all parties' obligations are satisfied thereunder.

4. Board Retainer and Meeting Fees . During the Term, the Company shall pay Foley an annual Board Retainer, before deducting any applicable withholdings, of no less than $780,000 ($390,000 of which shall be for Foley's services on the Board relating to the Company and $390,000 of which shall be for Foley's services on the Board relating to Fidelity National Financial Ventures, LLC and its related businesses) (collectively, the "Annual Retainer"), plus standard per meeting Board fees, in each case payable at the time and in the manner dictated by the Company's standard payroll policies. Such minimum Annual Retainer may be periodically reviewed and increased (but not decreased without Foley's express written consent) at the discretion of the Board or the Compensation Committee of the Board (the "Committee").

5. Other Compensation and Benefits . During the Term, Foley, through Black Knight Financial Services, Inc., shall be eligible to continue to participate in the Company's Executive Medical Plan, as from time to time constituted, participate in the Company's equity incentive plans (provided that the aggregate grant date fair value of Foley's annual FNF Group and/or FNFV Group equity grants shall be at least $600,000), as determined by the Compensation Committee of the Board (the "Committee"), and to continued use of the corporate aircraft in the same manner as Foley had access prior to the Effective Date, and, subject to changes in applicable law, in accordance with the same general cost allocations. Foley shall not be entitled

to an annual cash incentive or annual cash bonus for his services as non-executive Chairman of the Company; provided, however, that Foley shall retain his right to any annual bonus earned with respect to calendar year 2015 and his rights under the terms of the Fidelity National Financial Ventures Long-Term Investment Success Performance Award (subject to the terms thereof) that was previously awarded pursuant to the Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (the “LTIP Award”). The change in Foley’s position from executive Chairman to non-executive Chairman shall not affect any of Foley’s cash or equity incentive awards (including, without limitation, his FNF Group or FNFV Group stock options or restricted stock awards, his Black Knight restricted stock awards, his Service Link profits interest or his LTIP Award).

6. Expense Reimbursement . The Company shall, upon receipt of appropriate documentation, reimburse Foley each month for his reasonable travel, lodging, entertainment, promotion and other ordinary and necessary business expenses to the extent such reimbursement is permitted under the Company’s expense reimbursement policy.

7. Termination of Services . The Company or Foley may terminate Foley’s services hereunder at any time and for any reason in accordance with Subsection 7(a) below. The Term shall be deemed to have ended on the last day of Foley’s services. The Term shall terminate automatically upon Foley’s death.

(a) Notice of Termination . Any purported termination of Foley’s services (other than by reason of death) shall be communicated by written Notice of Termination (as defined herein) from one party to the other in accordance with the notice provisions contained in Section 24. For purposes of this Agreement, a “Notice of Termination” shall mean a notice that indicates the Date of Termination (as that term is defined in Subsection 7(b)) and, with respect to a termination due to Disability (as that term is defined in Subsection 7(e)), Cause (as that term is defined in Subsection 7(d)), or Good Reason (as that term is defined in Subsection 7(f)), sets forth in reasonable detail the facts and circumstances that are alleged to provide a basis for such termination. A Notice of Termination from the Company shall specify whether the termination is with or without Cause or due to Foley’s Disability. A Notice of Termination from Foley shall specify whether the termination is with or without Good Reason.

(b) Date of Termination . For purposes of this Agreement, “Date of Termination” shall mean the date specified in the Notice of Termination (but in no event shall such date be earlier than the thirtieth (30th) day following the date the Notice of Termination is given) or the date of Foley’s death.

(c) No Waiver . The failure to set forth any fact or circumstance in a Notice of Termination, which fact or circumstance was not known to the party giving the Notice of Termination when the notice was given, shall not constitute a waiver of the right to assert such fact or circumstance in an attempt to enforce any right under or provision of this Agreement.

(d) Cause . For purposes of this Agreement, a termination for “Cause” means a termination by the Company based upon Foley’s: (i) persistent failure to perform duties consistent with a commercially reasonable standard of care (other than due to a physical or mental impairment or due to an action or inaction directed by the Company that would otherwise constitute Good Reason); (ii) willful neglect of duties (other than due to a physical or mental impairment or due to an action or inaction directed by the Company that would otherwise constitute Good Reason); (iii) conviction of, or pleading nolo contendere to, criminal or other illegal activities involving dishonesty; (iv) material breach of this Agreement; or (v) failure to materially cooperate with or impeding an investigation authorized by the Board. Foley’s termination for Cause shall be effective when and if a resolution is duly adopted by an affirmative vote of at least ¾ of the Board (less Foley), stating that, in the good faith opinion of the Board, Foley is guilty of the conduct described in the Notice of Termination and such conduct constitutes Cause under this Agreement; provided , however , that Foley shall have been given reasonable opportunity (A) to cure any act or omission that constitutes Cause if capable of cure and (B), together with counsel, during the thirty (30) day period following the receipt by Foley of the Notice of Termination and prior to the adoption of the Board's resolution, to be heard by the Board.

(e) Disability . For purposes of this Agreement, a termination based upon "Disability" means a termination by the Company based upon Foley's entitlement to long-term disability benefits under the Company's long-term disability plan or policy, as the case may be, as in effect on the Date of Termination.

(b) Good Reason . For purposes of this Agreement, a termination for "Good Reason" means a termination by Foley based upon the occurrence (without Foley's express written consent) of any of the following:

(i) a material diminution in Foley's position or title, or the assignment of duties to Foley that are materially inconsistent with Foley's position or title as described in this Agreement;

(ii) a material diminution in the Annual Retainer;

(iii) within six (6) months immediately preceding or within two (2) years immediately following a Change in Control: (A) a material adverse change in Foley's status, authority or responsibility ( *e.g.* , Foley no longer serving as non-executive Chairman of the Board would constitute such a material adverse change); or (B) a material adverse change in the position to whom Foley reports (including any requirement that Foley report to a corporate officer or employee instead of reporting directly to the Board) or to Foley's service relationship (or the conditions under which Foley performs his duties) as a result of such reporting structure change, or a material diminution in the authority, duties or responsibilities of the position to whom Foley reports;

(iv) a material breach by the Company of any of its obligations under this Agreement; or

(v) election of a new director to the Company's Board who Foley did not consent to or vote for.

Notwithstanding the foregoing, Foley being placed on a paid leave for up to sixty (60) days pending a determination of whether there is a basis to terminate Foley for Cause shall not constitute Good Reason. Foley's continued services shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder; provided , however , that no such event described above shall constitute Good Reason unless: (1) Foley gives Notice of Termination to the Company specifying the condition or event relied upon for such termination either: (x) within ninety (90) days of the initial existence of such event; or (y) in the case of an event predating a Change in Control, within ninety (90) days of the Change in Control; and (2) the Company fails to cure the condition or event constituting Good Reason within thirty (30) days following receipt of Foley's Notice of Termination. Foley and the Company hereby acknowledge and agree that none of the changes made to the Prior Agreement or the Amended and Restated Employment Agreement between Foley and BKFS I Management, Inc. or the termination of the Amended and Restated Employment Agreement between ServiceLink Management, Inc. (and none of the related changes to Foley's titles, authority, duties, positions, responsibilities, compensation or benefits) shall constitute Good Reason under this Agreement or any of Foley's other agreements.

(c) Cross-Termination. A termination of Foley's services by BKFS I Management, Inc. or Foley for any reason under that certain Amended and Restated Employment Agreement between BKFS I Management, Inc. and Foley (as may be amended from time to time) shall constitute a termination for the same reason under this Agreement and Foley shall be entitled to the appropriate termination benefits under this Agreement.

8. Obligations of the Company Upon Termination.

(a) Termination by Foley for Good Reason, Not Re-Elected to the Board or Removed from the Board. If Foley's service as a director is terminated: (1) by the Company for any reason other than Cause, Death or Disability; (2) by Foley for Good Reason; or (3) because Foley is not nominated to run for re-election to the Board as Chairman, is nominated, but does not receive enough votes to be re-elected to the Board, or is removed from the position of Chairman of the Board for reasons other than Cause:

(i) the Company shall pay Foley the following (collectively, the "Accrued Obligations"): (A) within five (5) business days after the Date of Termination, any earned but unpaid retainer; (B) within a reasonable time following submission of all applicable documentation, any expense reimbursement payments owed to Foley for expenses incurred prior to the Date of Termination; and (C) if the termination occurs on or before March 15, 2016, no later than March 15, 2016, any earned but unpaid annual bonus payments relating to calendar year 2015; and

(ii) all stock option, restricted stock, profits interest and other equity-based incentive awards granted by the Company (including awards relating both to FNF and FNFV Group common stock), Black Knight , and ServiceLink that were outstanding but not vested as of the Date of Termination shall become immediately vested and/or payable, as the case may be, unless the equity incentive awards are based upon satisfaction of performance criteria (not based solely on the passage of time), in which case they will only vest pursuant to their express terms, provided, however, that any such equity awards that are vested pursuant to this provision and that constitute a non-qualified deferred compensation arrangement within the meaning of Code Section 409A shall be paid or settled on the earliest date coinciding with or following the Date of Termination that does not result in a violation of or penalties under Section 409A.

(b) Termination by the Company for Cause and by Foley without Good Reason. If Foley's services are terminated (i) by the Company for Cause or (ii) by Foley without Good Reason, the Company's only obligation under this Agreement shall be payment of any Accrued Obligations.

(c) Termination due to Death or Disability. If Foley's services are terminated due to death or Disability, the Company shall pay Foley (or to Foley's estate or personal representative in the case of death), within thirty (30) business days after the Date of Termination, any Accrued Obligations.

(d) Definition of Change in Control. For purposes of this Agreement, the term "Change in Control" shall mean that the conditions set forth in any one of the following subsections shall have been satisfied:

(i) the acquisition, directly or indirectly, by any "person" (within the meaning of Section 3(a)(9) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") and used in Sections 13(d) and 14(d) thereof) of "beneficial ownership" (within the meaning of Rule 13d-3 of the Exchange Act) of securities of the Company possessing more than fifty percent (50%) of the total combined voting power of all outstanding securities of the Company;

(ii) a merger or consolidation in which the Company is not the surviving entity, except for a transaction in which the holders of the outstanding voting securities of the Company immediately prior to such merger or consolidation hold, in the aggregate, securities possessing more than fifty percent (50%) of the total combined voting power of all outstanding voting securities of the surviving entity immediately after such merger or consolidation;

(iii) a reverse merger in which the Company is the surviving entity but in which securities possessing more than fifty percent (50%) of the total combined voting power of all outstanding voting securities of the Company are transferred to or acquired by a person or persons different from the persons holding those securities immediately prior to such merger;

(iv) during any period of two (2) consecutive years during the Term or any extensions thereof, individuals, who, at the beginning of such period, constitute the Board, cease for any reason to constitute at least a majority thereof, unless the election of each director who was not a director at the beginning of such period has been approved in advance by directors representing at least two-thirds of the directors then in office who were directors at the beginning of the period;

(v) the sale, transfer or other disposition (in one transaction or a series of related transactions) of assets of the Company that have a total fair market value equal to or more than one-third of the total fair market value of all of the assets of the Company immediately prior to such sale, transfer or other disposition, other than a sale, transfer or other disposition to an entity (A) which immediately following such sale, transfer or other disposition owns, directly or indirectly, at least fifty percent (50%) of the Company's outstanding voting securities or (B) fifty percent (50%) or more of whose outstanding voting securities is immediately following such sale, transfer or other disposition owned, directly or indirectly, by the Company. For purposes of the foregoing clause, the sale of stock of a subsidiary of the Company (or the assets of such subsidiary) shall be treated as a sale of assets of the Company; or

(vi) the approval by the stockholders of a plan or proposal for the liquidation or dissolution of the Company.

(e) Six-Month Delay . To the extent Foley is a "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code and the regulations and other guidance promulgated thereunder and any elections made by the Company in accordance therewith, notwithstanding the timing of payment provided in any other Section of this Agreement, no payment, distribution or benefit under this Agreement that constitutes a distribution of deferred compensation (within the meaning of Treasury Regulation Section 1.409A-1(b)) upon separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)), after taking into account all available exemptions, that would otherwise be payable during the six (6) month period after separation from service, will be made during such six (6) month period, and any such payment, distribution or benefit will instead be paid on the first business day after such six (6) month period, provided, however, that if Foley dies following the Date of Termination and prior to the payment, distribution, settlement or provision of any payments, distributions or benefits delayed on account of Code Section 409A, such payments, distributions or benefits shall be paid or provided to the personal representative of Foley's estate within 30 days after the date of Foley's death.

9. Excise Tax . If any payments or benefits paid or provided or to be paid or provided to Foley or for Foley's benefit pursuant to the terms of this Agreement or otherwise (a "Payment" and, collectively, the "Payments") would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"),

then Foley may elect for such Payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Code (the "Scaled Back Amount"). Any such election must be in writing and delivered to the Company within thirty (30) days after the Date of Termination. If Foley does not elect to have Payments reduced to the Scaled Back Amount, Foley shall be responsible for payment of any Excise Tax resulting from the Payments and Foley shall not be entitled to a gross-up payment under this Agreement or any other for such Excise Tax. If the Payments are to be reduced, they shall be reduced in the following order of priority: (i) first from cash compensation, (ii) next from equity compensation, then (iii) pro-rata among all remaining Payments and benefits. To the extent there is a question as to which Payments within any of the foregoing categories are to be reduced first, the Payments that will produce the greatest present value reduction in the Payments with the least reduction in economic value provided to Foley shall be reduced first. Notwithstanding the order of priority of reduction set forth above, Foley may include in Foley's election for a Scaled Back Amount a change to the order of such Payment reduction. The Company shall follow such revised reduction order, if and only if, the Company, in its sole judgment, determines such change does not violate the provisions of Code Section 409A.

10. Non-Delegation of Foley's Rights . The obligations, rights and benefits of Foley hereunder are personal and may not be delegated, assigned or transferred in any manner whatsoever, nor are such obligations, rights or benefits subject to involuntary alienation, assignment or transfer.

11. Confidential Information . Foley acknowledges that he has and will continue to occupy a position of trust and confidence and has and will continue to have access to and learn substantial information about the Company and its affiliates and their operations that is confidential or not generally known in the industry including, without limitation, information that relates to purchasing, sales, customers, marketing, and the financial positions and financing arrangements of the Company and its affiliates. Foley agrees that all such information is proprietary or confidential, or constitutes trade secrets and is the sole property of the Company and/or its affiliates, as the case may be. Foley will keep confidential, and will not reproduce, copy or disclose to any other person or firm, any such information or any documents or information relating to the Company's or its affiliates' methods, processes, customers, accounts, analyses, systems, charts, programs, procedures, correspondence or records, or any other documents used or owned by the Company or any of its affiliates, nor will Foley advise, discuss with or in any way assist any other person, firm or entity in obtaining or learning about any of the items described in this Section 11. Accordingly, Foley agrees that during the Term and at all times thereafter he will not disclose, or permit or encourage anyone else to disclose, any such information, nor will he utilize any such information, either alone or with others, outside the scope of his duties and responsibilities with the Company and its affiliates.

12. Non-Competition .

(a) During Term . Foley agrees that, during the Term, he will devote such business time, attention and energies reasonably necessary to the diligent and faithful performance of the services to the Company and its affiliates, and he will not engage in any way whatsoever, directly or indirectly, in any business that is a direct competitor with the Company's or its affiliates' principal business, nor solicit customers, suppliers or employees of the Company or its affiliates on behalf of, or in any other manner work for or assist any business which is a direct competitor with the Company's or its affiliates' principal business. In addition, during the Term, Foley will undertake no planning for or organization of any business activity competitive with the work he performs as a director of the Company, and Foley will not combine or conspire with any employee of the Company or any other person for the purpose of organizing any such competitive business activity.

(b) After Term . The parties acknowledge that Foley will acquire substantial knowledge and information concerning the business of the Company and its affiliates as a result of his services. The parties further acknowledge that the scope of business in which the Company and its affiliates are engaged as of the Effective Date is national and very competitive and one in which few companies can successfully compete. Competition by Foley in that business after the Term would severely injure the Company and its affiliates. Accordingly, for a period of one (1) year after Foley's services terminates for any reason whatsoever, except as otherwise stated herein below, Foley agrees: (i) not to become an employee, consultant, advisor, principal, partner or substantial shareholder of any firm or business that directly competes with the Company or its affiliates in their principal products and markets; and (ii), on behalf of any such competitive firm or business, not to solicit any person or business that was at the time of such termination and remains a customer or prospective customer, a supplier or prospective supplier, or an employee of the Company or an affiliate.

(c) Exclusion . Working, directly or indirectly, for any of the following entities shall not be considered competitive to the Company or its affiliates for the purpose of this Section 12: (i) Fidelity National Information Services, Inc., Black Knight, ServiceLink, or their respective affiliates or successors; or (ii) the Company, its affiliates or their successors.

13. Return of Company Documents . Upon termination of the Term, Foley shall return immediately to the Company all records and documents of or pertaining to the Company or its affiliates and shall not make or retain any copy or extract of any such record or document, or any other property of the Company or its affiliates.

14. Improvements and Inventions . Any and all improvements or inventions that Foley may make or participate in during the Term, unless wholly unrelated to the business of the Company and its affiliates and not produced within the scope of Foley's services hereunder, shall be the sole and exclusive property of the Company. Foley shall, whenever requested by the Company, execute and deliver any and all documents that the Company deems appropriate in order to apply for and obtain patents or copyrights in improvements or inventions or in order to assign and/or convey to the Company the sole and exclusive right, title and interest in and to such improvements, inventions, patents, copyrights or applications.

15. Actions . The parties agree and acknowledge that the rights conveyed by this Agreement are of a unique and special nature and that the Company will not have an adequate remedy at law in the event of a failure by Foley to abide by its terms and conditions, nor will money damages adequately compensate for such injury. Therefore, it is agreed between and hereby acknowledged by the parties that, in the event of a breach by Foley of any of the obligations of this Agreement, the Company shall have the right, among other rights, to damages sustained thereby and to obtain an injunction or decree of specific performance from any court of competent jurisdiction to restrain or compel Foley to perform as agreed herein. Foley hereby acknowledges that obligations under Sections and Subsections 11, 12(b), 13, 14, 15, 16 and 17 shall survive the termination of services and be binding by their terms at all times subsequent to the termination of services for the periods specified therein. Nothing herein shall in any way limit or exclude any other right granted by law or equity to the Company.

16. Release . Notwithstanding any provision herein to the contrary, the Company may require that, prior to payment of any amount or provision of any benefit under Section 8 (other than due to Foley's death), Foley shall have executed a complete release of the Company and its affiliates and related parties in such form as is reasonably required by the Company, and any waiting periods contained in such release shall have expired; provided , however , that such release relates only to Foley's service relationship with the Company. With respect to any release required to receive payments owed pursuant to Section 8, the Company

must provide Foley with the form of release no later than seven (7) days after the Date of Termination and the release must be signed by Foley and returned to the Company, unchanged, effective and irrevocable, no later than sixty (60) days after the Date of Termination.

17. No Mitigation. The Company agrees that, if Foley's services hereunder are terminated during the Term, Foley is not required to attempt in any way to reduce any amounts payable to Foley by the Company hereunder. Further, the amount of any payment or benefit provided for hereunder shall not be reduced by any compensation earned by Foley as the result of employment by another entity, by retirement benefits or otherwise.

18. Entire Agreement; Prior Agreement and Amendment. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter of this Agreement, and supersedes and replaces all prior agreements, understandings and commitments with respect to such subject matter, including, without limitation, the Prior Agreement. Without limiting the foregoing, Foley and the Company hereby acknowledge and agree that, as of the Effective Date, the Prior Agreement shall be null and void and neither party shall have any rights or obligations thereunder. This Agreement may be amended only by a written document signed by both parties to this Agreement.

19. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. Any litigation pertaining to this Agreement shall be adjudicated in courts located in Duval County, Florida.

20. Successors. This Agreement may not be assigned by Foley. In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the stock, business and/or assets of the Company, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption by a successor shall be a material breach of this Agreement. Foley agrees and consents to any such assumption by a successor of the Company, as well as any assignment of this Agreement by the Company for that purpose. As used in this Agreement, "Company" shall mean the Company as herein before defined as well as any such successor that expressly assumes this Agreement or otherwise becomes bound by all of its terms and provisions by operation of law. This Agreement shall be binding upon and inure to the benefit of the parties and their permitted successors or assigns.

21. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. Attorneys' Fees. If any party finds it necessary to employ legal counsel or to bring an action at law or other proceedings against the other party to interpret or enforce any of the terms hereof, the party prevailing in any such action or other proceeding shall be promptly paid by the other party its reasonable legal fees, court costs, litigation expenses, all as determined by the court and not a jury, and such payment shall be made by the non-prevailing party no later than the end of Foley's tax year following Foley's tax year in which the payment amount becomes known and payable; provided, however, that on or after a Change in Control, and following Foley's termination of services with the Company, if any party finds it necessary to employ legal counsel or to bring an action at law or other proceedings against the other party to interpret or enforce any of the terms hereof, the Company shall pay (on an ongoing basis) to Foley to the fullest extent permitted by law, all legal fees, court costs and litigation expenses reasonably incurred by Foley or others on his behalf (such amounts collectively referred to as the "Reimbursed Amounts"); provided, further, that

Foley shall reimburse the Company for the Reimbursed Amounts if it is determined that a majority of Foley's claims or defenses were frivolous or without merit. Requests for payment of Reimbursed Amounts, together with all documents required by the Company to substantiate them, must be submitted to the Company no later than ninety (90) days after the expense was incurred. The Reimbursed Amounts shall be paid by the Company within ninety (90) days after receiving the request and all substantiating documents requested from Foley. The payment of Reimbursed Amounts during Foley's tax year will not impact the Reimbursed Amounts for any other taxable year. The rights under this Section 22 shall survive the termination of services and this Agreement until the expiration of the applicable statute of limitations.

23. Severability. If any section, subsection or provision hereof is found for any reason whatsoever to be invalid or inoperative, that section, subsection or provision shall be deemed severable and shall not affect the force and validity of any other provision of this Agreement. If any covenant herein is determined by a court to be overly broad thereby making the covenant unenforceable, the parties agree and it is their desire that such court shall substitute a reasonable judicially enforceable limitation in place of the offensive part of the covenant and that as so modified the covenant shall be as fully enforceable as if set forth herein by the parties themselves in the modified form. The covenants of Foley in this Agreement shall each be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of Foley against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants in this Agreement.

24. Notices. Any notice, request, or instruction to be given hereunder shall be in writing and shall be deemed given when personally delivered or three (3) days after being sent by United States Certified Mail, postage prepaid, with Return Receipt Requested, to the parties at their respective addresses set forth below:

To the Company:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204
Attention: General Counsel

To Foley:

William P. Foley, II
601 Riverside Avenue
Jacksonville, FL 32204

25. Waiver of Breach. The waiver by any party of any provisions of this Agreement shall not operate or be construed as a waiver of any prior or subsequent breach by the other party.

26. Tax Withholding. The Company or an affiliate may deduct from all compensation and benefits payable under this Agreement any taxes or withholdings the Company is required to deduct pursuant to state, federal or local laws.

27. Code Section 409A . To the extent applicable, it is intended that this Agreement and any payment made hereunder shall comply with the requirements of Section 409A of the Code, and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service ("Code Section 409A"). Any provision that would cause the Agreement or any payment hereof to fail to satisfy Code Section 409A shall have no force or effect until amended to comply with Code Section 409A, which amendment may be retroactive to the extent permitted by Code Section 409A. Each payment under this Agreement shall be treated as a separate payment for purposes of Code Section 409A. In no event may Foley, directly or indirectly, designate the calendar year of any payment to be made under this Agreement. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Code Section 409A, including, without limitation, that (i) in no event shall reimbursements by the Company under this Agreement be made later than the end of the calendar year next following the calendar year in which the applicable fees and expenses were incurred; (ii) the amount of in-kind benefits that the Company is obligated to pay or provide in any given calendar year shall not affect the in-kind benefits that the Company is obligated to pay or provide in any other calendar year; (iii) Foley's right to have the Company pay or provide such reimbursements and in-kind benefits may not be liquidated or exchanged for any other benefit; and (iv) in no event shall the Company's obligations to make such reimbursements or to provide such in-kind benefits apply later than Foley's remaining lifetime. Notwithstanding anything contained herein to the contrary, with respect to any amounts that may be provided pursuant to this Agreement that constitute deferred compensation (within the meaning of Treasury Regulation Section 1.409A-1(b)), (x) in no event shall the Date of Termination occur until Foley experiences a "separation of service" within the meaning of Code Section 409A, and the date on which such separation from service takes place shall be the "Date of Termination," and all references herein to a "termination of services" (or words of similar meaning) shall mean a "separation of service" within the meaning of Code Section 409A and (y) to the extent the payment of any amount pursuant to Section 8 of this Agreement constitutes deferred compensation (within the meaning of Treasury Regulation Section 1.409A-1(b)) and such amount is payable within a number of days that begins in one calendar year and ends in a subsequent calendar year, such amount shall be paid in the subsequent calendar year. Foley acknowledges that he has been advised to consult with an attorney and any other advisors of Foley's choice prior to executing this Agreement, and Foley further acknowledges that, in entering into this Agreement, he has not relied upon any representation or statement made by any agent or representative of Company or its affiliates that is not expressly set forth in this Agreement, including, without limitation, any representation with respect to the consequences or characterization (including for purpose of tax withholding and reporting) of the payment of any compensation or benefits hereunder under Section 409A of the Code and any similar sections of state tax law.

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the date first set forth above.

FIDELITY NATIONAL FINANCIAL, INC.

By:

Its: Executive Vice President, General Counsel and Corporate Secretary

WILLIAM P. FOLEY, II

## APPENDIX A

**Position Title: Chairman of the Board**

DUTIES AND RESPONSIBILITIES: Reporting to the Board, Foley's duties and responsibilities include:

1. member of the Board as Chairman;
2. monitoring and approving the Company's strategic and financial plans and initiatives, budget and long-range planning, strategies, objectives and initiatives, including mergers, acquisitions and business development;
3. presiding over meetings of the Board and the shareholders as Chairman of the Board;
4. planning the contents and agenda of such meetings with the assistance of applicable management;
5. monitoring and approving the Company's communications with its shareholders; and
6. participating in earnings call, and, as appropriate, in customer relations and public relations.

For purposes of clarity, during the Term of the Agreement, Foley will not serve in an executive officer capacity, and will not have the authorities or duties of an executive officer. Specifically, and without limiting the generality of the foregoing, although Foley will continue to have a role (as Chairman of the Board) in monitoring and approving the Company's strategic and financial plans and initiatives, budget, long-range planning, strategies, objectives and initiatives (including mergers, acquisitions and business development), and corporate policy generally, Foley will neither make nor implement (or serve as a member of any CEO or executive officer-appointed committee or group whose purpose is to evaluate, discuss, make or implement) such policies, plans, objectives or initiatives, nor will Foley have the authority to do so (instead, such authority and duties shall be reserved for and exercised by the CEOs and executive officers of the Company).

**Exhibit 10.45**

**Black Knight Financial Services, Inc.**
**2015 Omnibus Incentive Plan**

**Notice of Restricted Stock Grant**

You (the “Grantee”) have been granted the following award of restricted Shares of Class A common stock (the “Restricted Stock”), par value $0.0001 per share (the “Shares”), by Black Knight Financial Services, Inc. (the “Company”), pursuant to the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (the “Plan”) and the terms set forth in the attached Restricted Stock Award Agreement:

| | |
|---|---|
| Name of Grantee: | |
| Number of Shares of Restricted Stock Granted: | |
| Effective Date of Grant: | February 3, 2016 |
| Vesting and Period of Restriction: | Subject to the terms of the Plan and the Restricted Stock Award Agreement attached hereto, the Period of Restriction shall lapse, and the Shares shall vest and become free of the forfeiture provisions contained in the Restricted Stock Award Agreement, with respect to one-third of the shares on each anniversary of the Effective Date of Grant and satisfaction of the Performance Restriction as set forth on Exhibit A of the Restricted Stock Award Agreement, attached hereto. |

By your electronic acceptance/signature below, you agree and acknowledge that the Restricted Stock is granted under and governed by the terms and conditions of the Plan and the attached Restricted Stock Award Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Restricted Stock Award Agreement.

**Black Knight Financial Services, Inc.**
**2015 Omnibus Incentive Plan**

**Restricted Stock Award Agreement**
**(Subject to Time-Based Restriction and Performance Restriction)**

Section 1. **GRANT OF RESTRICTED STOCK**

(a) **Restricted Stock** . On the terms and conditions set forth in the Notice of Restricted Stock Grant (the "Notice") and this Restricted Stock Award Agreement (the "Agreement"), the Company grants to the Grantee on the Effective Date of Grant the Shares of Restricted Stock (the "Restricted Stock") set forth in the Notice.

(b) **Plan and Defined Terms** . The Restricted Stock is granted pursuant to the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (the "Plan"). All terms, provisions, and conditions applicable to the Restricted Stock set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

Section 2. **FORFEITURE AND TRANSFER RESTRICTIONS**

(a) **Forfeiture** . Except as otherwise provided in Grantee's employment, director services or similar agreement in effect at the time of the employment termination:

(i) If the Grantee's employment or service as a Director or Consultant is terminated for any reason other than death, or Disability (as defined below), the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination.

(ii) If the Grantee's employment or service as a Director or Consultant is terminated due to the Grantee's death or Disability, a portion of the Shares which on the date of termination of employment remain subject to a Time-Based Restriction and/or the Performance Restriction (as defined in Exhibit A) shall vest and become free of the forfeiture and transfer restrictions contained in the Agreement (except as otherwise provided in Section 2(b) of this Agreement). The portion which shall vest shall be determined by the following formula (rounded to the nearest whole Share):

(A x B) - C, where

A = the total number of Shares granted under this Agreement,

B = the number of completed months to the date of termination of employment since the Effective Date of Grant divided by 36, and

C = the number of Shares granted under this Agreement which vested on or prior to the date of termination of employment.

All Shares that are subject to a Period of Restriction on the date of termination of employment or service as a Director or Consultant and which will not be vested pursuant to Section 2(a)(ii) above, shall be forfeited to the Company, for no consideration.

(iii) The term "Disability" shall have the meaning ascribed to such term in the Grantee's employment, director services or similar agreement with the Company. If the Grantee's employment, director services or similar agreement does not define the term "Disability," or if the Grantee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term "Disability" shall mean the Grantee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

(iv) If the Performance Restriction is not satisfied during the Measurement Period, all of the Shares that do not satisfy the performance criteria for the applicable Performance Period, shall be forfeited to the Company, for no consideration.

(b) **Transfer Restrictions** . During the Period of Restriction, the Restricted Stock may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, to the extent such Shares are subject to a Period of Restriction.

(c) **Holding Period** . If and when (i) the Grantee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President of Data and Analytics, President of Loan Technology, President of Servicing Technology or President of RealEC Technologies, and (ii) Grantee does not hold Shares with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, then Grantee must retain 50% of the Shares acquired by Grantee as a result of the lapse of a Period of Restriction (excluding from the calculation any Shares withheld for purposes of satisfying Grantee's tax obligations in connection with such lapse of a Period of Restriction) until such time as the value of the Shares remaining in Grantee's possession following any sale, assignment, pledge, exchange, gift or other transfer of the Shares shall be sufficient to meet any applicable stock ownership guidelines of the Company in place at that time. For the avoidance of doubt, at any time when Grantee holds, in the aggregate, Shares with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, Grantee may enter into a transaction with respect to any Shares acquired by Grantee as a result of the lapse of a Period of Restriction without regard to the holding period requirement contained in this Section 2(b) so long as Grantee shall continue to satisfy such stock ownership guidelines following such transaction.

(d) **Lapse of Restrictions** . The Period of Restriction shall lapse as to the Restricted Stock in accordance with the Notice and the terms of this Agreement. Subject to the terms of the Plan and Section 6(a) hereof, upon lapse of the Period of Restriction, the Grantee shall own the Shares that are subject to this Agreement free of all restrictions, other than the holding period described in Section 2(c) above. 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 Period of Restriction or other restriction imposed on the Restricted Stock that has not previously lapsed, including the holding period described in Section 2(c) above, shall lapse.

Section 3. **STOCK CERTIFICATES**

As soon as practicable following the grant of Restricted Stock, the Shares of Restricted Stock shall be registered in the Grantee's name in certificate or book-entry form. If a certificate is issued, it shall bear an appropriate legend referring to the restrictions and it shall be held by the Company, or its agent, on behalf of the Grantee until the Period of Restriction has lapsed. If the Shares are registered in book-entry form, the restrictions shall be placed on the book-entry registration. The Grantee may be required to execute and return to the Company a blank stock power for each Restricted Stock certificate (or instruction letter, with respect to Shares registered in book-entry form), which will permit transfer to the Company, without further action, of all or any portion of the Restricted Stock that is forfeited in accordance with this Agreement.

Section 4. **SHAREHOLDER RIGHTS**

Except for the transfer and dividend restrictions, and subject to such other restrictions, if any, as determined by the Committee, the Grantee shall have all other rights of a holder of Shares, including the right to vote (or to execute proxies for voting) such Shares. Unless otherwise determined by the Committee, if all or part of a dividend in respect of the Restricted Stock is paid in Shares or any other security issued by the Company, such Shares or other securities shall be held by the Company subject to the same restrictions as the Restricted Stock in respect of which the dividend was paid.

Section 5. **DIVIDENDS**

(a) Any dividends paid with respect to Shares which remain subject to a Period of Restriction shall not be paid to the Grantee but shall be held by the Company.

(b) Such held dividends shall be subject to the same Period of Restriction as the Shares to which they relate.

(c) Any dividends held pursuant to this Section 5 which are attributable to Shares which vest pursuant to this Agreement shall be paid to the Grantee within 30 days of the applicable vesting date.

(d) Dividends attributable to Shares forfeited pursuant to Section 2 of this Agreement shall be forfeited to the Company on the date such Shares are forfeited.

Section 6. **MISCELLANEOUS PROVISIONS**

(a) **Tax Withholding** . Pursuant to Article 20 of the Plan, the Committee shall have the power and right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Grantee's FICA obligations) required by law to be withheld with respect to this Award. The Committee may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including payroll taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense.

Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(b) **Ratification of Actions** . By accepting this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated the Grantee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice by the Company, the Board or the Committee.

(c) **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

(d) **Choice of Law** . This Agreement and the Notice shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice to be governed by or construed in accordance with the substantive law of another jurisdiction.

(e) **Arbitration** . Subject to, and in accordance with the provisions of Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice, provided that all substantive questions of law shall be determined in accordance with the state and federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

(f) **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(g) **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(h) **References to Plan** . All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

(i) **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

## EXHIBIT A

### Vesting and Restrictions

This grant is subject to both a Performance Restriction and a Time-Based Restriction, as described below (collectively, the "Period of Restriction").

### Performance Restriction

In order for the Restricted Stock to vest, the Compensation Committee of the Board of Directors of the Company (the "Committee") must determine that the Company has achieved Adjusted EBITDA of $413 million (the "Performance Restriction") for the period of January 1, 2016 to December 31, 2016 (the "Measurement Period"). Adjusted EBITDA shall be defined as operating income before depreciation and amortization, with further adjustments to reflect the addition or elimination of certain income statement items including, but not limited to, (i) the deferred revenue purchase accounting adjustment recorded in accordance with GAAP; (ii) equity-based compensation; (iii) acquisition or IPO-related costs; (iv) non-recurring costs associated with the achievement of synergies; (v) charges associated with material legal matters; (vi) member management fees paid to FNF and THL; (vii) exit costs, impairments, and other charges; (viii) other significant, non-recurring items. The Committee will evaluate whether the Performance Restriction has been achieved following the completion of the Measurement Period.

**Time-Based Restrictions**

| Anniversary Date | % of Restricted Stock |
|---|---|
| First (1 st ) anniversary of the Effective Date of Grant | 33.33% |
| Second (2 nd ) anniversary of the Effective Date of Grant | 33.33% |
| Third (3 rd ) anniversary of the Effective Date of Grant | 33.34% |

**Vesting**

If the Performance Restriction has been achieved as of an Anniversary Date, the percentage of the Restricted Stock indicated next to such Anniversary Date shall vest on such indicated Anniversary Date (such three year vesting schedule referred to as the “Time-Based Restrictions”). If the Performance Restriction is not achieved during the Measurement Period, none of the Restricted Stock granted hereunder shall vest and, for no consideration, will be automatically forfeited to the Company.

Exhibit 10.46

**Black Knight Financial Services, Inc.**
**2015 Omnibus Incentive Plan**

**Notice of Restricted Stock Grant**

You (the "Grantee") have been granted the following award of restricted Shares of Class A common stock (the "Restricted Stock"), par value $0.0001 per share (the "Shares"), by Black Knight Financial Services, Inc. (the "Company"), pursuant to the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (the "Plan") and the terms set forth in the attached Restricted Stock Award Agreement:

| | |
|---|---|
| Name of Grantee: | |
| Number of Shares of Restricted Stock Granted: | |
| Effective Date of Grant: | February 3, 2016 |
| Vesting and Period of Restriction: | Subject to the terms of the Plan and the Restricted Stock Award Agreement attached hereto, the Period of Restriction shall lapse, and the Shares shall vest and become free of the forfeiture provisions contained in the Restricted Stock Award Agreement, with respect to one-fourth of the shares on each anniversary of the Effective Date of Grant and satisfaction of the Performance Restriction as set forth on Exhibit A of the Restricted Stock Award Agreement, attached hereto. |

By your electronic acceptance/signature below, you agree and acknowledge that the Restricted Stock is granted under and governed by the terms and conditions of the Plan and the attached Restricted Stock Award Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Restricted Stock Award Agreement.

**Black Knight Financial Services, Inc.**
**2015 Omnibus Incentive Plan**

**Restricted Stock Award Agreement**
**(Subject to Time-Based Restriction and Performance Restriction)**

Section 1. **GRANT OF RESTRICTED STOCK**

(a) **Restricted Stock** . On the terms and conditions set forth in the Notice of Restricted Stock Grant (the "Notice") and this Restricted Stock Award Agreement (the "Agreement"), the Company grants to the Grantee on the Effective Date of Grant the Shares of Restricted Stock (the "Restricted Stock") set forth in the Notice.

(b) **Plan and Defined Terms** . The Restricted Stock is granted pursuant to the Black Knight Financial Services, Inc. 2015 Omnibus Incentive Plan (the "Plan"). All terms, provisions, and conditions applicable to the Restricted Stock set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

Section 2. **FORFEITURE AND TRANSFER RESTRICTIONS**

(a) **Forfeiture** . Except as otherwise provided in Grantee's employment, director services or similar agreement in effect at the time of the employment termination:

(i) If the Grantee's employment or service as a Director or Consultant is terminated for any reason other than death, or Disability (as defined below), the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination.

(ii) If the Grantee's employment or service as a Director or Consultant is terminated due to the Grantee's death or Disability, a portion of the Shares which on the date of termination of employment remain subject to a Time-Based Restriction and/or the Performance Restriction (as defined in Exhibit A) shall vest and become free of the forfeiture and transfer restrictions contained in the Agreement (except as otherwise provided in Section 2(b) of this Agreement). The portion which shall vest shall be determined by the following formula (rounded to the nearest whole Share):

(A x B) - C, where

A = the total number of Shares granted under this Agreement,

B = the number of completed months to the date of termination of employment since the Effective Date of Grant divided by 48, and

C = the number of Shares granted under this Agreement which vested on or prior to the date of termination of employment.

All Shares that are subject to a Period of Restriction on the date of termination of employment or service as a Director or Consultant and which will not be vested pursuant to Section 2(a)(ii) above, shall be forfeited to the Company, for no consideration.

(iii) The term "Disability" shall have the meaning ascribed to such term in the Grantee's employment, director services or similar agreement with the Company. If the Grantee's employment, director services or similar agreement does not define the term "Disability," or if the Grantee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term "Disability" shall mean the Grantee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

(iv) If the Performance Restriction is not satisfied during the Measurement Period, all of the Shares that do not satisfy the performance criteria for the applicable Performance Period, shall be forfeited to the Company, for no consideration.

(b) **Transfer Restrictions** . During the Period of Restriction, the Restricted Stock may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, to the extent such Shares are subject to a Period of Restriction.

(c) **Holding Period** . If and when (i) the Grantee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President of Data and Analytics, President of Loan Technology, President of Servicing Technology or President of

RealEC Technologies, and (ii) Grantee does not hold Shares with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, then Grantee must retain 50% of the Shares acquired by Grantee as a result of the lapse of a Period of Restriction (excluding from the calculation any Shares withheld for purposes of satisfying Grantee's tax obligations in connection with such lapse of a Period of Restriction) until such time as the value of the Shares remaining in Grantee's possession following any sale, assignment, pledge, exchange, gift or other transfer of the Shares shall be sufficient to meet any applicable stock ownership guidelines of the Company in place at that time. For the avoidance of doubt, at any time when Grantee holds, in the aggregate, Shares with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, Grantee may enter into a transaction with respect to any Shares acquired by Grantee as a result of the lapse of a Period of Restriction without regard to the holding period requirement contained in this Section 2(b) so long as Grantee shall continue to satisfy such stock ownership guidelines following such transaction.

(d) **Lapse of Restrictions** . The Period of Restriction shall lapse as to the Restricted Stock in accordance with the Notice and the terms of this Agreement. Subject to the terms of the Plan and Section 6(a) hereof, upon lapse of the Period of Restriction, the Grantee shall own the Shares that are subject to this Agreement free of all restrictions, other than the holding period described in Section 2(c) above. 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 Period of Restriction or other restriction imposed on the Restricted Stock that has not previously lapsed, including the holding period described in Section 2(c) above, shall lapse.

Section 3. **STOCK CERTIFICATES**

As soon as practicable following the grant of Restricted Stock, the Shares of Restricted Stock shall be registered in the Grantee's name in certificate or book-entry form. If a certificate is issued, it shall bear an appropriate legend referring to the restrictions and it shall be held by the Company, or its agent, on behalf of the Grantee until the Period of Restriction has lapsed. If the Shares are registered in book-entry form, the restrictions shall be placed on the book-entry registration. The Grantee may be required to execute and return to the Company a blank stock power for each Restricted Stock certificate (or instruction letter, with respect to Shares registered in book-entry form), which will permit transfer to the Company, without further action, of all or any portion of the Restricted Stock that is forfeited in accordance with this Agreement.

Section 4. **SHAREHOLDER RIGHTS**

Except for the transfer and dividend restrictions, and subject to such other restrictions, if any, as determined by the Committee, the Grantee shall have all other rights of a holder of Shares, including the right to vote (or to execute proxies for voting) such Shares. Unless otherwise determined by the Committee, if all or part of a dividend in respect of the Restricted Stock is paid in Shares or any other security issued by the Company, such Shares or other securities shall be held by the Company subject to the same restrictions as the Restricted Stock in respect of which the dividend was paid.

Section 5. **DIVIDENDS**

(a) Any dividends paid with respect to Shares which remain subject to a Period of Restriction shall not be paid to the Grantee but shall be held by the Company.

(b) Such held dividends shall be subject to the same Period of Restriction as the Shares to which they relate.

(c) Any dividends held pursuant to this Section 5 which are attributable to Shares which vest pursuant to this Agreement shall be paid to the Grantee within 30 days of the applicable vesting date.

(d) Dividends attributable to Shares forfeited pursuant to Section 2 of this Agreement shall be forfeited to the Company on the date such Shares are forfeited.

Section 6. **MISCELLANEOUS PROVISIONS**

(a) **Tax Withholding** . Pursuant to Article 20 of the Plan, the Committee shall have the power and right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Grantee's FICA obligations) required by law to be withheld with respect to this Award. The Committee may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including payroll taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(b) **Ratification of Actions** . By accepting this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated the Grantee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice by the Company, the Board or the Committee.

(c) **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

(d) **Choice of Law** . This Agreement and the Notice shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice to be governed by or construed in accordance with the substantive law of another jurisdiction.

(e) **Arbitration** . Subject to, and in accordance with the provisions of Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice, provided that all substantive questions of law shall be determined in accordance with the state and federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

(f) **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(g) **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(h) **References to Plan** . All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

(i) **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

## EXHIBIT A

### Vesting and Restrictions

This grant is subject to both a Performance Restriction and a Time-Based Restriction, as described below (collectively, the "Period of Restriction").

### Performance Restriction

In order for the Restricted Stock to vest, the Compensation Committee of the Board of Directors of the Company (the "Committee") must determine that the Company has achieved Adjusted EBITDA of $413 million (the "Performance Restriction") for the period of January 1, 2016 to December 31, 2016 (the "Measurement Period"). Adjusted EBITDA shall be defined as operating income before depreciation and amortization, with further adjustments to reflect the addition or elimination of certain income statement items including, but not limited to, (i) the deferred revenue purchase accounting adjustment recorded in accordance with GAAP; (ii) equity-based compensation; (iii) acquisition or IPO-related costs; (iv) non-recurring costs associated with the achievement of synergies; (v) charges associated with material legal matters; (vi) member management fees paid to FNF and THL; (vii) exit costs, impairments, and other charges; (viii) other significant, non-recurring items. The Committee will evaluate whether the Performance Restriction has been achieved following the completion of the Measurement Period.

**Time-Based Restrictions**

| Anniversary Date | % of Restricted Stock |
| --- | --- |
| First (1 st ) anniversary of the Effective Date of Grant | 25% |
| Second (2 nd ) anniversary of the Effective Date of Grant | 25% |
| Third (3 rd ) anniversary of the Effective Date of Grant | 25% |
| Fourth (4 th ) anniversary of the Effective Date of Grant | 25% |

**Vesting**

If the Performance Restriction has been achieved as of an Anniversary Date, the percentage of the Restricted Stock indicated next to such Anniversary Date shall vest on such indicated Anniversary Date (such three year vesting schedule referred to as the "Time-Based Restrictions"). If the Performance Restriction is not achieved during the Measurement Period, none of the Restricted Stock granted hereunder shall vest and, for no consideration, will be automatically forfeited to the Company.

**EXHIBIT 21.1**

**FIDELITY NATIONAL FINANCIAL, INC.**
**List of Subsidiaries December 31, 2015**
**Significant Subsidiaries**

| COMPANY | INCORPORATION |
|---|---|
| FNTG Holdings, LLC | Delaware |
| Chicago Title Insurance Company | Nebraska |
| Fidelity National Title Group, Inc. | Delaware |
| Fidelity National Title Insurance Company | California |
| Black Knight Financial Services, LLC | Delaware |
| Black Knight Holdings, Inc. | Delaware |
| Black Knight Technology Solutions, LLC | Delaware |

**Exhibit 23.1**

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors
Fidelity National Financial, Inc.:

We consent to the incorporation by reference in the Registration Statements (Nos. 333-198187, 333-197249, 333-197124, 333-193825, 333-190527, 333-157643, 333-132843, 333-138254, 333-129886, 333-129016 and 333-176395) on Form S-8, Registration Statements (Nos. 333-157123, 333-147391, and 333-174650) on Form S-3, and Registration Statements (Nos. 333-194938 and 333-190902) on Form S-4 of Fidelity National Financial, Inc. of our reports dated February 23, 2016 , with respect to the Consolidated Balance Sheets of Fidelity National Financial, Inc. as of December 31, 2015 and 2014 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity, and Cash Flows for each of the years in the three-year period ended December 31, 2015 , and all related financial statement schedules, and the effectiveness of internal control over financial reporting as of December 31, 2015 , which reports appear in the December 31, 2015 annual report on Form 10-K of Fidelity National Financial, Inc.

/s/ KPMG LLP

Jacksonville, Florida
February 23, 2016
Certified Public Accountants

**Exhibit 31.1**

**CERTIFICATIONS**

I, Raymond R. Quirk, certify that:

1. I have reviewed this annual report on Form 10-K of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2016

By: */s/ Raymond R. Quirk*

Raymond R. Quirk
Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATIONS**

I, Anthony J. Park, certify that:

1. I have reviewed this annual report on Form 10-K of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2016

By: */s/ Anthony J. Park*

Anthony J. Park
Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Executive Officer of Fidelity National Financial, Inc., a Delaware corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: February 23, 2016

By: */s/ Raymond R. Quirk*
Raymond R. Quirk
Chief Executive Officer

**Exhibit 32.2**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Financial Officer of Fidelity National Financial, Inc., a Delaware corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: February 23, 2016

By: */s/ Anthony J. Park*

Anthony J. Park

Chief Financial Officer

**EXHIBIT 99.1**

## Unaudited Attributed Financial Information for Fidelity National Financial Group Tracking Stock

The following tables present our assets, liabilities, revenues, expenses and cash flows that are attributed to our FNF core business, known as FNF Core Operations (“we,” “our,” or "FNF Group"). The financial information in this Exhibit should be read in conjunction with our consolidated financial statements for the period ended December 31, 2015 included in this Annual Report on Form 10-K.

FNF Core Operations is comprised of three operating segments as follows:

*Title*

This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty insurance. This segment also includes the transaction services business acquired from Lender Processing Services, Inc. ("LPS"), now combined with our ServiceLink business. Transaction services include other title related services used in production and management of mortgage loans, including mortgage loans that experience default.

*Black Knight*

This segment consists of the operations of Black Knight, which, through leading software systems and information solutions, provides mission critical technology and data and analytics services that facilitate and automate many of the business processes across the life cycle of a mortgage.

*FNF Core Corporate and Other*

The FNF Core Corporate and Other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

We have adopted certain expense allocation policies, each of which are reflected in the attributed financial information of the FNF Core Operations and the FNFV Group (see Exhibit 99.2). In general, corporate overhead is allocated to each group based upon the use of services by that group where practicable. Corporate overhead primarily includes costs of personnel and employee benefits, legal, accounting and auditing, insurance, investor relations and stockholder services and services related to FNF’s board of directors. We allocate in a similar manner a portion of costs of administrative shared services, such as information technology services. Where determinations based on use alone are not practical, we use other methods and criteria that we believe are equitable and that provide a reasonable estimate of the cost attributable to each group.

Notwithstanding the following attribution of assets, liabilities, revenue, expenses and cash flows to FNF Group, Fidelity National Financial, Inc.'s ("FNF, Inc.") tracking stock structure does not affect the ownership or the respective legal title to FNF Inc.'s assets or responsibility for FNF, Inc.'s liabilities. FNF, Inc. and its subsidiaries are each responsible for their respective liabilities. Holders of FNF Group common stock are subject to risks associated with an investment in FNF, Inc. and all of its businesses, assets and liabilities. See "Item 1A. *Risk Factors* - Risks Relating to the Ownership of Our FNFV Group Common Stock due to our Tracking Stock Capitalization" for further discussion of risks associated with our tracking stock structure.

**FIDELITY NATIONAL FINANCIAL GROUP OPERATIONS**
**Balance Sheet Information**
(In millions)

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| | (Unaudited) | |
| **ASSETS** | | |
| Investments: | | |
| Fixed maturities available for sale, at fair value, at December 31, 2015 and 2014, includes pledged fixed maturities of $342 and $353, respectively, related to secured trust deposits | $ 2,558 | $ 3,025 |
| Preferred stock available for sale, at fair value | 289 | 223 |
| Equity securities available for sale, at fair value | 309 | 145 |
| Investments in unconsolidated affiliates | 125 | 16 |
| Other long-term investments | 78 | 120 |
| Short-term investments, includes pledged short term investments of $266 and $146 at December 31, 2015 and 2014, respectively, related to secured trust deposits | 790 | 170 |
| Total investments | 4,149 | 3,699 |
| Cash and cash equivalents, at December 31, 2015 and 2014, includes pledged cash of $108 and $136, respectively, related to secured trust deposits | 749 | 661 |
| Trade and notes receivables, net of allowance of $31 and $32 at December 31, 2015 and December 31, 2014, respectively | 453 | 464 |
| Due from affiliates | 10 | — |
| Income taxes receivable | — | 60 |
| Goodwill | 4,572 | 4,515 |
| Prepaid expenses and other assets | 551 | 408 |
| Capitalized software, net | 543 | 557 |
| Other intangible assets, net | 802 | 915 |
| Title plant | 395 | 393 |
| Property and equipment, net | 278 | 254 |
| Total assets | $ 12,502 | $ 11,926 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 878 | $ 918 |
| Income taxes payable | 38 | — |
| Deferred revenue | 191 | 136 |
| Reserve for title claim losses | 1,583 | 1,621 |
| Secured trust deposits | 701 | 622 |
| Notes payable | 2,593 | 2,683 |
| Due to affiliates | — | 1 |
| Deferred tax liability | 669 | 673 |
| Total liabilities | 6,653 | 6,654 |
| Commitments and Contingencies: | | |
| Redeemable non-controlling interest by 21% minority holder of ServiceLink Holdings, LLC as of December 31, 2015 and 33% minority holder of Black Knight Financial Services, LLC and 35% minority holder of ServiceLink Holdings, LLC as of December 31, 2014 | 344 | 715 |
| Equity: | | |
| FNF Group common stock, $0.0001 par value; authorized 487,000,000 shares as of December 31, 2015 and 2014; outstanding of 275,781,160 and 279,443,239 as of December 31, 2015 and 2014, respectively; and issued of 282,394,970 and 279,824,125 as of December 31, 2015 and 2014, respectively | — | — |
| Additional paid-in capital | 3,639 | 3,514 |
| Retained earnings | 1,377 | 1,060 |
| Accumulated other comprehensive earnings | 7 | 53 |
| Less: treasury stock, 6,613,810 and 375,662 shares as of December 31, 2015 and December 31, 2014, respectively | (238) | (12) |
| Total Fidelity National Financial Group shareholders' equity | 4,785 | 4,615 |
| Noncontrolling interests | 720 | (58) |
| Total equity | 5,505 | 4,557 |
| Total liabilities, redeemable noncontrolling interest and equity | $ 12,502 | $ 11,926 |

See Notes to Unaudited Attributed Financial Information for FNF Group Tracking Stock

**FIDELITY NATIONAL FINANCIAL GROUP OPERATIONS**
**Statements of Earnings Information**
(In millions)

| | Year Ended December 31, | |
|---|---|---|
| | 2015 | 2014 |
| | (Unaudited) | |
| Revenues: | | |
| Direct title insurance premiums | $ 2,009 | $ 1,727 |
| Agency title insurance premiums | 2,277 | 1,944 |
| Escrow, title related and other fees | 3,121 | 2,694 |
| Interest and investment income | 121 | 121 |
| Realized gains and losses, net | 6 | 4 |
| Total revenues | 7,534 | 6,490 |
| Expenses: | | |
| Personnel costs | 2,514 | 2,370 |
| Agent commissions | 1,731 | 1,471 |
| Other operating expenses | 1,714 | 1,557 |
| Depreciation and amortization | 345 | 336 |
| Claim loss expense | 246 | 228 |
| Interest expense | 122 | 122 |
| Total expenses | 6,672 | 6,084 |
| Earnings from continuing operations before income taxes and equity in losses of unconsolidated affiliates | 862 | 406 |
| Income tax expense | 310 | 162 |
| Earnings from continuing operations before equity in earnings of unconsolidated affiliates | 552 | 244 |
| Equity in earnings of unconsolidated affiliates | 6 | 4 |
| Net earnings from continuing operations | 558 | 248 |
| Loss from discontinued operations, net of tax | — | (1) |
| Net earnings | 558 | 247 |
| Less: Net earnings (loss) attributable to non-controlling interests | 18 | (68) |
| Net earnings attributable to FNF Group common shareholders | $ 540 | $ 315 |
| **Earnings Per Share** | | |
| *Basic* | | |
| Net earnings per share attributable to Old FNF common shareholders | $ — | $ 0.37 |
| Net earnings per share attributable to FNF Group common shareholders | $ 1.95 | $ 0.77 |
| *Diluted* | | |
| Net earnings per share attributable to Old FNF common shareholders | $ — | $ 0.37 |
| Net earnings per share attributable to FNF Group common shareholders | $ 1.89 | $ 0.75 |
| Weighted average shares outstanding Old FNF common stock, basic basis (1) | — | 138 |
| Weighted average shares outstanding Old FNF common stock, diluted basis (1) | — | 142 |
| Weighted average shares outstanding FNF Group common stock, basic basis | 277 | 138 |
| Weighted average shares outstanding FNF Group common stock, diluted basis | 286 | 142 |

(1) The recapitalization of our stock took place on July 1, 2014. Accordingly, the outstanding shares of Old FNF common stock are presented and used to calculate earnings per share for the first six months of the twelve months ended December 31, 2014.

See Notes to Unaudited Attributed Financial Information for FNF Group Tracking Stock

**FIDELITY NATIONAL FINANCIAL GROUP OPERATIONS**
**Statement of Cash Flows Information**
(In millions)

| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
|---|---|---|
| | (Unaudited) | |
| Cash flows from operating activities: | | |
| Net earnings | $ 558 | $ 247 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 345 | 336 |
| Equity in earnings of unconsolidated affiliates | (6) | (4) |
| Gain on sales of investments and other assets, net | (6) | (4) |
| Stock-based compensation cost | 47 | 39 |
| Tax benefit associated with the exercise of stock options | (21) | (16) |
| Changes in assets and liabilities, net of effects from acquisitions: | | |
| Net increase in pledged cash, pledged investments, and secured trust deposits | (2) | — |
| Net decrease (increase) in trade receivables | 8 | (35) |
| Net (increase) decrease in prepaid expenses and other assets | (107) | 24 |
| Net increase (decrease) in accounts payable, accrued liabilities, deferred revenue and other | 9 | (130) |
| Net decrease in reserve for title claim losses | (38) | (67) |
| Net change in amount due to affiliates | (10) | (13) |
| Net change in income taxes | 111 | 98 |
| Net cash provided by operating activities | 888 | 475 |
| Cash flows from investing activities: | | |
| Proceeds from sales of investment securities available for sale | 775 | 778 |
| Proceeds from calls and maturities of investment securities available for sale | 383 | 458 |
| Proceeds from sale of other assets | 10 | 4 |
| Additions to property and equipment and capitalized software | (179) | (124) |
| Purchases of investment securities available for sale | (1,073) | (1,032) |
| Net purchases of short-term investment securities | (486) | (161) |
| Purchases of other long-term investments | (26) | (34) |
| Contributions to investments in unconsolidated affiliates | (92) | — |
| Distributions from investments in unconsolidated affiliates | 44 | 7 |
| Net other investing activities | (6) | (17) |
| Acquisition of Lender Processing Services, Inc., net of cash acquired | — | (2,254) |
| Acquisition of BPG Holdings, LLC, net of cash acquired | (43) | — |
| Other acquisitions/disposals of businesses, net of cash acquired | (44) | (41) |
| Net cash used in investing activities | (737) | (2,416) |
| Cash flows from financing activities: | | |
| Borrowings | 1,229 | 1,504 |
| Debt service payments | (1,328) | (875) |
| Additional investment in non-controlling interest | — | (1) |
| Additional investment in consolidated subsidiary | (6) | — |
| Proceeds from sale of 35% of Black Knight Financial Services, LLC and ServiceLink, LLC to minority interest holder | — | 687 |
| Proceeds from BKFS IPO | 475 | — |
| Dividends paid | (220) | (201) |
| Subsidiary dividends paid to non-controlling interest shareholders | (6) | (10) |
| Exercise of stock options | 25 | 40 |
| Equity and debt issuance costs | — | (1) |
| Tax benefit associated with the exercise of stock options | 21 | 16 |
| Distributions by BKFS to member | (17) | — |
| Purchases of treasury stock | (208) | — |
| Contributions to subsidiaries | — | (168) |
| Net cash (used in) provided by financing activities | (35) | 991 |

| | | |
|---|---|---|
| Net increase (decrease) in cash and cash equivalents, excluding pledged cash related to secured trust deposits | 116 | (950) |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits at beginning of period | 525 | 1,475 |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits at end of period | $ 641 | $ 525 |

See Notes to Unaudited Attributed Financial Information for FNF Group Tracking Stock

## Note A. Basis of Presentation

### *Description of the Business*

FNF Group is a leading provider of (i) title insurance, escrow and other title related services, including collection and trust activities, trustee sales guarantees, recordings and reconveyances and home warranty insurance and (ii) technology and transaction services to the real estate and mortgage industries. FNF is the nation's largest title insurance company operating through its title insurance underwriters - Fidelity National Title Insurance Company, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Alamo Title Insurance and National Title Insurance of New York Inc. - that collectively issue more title insurance policies than any other title company in the United States. Through our subsidiary ServiceLink Holdings, LLC ("ServiceLink"), we provide mortgage transaction services including title-related services and facilitation of production and management of mortgage loans. FNF also provides industry-leading mortgage technology solutions, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiary, Black Knight Financial Services, Inc. ("Black Knight").

### *Recent Developments*

On January 20, 2016, we entered into two interest rate swap agreements to hedge forecasted monthly interest rate payments on $400.0 million of our floating rate debt ($200.0 million notional value each) (the “Swap Agreements”). The Swap Agreements have been designated as cash flow hedging instruments. Under the terms of the Swap Agreements, we receive payments based on the 1-month LIBOR rate and pay a weighted average fixed rate of 1.01%. The effective term for the Swap Agreements is February 1, 2016 through January 31, 2019.

On July 20, 2015, we completed the recapitalization of ServiceLink Holdings, LLC through a conversion (the "ServiceLink Conversion") of $505 million of the $566 million aggregate preference amount associated with its Class A1 participating preferred units into slightly more than 67.3 million Class A common units. As a result of the ServiceLink Conversion, our ownership percentage in ServiceLink Holdings, LLC increased from 65% to 79% .

On July 20, 2015, our Board of Directors approved a new FNF Group three -year stock repurchase program, effective August 1, 2015, under which we may repurchase up to 25 million shares of FNF Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through July 31, 2018.

On May 29, 2015, Black Knight completed a redemption (the "Redemption") of $205 million in aggregate principal of its senior notes ("Black Knight Senior Notes") at a price of 105.750% . Black Knight incurred a charge on the Redemption of $12 million and also reduced the bond premium by $7 million for the portion of the premium that relates to the redeemed Black Knight Senior Notes, resulting in a net charge on the Redemption of $5 million . Following the Redemption, $390 million in aggregate principal of Black Knight Senior Notes remained outstanding.

On May 27, 2015, Black Knight InfoServ, LLC (“BKIS”), a subsidiary of Black Knight, entered into a credit and guaranty agreement (the “BKIS Credit Agreement”) with an aggregate borrowing capacity of $1.6 billion , dated as of May 27, 2015, with JPMorgan Chase Bank, N.A. as administrative agent, the guarantors party thereto, the other agents party thereto and the lenders party thereto. FNF is not a party to and does not provide any guaranty or stock pledge under the BKIS Credit Agreement.

On May 27, 2015, we entered into an amendment to our existing $800 million third amended and restated credit agreement (as previously amended, the “Existing Revolving Credit Agreement”), dated as of June 25, 2013, with Bank of America, N.A., as administrative agent, the other agents party thereto and the financial institutions party thereto as lenders (the “FNF Amended Revolving Credit Agreement”). Among other changes, the FNF Amended Revolving Credit Agreement amends the Existing Revolving Credit Agreement to permit FNF and its subsidiaries to incur the indebtedness and liens in connection with the BKIS Credit Agreement.

On May 26, 2015, Black Knight closed its initial public offering ("IPO") of 20,700,000 shares of Class A common stock at a price to the public of $24.50 per share, which included 2,700,000 shares of Class A common stock issued upon the exercise in full of the underwriters' option to purchase additional shares. Black Knight received net proceeds of $475 million from the offering, after deduction of underwriter discount and expenses. In connection with the IPO, Black Knight amended and restated its certificate of incorporation to authorize the issuance of two classes of common stock, Class A common stock and Class B common stock, which will generally vote together as a single class on all matters submitted for a vote to stockholders. As a result, Black Knight issued shares of Class B common stock to us, and certain Thomas H. Lee Partners affiliates, as the holders of membership interests in Black Knight Financial Services, LLC ("BKFS Operating, LLC") prior to the IPO. Class B common stock is not publicly traded and does not entitle the holders thereof to any of the economic rights, including rights to dividends and distributions upon liquidation that would be provided to holders of Class A common stock. Prior to the IPO, we owned 67% of the membership interests in BKFS

Operating, LLC. Following the IPO, we owned 55% of the outstanding shares of Black Knight in the form of Class B common stock, with a corresponding ownership interest in BKFS Operating, LLC.

***EPS***

Included in the calculation of diluted earnings per share are convertible senior notes (the “Notes”) issued on August 2, 2011 by Fidelity National Financial, Inc. Under the terms of the indenture, if converted, a portion of the settlement may include shares of FNFV common stock. As the debt is the obligation of FNF Group, if FNF were to settle a portion of the Notes with FNFV common stock, FNF Group would reimburse FNFV Group for the shares issued upon settlement.

**EXHIBIT 99.2**

## Unaudited Attributed Financial Information for Fidelity National Financial Ventures Group Tracking Stock

The following tables present our assets, liabilities, revenue, expenses and cash flows that are attributed to our Fidelity National Financial Ventures business (“we,” “our,” "FNFV Group," or “FNFV”). The financial information in this Exhibit should be read in conjunction with our consolidated financial statements for the period ended December 31, 2015 included in this Annual Report on Form 10-K.

FNFV Group common stock is intended to reflect the separate performance of our FNFV Group. We own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), Ceridian HCM, Inc. ("Ceridian") and Digital Insurance, Inc. ("Digital Insurance").

FNFV Group is comprised of two operating segments as follows:

- *Restaurant Group*. This segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH and its affiliates are the owners and operators of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Legendary Baking concepts. The segment also includes the results of J. Alexander's, Inc. ("J. Alexander's") through September 28, 2015, the date it was distributed to FNFV shareholders. See the Recent Developments section below for further discussion of the distribution of J. Alexander's. On January 25, 2016, substantially all of the assets of the Max & Erma's restaurant concept were sold pursuant to an Asset Purchase Agreement.

- *FNFV Corporate and Other*. This segment primarily consists of our share in the operations of certain equity investments, including Ceridian, as well as consolidated investments, including Digital Insurance in which we own 96% , and other smaller operations which are not title related.

In 2014, Fidelity National Financial ("FNF") provided $200 million in financial support to FNFV comprised of $100 million in cash and $100 million in a line of credit, upon formation of the tracking stock. The $100 million in cash and the $100 million line of credit will be used for investment purposes, repurchasing FNFV stock or other general corporate purposes. From time to time, we may also provide additional loans to FNFV to cover corporate expenses and working capital. All additional investments in existing FNFV owned companies and any new FNFV company investments will be funded and managed by FNFV.

We have adopted certain expense allocation policies, each of which are reflected in the attributed financial information of the FNF Group (see Exhibit 99.1) and the FNFV Group. In general, corporate overhead is allocated to each group based upon the use of services by that group where practicable. Corporate overhead primarily includes costs of personnel and employee benefits, legal, accounting and auditing, insurance, investor relations and stockholder services and services related to FNF’s board of directors. We allocate in a similar manner a portion of costs of administrative shared services, such as information technology services. Where determinations based on use alone are not practical, we use other methods and criteria that we believe are equitable and that provide a reasonable estimate of the cost attributable to each group.

Notwithstanding the following attribution of assets, liabilities, revenue, expenses and cash flows to FNFV, Fidelity National Financial, Inc.'s ("FNF, Inc.") tracking stock structure does not affect the ownership or the respective legal title to FNF, Inc.'s assets or responsibility for FNF, Inc.'s liabilities. FNF, Inc. and its subsidiaries are each responsible for their respective liabilities. Holders of FNFV Group common stock are subject to risks associated with an investment in FNF, Inc. and all of its businesses, assets and liabilities. The issuance of FNFV Group common stock does not affect the rights of FNF, Inc.'s creditors or creditors of its subsidiaries. See "Item 1A. *Risk Factors* - Risks Relating to the Ownership of Our FNFV Group Common Stock due to our Tracking Stock Capitalization" for further discussion of risks associated with our tracking stock structure.

**FIDELITY NATIONAL FINANCIAL VENTURES GROUP**
**Balance Sheet Information**
(In millions)

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| | (Unaudited) | |
| **ASSETS** | | |
| Investments: | | |
| Equity securities available for sale, at fair value | $ 36 | $ — |
| Investments in unconsolidated affiliates | 396 | 755 |
| Other long-term investments | 27 | 51 |
| Short-term investments | 244 | 164 |
| Total investments | 703 | 970 |
| Cash and cash equivalents | 31 | 39 |
| Trade and notes receivables, net of allowance | 43 | 40 |
| Due from affiliates | — | 1 |
| Goodwill | 188 | 206 |
| Prepaid expenses and other assets | 64 | 75 |
| Capitalized software, net | 11 | 13 |
| Other intangible assets, net | 166 | 195 |
| Property and equipment, net | 233 | 380 |
| Deferred tax asset | 75 | — |
| Total assets | $ 1,514 | $ 1,919 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 191 | $ 226 |
| Income taxes payable | 6 | 1 |
| Deferred revenue | 24 | 27 |
| Notes payable | 200 | 121 |
| Due to affiliates | 10 | — |
| Deferred tax liability | — | 29 |
| Total liabilities | 431 | 404 |
| Equity: | | |
| FNFV Group common stock, $0.0001 par value; authorized 113,000,000 shares as of December 31, 2015 and 2014; outstanding of 72,217,882 and 92,828,470 as of December 31, 2015 and 2014, respectively; and issued of 80,581,466 and 92,946,545 as of December 31, 2015 and 2014, respectively | — | — |
| Additional paid-in capital | 1,156 | 1,341 |
| Retained (deficit) earnings | (3) | 90 |
| Accumulated other comprehensive loss | (76) | (51) |
| Less: treasury stock, 8,363,584 and 118,075 shares as of December 31, 2015 and December 31, 2014, respectively | (108) | (2) |
| Total Fidelity National Financial Ventures shareholders' equity | 969 | 1,378 |
| Noncontrolling interests | 114 | 137 |
| Total equity | 1,083 | 1,515 |
| Total liabilities and equity | $ 1,514 | $ 1,919 |

See Notes to Unaudited Attributed Financial Information for FNFV

**FIDELITY NATIONAL FINANCIAL VENTURES GROUP**
**Statements of Operations Information**
(In millions)

| | Year Ended December 31, | |
|---|---|---|
| | 2015 | 2014 |
| | (Unaudited) | |
| Revenues: | | |
| Operating revenue | $ 1,615 | $ 1,546 |
| Interest and investment income | 2 | 5 |
| Realized gains and losses, net | (19) | (17) |
| Total revenues | 1,598 | 1,534 |
| Expenses: | | |
| Personnel costs | 157 | 170 |
| Other operating expenses | 167 | 86 |
| Cost of restaurant revenue | 1,195 | 1,220 |
| Depreciation and amortization | 65 | 67 |
| Interest expense | 9 | 5 |
| Total expenses | 1,593 | 1,548 |
| Earnings (loss) from continuing operations before income taxes and equity in losses of unconsolidated affiliates | 5 | (14) |
| Income tax (benefit) expense | (20) | 150 |
| Earnings (loss) from continuing operations before equity in (losses) earnings of unconsolidated affiliates | 25 | (164) |
| Equity in (losses) earnings of unconsolidated affiliates | (22) | 428 |
| Net earnings from continuing operations | 3 | 264 |
| Net earnings from discontinued operations, net of tax | — | 8 |
| Net earnings | 3 | 272 |
| Less: Net earnings attributable to non-controlling interests | 16 | 4 |
| Net (loss) earnings attributable to FNFV Group common shareholders | $ (13) | $ 268 |
| **Earnings Per Share** | | |
| *Basic* | | |
| Net loss per share from continuing operations attributable to Old FNF common shareholders | $ — | $ (0.09) |
| Net earnings per share from discontinued operations attributable to Old FNF common shareholders | $ — | $ 0.05 |
| Net earnings (loss) per share attributable to Old FNF common shareholders | $ — | $ (0.04) |
| Net (loss) earnings per share from continuing operations attributable to FNFV Group common shareholders | $ (0.16) | $ 3.08 |
| Net loss per share from discontinued operations attributable to FNFV Group common shareholders | $ — | $ (0.04) |
| Net (loss) earnings per share from continuing operations attributable to FNFV Group common shareholders | $ (0.16) | $ 3.04 |
| *Diluted* | | |
| Net loss per share from continuing operations attributable to Old FNF common shareholders | $ — | $ (0.09) |
| Net earnings per share from discontinued operations attributable to Old FNF common shareholders | $ — | $ 0.05 |
| Net earnings (loss) per share attributable to Old FNF common shareholders | $ — | $ (0.04) |
| Net (loss) earnings per share from continuing operations attributable to FNFV Group common shareholders | $ (0.16) | $ 3.05 |
| Net earnings (loss) per share from discontinued operations attributable to FNFV Group common shareholders | $ — | $ (0.04) |
| Net loss per share attributable to FNFV Group common shareholders | $ (0.16) | $ 3.01 |
| Weighted average shares outstanding Old FNF common stock, basic basis (1) | — | 138 |
| Weighted average shares outstanding Old FNF common stock, diluted basis (1) | — | 142 |
| Weighted average shares outstanding FNFV Group common stock, basic basis | 79 | 46 |
| Weighted average shares outstanding FNFV Group common stock, diluted basis | 82 | 47 |

(1) The recapitalization of our stock took place on July 1, 2014. Accordingly, the outstanding shares of Old FNF common stock are presented and used to calculate earnings per share for the first six months of the twelve months ended December 31, 2014.

See Notes to Unaudited Attributed Financial Information for FNFV

**FIDELITY NATIONAL FINANCIAL VENTURES GROUP**
**Statement of Cash Flows Information**
(In millions)

| | Year Ended December 31, 2015 | 2014 |
|---|---|---|
| | (Unaudited) | |
| Cash flows from operating activities: | | |
| Net earnings | $ 3 | $ 272 |
| Adjustments to reconcile net earnings (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 65 | 137 |
| Equity in losses (earnings) of unconsolidated affiliates | 22 | (428) |
| Loss on sales of investments and other assets, net | 18 | 17 |
| Gain on sale of Cascade Timberlands | (12) | — |
| Stock-based compensation cost | 9 | 11 |
| Changes in assets and liabilities, net of effects from acquisitions: | | |
| Net (increase) decrease in trade receivables | (2) | 13 |
| Net decrease (increase) in prepaid expenses and other assets | 13 | (54) |
| Net (decrease) increase in accounts payable, accrued liabilities, deferred revenue and other | (23) | 3 |
| Net change in amount due to affiliates | 10 | 23 |
| Net change in income taxes | (74) | 99 |
| Net cash provided by operating activities | 29 | 93 |
| Cash flows from investing activities: | | |
| Proceeds from the sale of cost method and other investments | 6 | 1 |
| Additions to property and equipment and capitalized software | (61) | (86) |
| Purchases of investment securities available for sale | (29) | (164) |
| Contributions to investments in unconsolidated affiliates | (5) | — |
| Net purchases of short-term investment securities | (80) | — |
| Net purchases of other long-term investments | — | (37) |
| Distributions from investments in unconsolidated affiliates | 309 | 43 |
| Net other investing activities | (6) | 7 |
| Acquisition of USA Industries, Inc., net of cash acquired | — | (40) |
| Proceeds from sale of Cascade Timberlands | 56 | — |
| Other acquisitions/disposals of businesses, net of cash acquired | (24) | (28) |
| Net cash provided by (used in) investing activities | 166 | (304) |
| Cash flows from financing activities: | | |
| Borrowings | 132 | 261 |
| Debt service payments | (31) | (202) |
| Cash transferred in Remy spin-off | — | (86) |
| Cash transferred in J. Alexander's spin-off | (13) | — |
| Subsidiary dividends paid to non-controlling interest shareholders | — | (39) |
| Equity and debt issuance costs | (1) | (4) |
| Purchases of treasury stock | (289) | (2) |
| Dilution loss on equity method investments | (1) | — |
| Contributions from Parent | — | 167 |
| Net cash (used in) provided by financing activities | (203) | 95 |
| Net decrease in cash and cash equivalents | (8) | (116) |
| Cash and cash equivalents at beginning of period | 39 | 155 |
| Cash and cash equivalents at end of period | $ 31 | $ 39 |

See Notes to Unaudited Attributed Financial Information for FNFV

**Notes to Unaudited Attributed Financial Information for Fidelity National Financial Ventures Group**
**Period Ended September 30, 2015**
**(unaudited)**

## Note A. Basis of Presentation

### *Description of FNFV*

On June 30, 2014, we completed the recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Each share of the previously outstanding FNF Class A common stock ("Old FNF common stock") was converted into one share of FNF Group common stock, which now trades on the New York Stock Exchange under the current trading symbol "FNF," and 0.3333 of a share of FNFV Group common stock, which now trades on the New York Stock Exchange under the trading symbol "FNFV." Both FNF and FNFV began regular trading on July 1, 2014.

In our FNFV group, we own majority and minority equity investment stakes in a number of entities, including ABRH, Ceridian and Digital Insurance.

### *Recent Developments*

On February 18, 2016, our Board of Directors approved a new FNFV Group three-year stock repurchase program, effective March 1, 2016, under which we may repurchase up to 15 million shares of FNFV Group common stock. Purchases may be made from time to time by us in the open market at prevailing market prices or in privately negotiated transactions through February 28, 2019.

On February 11, 2016, we announced that we are considering alternatives to the spin-off of ABRH to FNFV shareholders previously announced on July 30, 2015.

Beginning in October 2015 through December 31, 2015, we purchased approximately 2.2 million shares of Del Frisco Restaurant Group ("Del Frisco's", NASDAQ: DFRG) common stock for a total investment of $32 million . Subsequent to year-end through February 19, 2016, we purchased approximately 0.8 million shares of Del Frisco's common stock for $12 million . We currently own approximately 13% of the outstanding common stock of Del Frisco's.

On September 16, 2015, J. Alexander's and FNF entered into a Separation and Distribution Agreement, pursuant to which FNF agreed to distribute one hundred percent (100%) of its shares of J. Alexander's common stock, on a pro rata basis, to the holders of FNFV common stock. Holders of FNFV common stock received, as a distribution from FNF, approximately 0.17272 shares of J. Alexander's common stock for every one share of FNFV common stock held at the close of business on September 22, 2015, the record date for the distribution (the "Distribution"). The Distribution was made on September 28, 2015. As a result of the Distribution, J. Alexander's is now an independent public company and its common stock is listed under the symbol "JAX" on the New York Stock Exchange. The Distribution was generally tax-free to FNFV shareholders for U.S. federal income tax purposes, except to the extent of any cash received in lieu of J. Alexander's fractional shares.

On March 20, 2015, we completed our tender offer to purchase shares of FNFV stock. As a result of the offer, we accepted for purchase 12,333,333 shares of FNFV Group Common Stock for a purchase price of $15.00 per common share, for a total aggregate cost of $185 million , excluding fees and expenses related to the tender offer.

On February 18, 2015, we closed the sale of substantially all of the assets of Cascade Timberlands, LLC ("Cascade") which grows and sells timber and in which we owned a 70.2% interest, for $85 million less a replanting allowance of $1 million and an indemnity holdback of $1 million . The revenue from the sale was recorded in Escrow, title related and other fees and the cost of the land sold was in Other operating expenses in the Condensed Consolidated Statement of Operations in the six months ended June 30, 2015. The effect of the sale on FNFV's net earnings was income of approximately $12 million . There was no effect on net earnings attributable to FNFV Group common shareholders due to offsetting amounts attributable to noncontrolling interests.

### *EPS*

Included in the calculation of diluted earnings per share are convertible senior notes (the "Notes") issued on August 2, 2011 by Fidelity National Financial, Inc. Under the terms of the indenture, if converted, a portion of the settlement may include shares of FNFV common stock. As the debt is the obligation of FNF Group, if FNF were to settle a portion of the Notes with FNFV common stock, FNF Group would reimburse FNFV Group for the shares issued upon settlement.

## Note B. Investments in Consolidated and Unconsolidated Affiliates

The following table provides information about our investments in consolidated and unconsolidated affiliates attributable to FNFV, including non-GAAP adjustments:

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| *Majority Owned Subsidiaries consolidated into the results of FNFV:* | | |
| American Blue Ribbon Holdings, LLC | $ 169 | $ 159 |
| J. Alexander's, LLC | — | 100 |
| Digital Insurance, LLC | 73 | 149 |
| *Minority Owned Subsidiaries or other ventures:* | | |
| Ceridian (32% minority equity interest) | 363 | 632 |
| Cascade Timberlands | — | 63 |
| Del Frisco's Restaurant Group | 34 | — |
| Holding Company cash and short term investments | 245 | 164 |
| Other ventures | 85 | 111 |
| Total FNFV Book Value | $ 969 | $ 1,378 |

## Note C. FNFV Common Stock

FNFV Group common stock has voting and redemption rights. Holders of FNFV Group common stock are entitled to one vote for each share of such stock held. Holders of FNFV Group common stock will vote as one class with holders of FNF Group common stock on all matters that are submitted to a vote of its stockholders unless a separate class vote is required by the terms of the current charter or Delaware law. In connection with certain dispositions of FNFV Group assets, the FNF board of directors may determine to seek approval of the holders of FNFV common stock, voting together as a separate class, to avoid effecting a mandatory dividend, redemption or conversion under the restated charter.

FNF may not redeem outstanding shares of FNFV Group common stock for shares of common stock of a subsidiary that holds assets and liabilities attributed to the FNFV Group unless its board of directors seeks and receives the approval to such redemption of holders of FNFV common stock, voting together as a separate class, and, if such subsidiary also holds assets and liabilities of the FNF Group, the approval of holders of FNF Group common stock to the corresponding FNF Group common stock redemption, with each affected group voting as a separate class. FNF can convert each share of FNFV Group common stock into a number of shares of the FNF Group common stock at a ratio that provides FNFV stockholders with the applicable Conversion Premium to which they are entitled.

# FIDELITY NATIONAL FINANCIAL, INC.

## FORM 10-K
(Annual Report)

## Filed 03/02/15 for the Period Ending 12/31/14

| | |
|---|---|
| Address | 601 RIVERSIDE AVENUE<br>,<br>JACKSONVILLE, FL 32204 |
| Telephone | 904-854-8100 |
| CIK | 0001331875 |
| Symbol | FNF |
| SIC Code | 6361 - Title Insurance |
| Industry | Insurance (Prop. & Casualty) |
| Sector | Financial |
| Fiscal Year | 12/31 |

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**
# Form 10-K

**(Mark One)**

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2014**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File No. 1-32630**

# Fidelity National Financial, Inc.
*(Exact name of registrant as specified in its charter)*

| | |
|---|---|
| **Delaware** | **16-1725106** |
| *(State or other jurisdiction of incorporation or organization)* | *(I.R.S. Employer Identification No.)* |
| **601 Riverside Avenue**<br>**Jacksonville, Florida 32204** | **(904) 854-8100** |
| *(Address of principal executive offices, including zip code)* | *(Registrant's telephone number, including area code)* |

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|
| Common Stock, $0.0001 par value | New York Stock Exchange |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

| | | | |
|---|---|---|---|
| Large accelerated filer ☑ | Accelerated filer ☐ | Non-accelerated filer ☐<br>(Do not check if a smaller reporting company) | Smaller reporting company ☐ |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the shares of the Old FNF common stock held by non-affiliates of the registrant as of June 30, 2014 was $8,712,752,860 based on the closing price of $32.76 as reported by the New York Stock Exchange.

As of February 28, 2015 there were 279,934,287 shares of FNF Group common stock outstanding and 92,405,120 shares of FNFV Group common stock outstanding.

The information in Part III hereof for the fiscal year ended December 31, 2014 , will be filed within 120 days after the close of the fiscal year that is the subject of this Report.

**FIDELITY NATIONAL FINANCIAL, INC.**
**FORM 10-K**
**TABLE OF CONTENTS**

# PART I

## Item 1. *Business*

We have organized our business into two groups, FNF Core Operations and FNF Ventures, known as "FNFV." Through our Core operations, FNF is a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. FNF is the nation’s largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title, Alamo Title and National Title of New York Inc. - that collectively issue more title insurance policies than any other title company in the United States. FNF also provides industry-leading mortgage technology solutions and transaction services, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiaries, Black Knight Financial Services, LLC ("BKFS") and ServiceLink Holdings, LLC ("ServiceLink"). In addition, in our FNFV group, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), J. Alexander’s, LLC ("J. Alexander's"), Ceridian HCM, Inc. and Fleetcor Technologies Inc. (collectively "Ceridian") and Digital Insurance, Inc. ("Digital Insurance").

As of December 31, 2014 , we had the following reporting segments:

FNF Core Operations

- *Title.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty insurance. This segment also includes the transaction services business acquired from Lender Processing Services ("LPS"), now combined with our ServiceLink business. Transaction services include other title related services used in production and management of mortgage loans, including mortgage loans that go into default.

- *BKFS.* This segment consists of the operations of BKFS. This segment provides core technology and data and analytics services through leading software systems and information solutions that facilitate and automate many of the business processes across the life cycle of a mortgage.

- *FNF Core Corporate and Other*. This segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

FNFV

- *Restaurant Group.* This segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Bakers Square concepts. This segment also includes J. Alexander's, which includes the J. Alexander's and Stoney River Steakhouse and Grill concepts.

- *FNFV Corporate and Other.* This segment primarily consists of our share in the operations of certain equity investments, including Ceridian, as well as Digital Insurance in which we own 96% and other smaller operations which are not title related.

### *Acquisition of Lender Processing Services, Inc*

On January 2, 2014, we completed the purchase of LPS. The purchase consideration paid was $37.14 per share of LPS common stock, of which $28.10 per share was paid in cash and the remaining $9.04 was paid in Old FNF common shares. The purchase consideration represented an exchange ratio of 0.28742 Old FNF common shares per share of LPS common stock. Total consideration paid for LPS was $3.4 billion, which consisted of $2,535 million in cash and $839 million in Old FNF common stock. In order to pay the stock component of the consideration, we issued 25,920,078 Old FNF shares to the former LPS shareholders. See Note B to our Consolidated Financial Statements for further discussion.

In connection with the LPS acquisition, we formed a wholly-owned subsidiary, Black Knight Financial Services, Inc. (now known as Black Knight Holdings, Inc., "Black Knight"). Black Knight has two operating businesses, ServiceLink Holdings, LLC ("ServiceLink") and Black Knight Financial Services, LLC ("BKFS"). We retained a 65% ownership interest in each of the subsidiaries and issued the remaining 35% ownership interest to funds affiliated with Thomas H. Lee Partners, and certain related entities on January 3, 2014. Effective June 1, 2014, we completed an internal reorganization to contribute our subsidiary Property Insight, a company which provides information used by title insurance underwriters, title agents and closing attorneys to underwrite title insurance policies for real property sales and transfer, from our Title segment to BKFS. As a result of this transfer, our ownership percentage in BKFS increased to 67%. Our results for periods since June 1, 2014, reflect our now 67% ownership interest in BKFS.

C ***ompetitive Strengths***

We believe that our competitive strengths position us well to take advantage of future changes to the real estate market.

We believe that our competitive strengths include the following:

*Corporate principles.* A cornerstone of our management philosophy and operating success is the six fundamental precepts upon which we were founded, which are:

- Autonomy and entrepreneurship;
- Bias for action;
- Customer-oriented and motivated;
- Minimize bureaucracy;
- Employee ownership; and
- Highest standard of conduct.

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

*Competitive cost structure.* We have been able to maintain competitive operating margins in part by monitoring our businesses in a disciplined manner through continual evaluation of title order activity and management of our cost structure. When compared to our industry competitors, we also believe that our structure is more efficiently designed, which allows us to operate with lower overhead costs.

***Title***

*Leading title insurance company*. We are the largest title insurance company in the United States and a leading provider of title insurance and escrow and other title-related services for real estate transactions. Through the third quarter of 2014 , our insurance companies had a 32.8% share of the U.S. title insurance market, according to the American Land Title Association ("ALTA").

*Established relationships with our customers.* We have strong relationships with the customers who use our title services. Our distribution network, which includes approximately 1,200 direct residential title offices and approximately 5,000 agents, is among the largest in the United States. We also benefit from strong brand recognition in our multiple 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 brands.

*Strong value proposition for our customers*. We provide our customers with title insurance and escrow and other title-related 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.

*Commercial title insurance*. While residential title insurance comprises the majority of our business, we are also a significant 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 that require the underwriting and issuing of larger commercial title policies.

***BKFS***

*Market leadership with comprehensive and integrated solutions.* BKFS is a leading provider of comprehensive and integrated solutions to the mortgage industry. BKFS' solutions are utilized by 21 of the top 25 largest mortgage originators and all of the top 25 largest U.S. mortgage servicers as of June 30, 2014 according to the National Mortgage News Report, service over 50% of all U.S. first lien mortgages as of December 31, 2014 according to the BKFS Mortgage Monitor Report, and operate one of the industry's largest exchanges connecting originators, agents, settlement services providers and investors. BKFS believes its leadership position is, in part, the result of its unique expertise and insight developed from over 50 years serving the needs of customers in the mortgage industry. BKFS has used this insight to develop an integrated and comprehensive suite of proprietary technology, data, and analytics solutions to automate many of the mission-critical business processes across the entire mortgage loan life cycle. These integrated solutions are designed to reduce manual processes, assist in improving organizational compliance and mitigating risk, and ultimately deliver significant cost savings to its clients.

*Broad and deep client relationships with significant recurring revenue.* BKFS has deep and long-standing relationships with its largest clients. BKFS' average relationship with its top 10 servicer clients is over 25 years, and these clients utilize an average of 6 products across its comprehensive solutions. BKFS typically enters into long-term contracts with its clients and its products are typically embedded within its clients' mission-critical workflow and decision processes across various parts of their organizations. As a result, BKFS has developed recurring and long-lasting relationships with its clients. Given these deep relationships, BKFS believes that it is well-positioned to continue to develop and cross-sell new products and services that will meet the evolving needs of the mortgage industry.

*Scalable and cost effective operating model.* BKFS believes it has a highly attractive and scalable operating model derived from its market leadership, hosted technology platforms and the large number of clients it serves across the mortgage industry. BKFS' scalable operating model provides it with significant benefits. BKFS' scale and operating leverage allows it to add incremental clients to its existing platforms with limited incremental cost. As a result, BKFS' operating model drives attractive margins and generates significant cash flow. Also, by leveraging its scale and leading market position, it is able to make cost effective investments in its technology platform to meet evolving regulatory and compliance requirements, further increasing its value proposition to clients.

*World class management team with depth of experience and track record of success.* BKFS' management team has an average of over 20 years of experience in the banking technology and mortgage processing industries and a proven track record of strong execution capabilities. Following the acquisition of LPS, BKFS has significantly improved its operations and enhanced its go-to-market strategy, further integrated its technology platforms, expanded its data and analytics capabilities and introduced several new innovative products. BKFS executed all of these projects while delivering attractive revenue growth and strong profitability.

***Strategy***

***Title***

Our strategy in the title 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 do the following:

- *Continue to operate multiple title brands independently* . We believe that in order to maintain and strengthen our title insurance customer base, we must operate our strongest brands in a given marketplace independently of each other. Our national and regional brands include Fidelity National Title, Chicago Title, Commonwealth Land Title, Lawyers Title, Ticor Title, Alamo Title, and National Title of New York Inc. In our largest markets, we operate multiple brands. This approach allows us to continue to attract customers who identify with a particular brand 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 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 industry 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. We continue to monitor, evaluate and execute upon the consolidation of administrative functions, legal entity structure, and office consolidation, as necessary, to respond to the continually changing marketplace. We maintain shorter durations on our investment portfolio to mitigate our interest rate risk. A more detailed discussion of our investment strategies is included in "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 continuing to deploy new information system technologies to our direct and agency operations. We expect to improve the process of ordering title and escrow services and improve the delivery of our products to our customers.
- *Maintain values supporting our strategy.* We believe that our continued focus on and support of our long-established corporate culture will reinforce and support our business strategy. Our goal is to foster and support a corporate culture where our employees and agents seek to operate independently and maintain profitability 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 support 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.

***BKFS***

BKFS' comprehensive and integrated technology platforms, robust data and analytic capabilities, differentiated business model, broad and deep client relationships and other competitive strengths enable it to pursue multiple growth opportunities. BKFS intends to continue to expand its business and grow through the following key strategies:

- *Further penetration of its solutions with existing clients.* BKFS believes its established client base presents a substantial opportunity for growth. BKFS seeks to capitalize on the trend of standardization and increased adoption of leading third-party solutions and increase the number of solutions provided to its existing client base. BKFS intends to broaden and deepen its client relationships by cross-selling its suite of end-to-end technology solutions, as well as its robust data and analytics. BKFS has established incentives within its sales force, as well as a core team of account managers, to encourage cross-selling of its full range of solutions to its existing clients. By helping its clients understand the full extent of its comprehensive solutions and the value of leveraging the multiple solutions that it offers, BKFS believes it can expand its existing relationships by freeing its clients to focus on their core businesses and their customers.
- *Win new clients in existing markets.* BKFS intends to attract new clients in the mortgage industry by leveraging the value proposition provided by its technology platform and comprehensive solutions offering. In particular, BKFS believes there is a significant opportunity to penetrate the underserved mid-tier mortgage originators and servicers market. BKFS believes that these institutions can benefit from its proven solutions suite in order to address increasingly complex regulatory requirements and compete more effectively in the evolving mortgage market. BKFS intends to continue to pursue this channel and benefit from the low incremental cost of adding new customers to its scaled technology infrastructure.
- *Continue to innovate and introduce new solutions.* BKFS' long-term vision is to be the industry leading provider for participants of the mortgage industry for their platform, data, and analytic needs. BKFS intends to enhance what it believes is a leadership position in the industry by continuing to innovate its solutions and refine the insight it provides to its clients. BKFS has a strong track record of introducing and developing new solutions that span the mortgage loan life cycle, are tailored to specific industry trends and that enhance its clients' core operating functions. By working in partnership with key clients, BKFS has been able to develop and market new and advanced solutions to its client base that meet the evolving demands of the mortgage industry. In addition, BKFS will continue to develop and leverage insights from its large public and proprietary data assets to further improve its customer value proposition.
- *Powerful focus and dedication to staying up-to-date with regulatory requirements.* BKFS has dedicated significant technological and management resources to build and maintain a regulatory infrastructure and human capital base to assist its clients with increased regulatory oversight and requirements. BKFS is able to leverage its consistent investment in this area through its software as a service ("Saas") technology solutions and its market-leading scale. BKFS intends to continue its strategy of building and investing in solutions that help its clients with the regulatory environment.

***FNFV***

On June 30, 2014, we completed the recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Through FNFV we actively manage a group of companies and investments with a net asset value of approximately $1.3 billion as of December 31, 2014. The businesses within FNFV primarily consist of our majority ownership positions in ABRH, J. Alexander's, and Digital Insurance and our 32% minority investment in Ceridian. Our strategy for the Group is to continue our activities with respect to such business investments to achieve superior financial performance, maximize and ultimately monetize the value of those assets and to continue to pursue similar investments in businesses and to grow and achieve superior financial performance with respect to such newly acquired businesses.

*Restaurant Group*

Our restaurant operations are focused in the family dining, casual dining and upscale-casual dining segments. The Restaurant Group's strategy is to achieve long-term profit growth and drive increases in same store sales and guest counts. We have a highly experienced management team that is focused on enhancing the guest experience at our restaurants and building team member engagement. We also utilize a shared service platform that takes advantage of the combined synergies of our operating companies to provide purchasing power and other shared service functions. We expect to continue to maintain a strong balance sheet for our Restaurant Group to support future acquisitions and to provide stability in all operating environments.

On February 19, 2015, we announced our intention to pursue a tax-free spin-off of J. Alexander's to FNFV shareholders.

*FNFV Corporate and Other*

On December 31, 2014, we closed the previously announced distribution (the "Spin-off") of all of the outstanding shares of common stock of New Remy Corp. ("New Remy") to FNFV shareholders. As part of the Spin-off, FNFV combined all of the

16,342,508 shares of Remy common stock that FNFV owned and a small company called Fidelity National Technology Imaging, LLC ("Imaging") into New Remy. Immediately following the Spin-off, New Remy and Remy International, Inc. ("Old Remy") engaged in a series of stock-for-stock transactions ending with a new publicly-traded holding company, New Remy Holdco Corp. ("New Remy Holdco"). In the Spin-off, FNFV shareholders ultimately received a total of approximately 16.6 million shares of New Remy Holdco common stock, or approximately 0.17879 shares of New Remy Holdco common stock for each share of FNFV that they owned. As a result of the spin-off, the operations of Remy are now presented in discontinued operations for all periods presented. This spin-off was tax free to FNFV shareholders.

On December 31, 2012, we acquired Digital Insurance. Total consideration paid was $98 million in cash, net of cash acquired of $3 million. We have consolidated the operations of Digital Insurance as of December 31, 2012. Digital Insurance is a leading employee benefits platform specializing in health insurance distribution and benefits management for small and mid-sized businesses.

***Acquisitions, Dispositions, Minority Owned Operating Subsidiaries and Financings***

Acquisitions have been an important part of our growth strategy. On an ongoing basis, with assistance from our advisors, we actively evaluate possible transactions, such as acquisitions and dispositions of business units and operating assets and business combination transactions.

In the future, we may seek to sell certain investments or other assets to increase our liquidity. Further, our management has stated that we may make acquisitions in lines of business that are not directly tied to, or synergistic with, our core operating segments. In the past we have obtained majority and minority investments in entities and securities where we see the potential to achieve above market returns. Fundamentally our goal is to acquire quality companies that are well-positioned in their respective industries, run by best in class management teams in industries that have attractive organic and acquired growth opportunities. We leverage our operational expertise and track record of growing industry leading companies and also our active interaction with the acquired company's management directly or through our board of directors, to ultimately provide value for our shareholders.

There can be no assurance that any suitable opportunities will arise or that any particular transaction will be completed. We have made a number of acquisitions over the past three years to strengthen and expand our service offerings and customer base in our various businesses, and to expand into other businesses or where we otherwise saw value.

**Title Insurance**

*Market for title insurance.* According to Demotech Performance of Title Insurance Companies 2014 Edition, an annual compilation of financial information from the title insurance industry that is published by Demotech Inc., an independent firm ("Demotech"), total operating income for the entire U.S. title insurance industry has decreased from its highest at $17.8 billion in 2005 to $13.4 billion in 2013, which is a $1.2 billion increase from 2012. The size of the industry is closely tied to various macroeconomic factors, including, but not limited to, growth in the gross domestic product, inflation, unemployment, the availability of credit, consumer confidence, interest rates, and sales volumes and prices for new and existing homes, as well as the volume of 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 the 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 or depreciation in the overall value of the real estate market are major factors in total industry revenues. Industry revenues are also driven by factors affecting the volume of real estate closings, such as the state of the economy, the availability of mortgage funding, and changes in interest rates, which affect demand for new mortgage loans and refinancing transactions. Both the volume and the average price of residential real estate transactions declined from 2007-2011. Beginning in 2008 and continuing through 2011, the mortgage delinquency and default rates caused negative operating results at a number of banks and financial institutions. Multiple banks failed during this time, reducing the capacity of the mortgage industry to make loans. Since this time, lenders have tightened their underwriting standards which has made it more difficult for buyers to qualify for new loans. However, during this same period, interest rates declined to historically low levels, which spurred higher refinance activity in the period 2009 through 2012. During 2013 and continuing through 2014, refinance activity declined due to rising interest rates; however, we experienced an increase in the purchase volume and average price of residential real estate. Overall, our title premiums declined in 2014 compared to 2013.Our revenues in future periods will continue to be subject to these and other factors which are beyond our control and, as a result, are likely to fluctuate.

The U.S. title insurance industry is concentrated among a handful of industry participants. According to Demotech, the top four title insurance groups accounted for 87 % of net premiums written in 2013 . Approximately 30 independent title insurance companies accounted for the remaining 13 % of net premiums written in 2013 . 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.

*Title Insurance Policies.* Generally, real estate buyers and mortgage lenders purchase title insurance to insure good and marketable title to real estate and priority of lien. 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 real estate transactions 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. In 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 are a percentage of) either the amount of the mortgage loan or the purchase price of the property insured. Applicable state insurance regulations or regulatory practices may limit the maximum, or in some cases the minimum, premium that can be charged on a policy. Title insurance premiums are due in full at the closing of the real estate transaction. A 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. 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 payments on the mortgage loan. A title insurer also generally does not know when a property has been sold or refinanced except when it issues the replacement coverage. 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 affiliated title agencies, or 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 insurance company typically performs or directs the title 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 title 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 insurance 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 insurance company is obligated to pay title claims in accordance with the terms of its policies, regardless of whether the title insurance 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 title searches and examinations. A title insurance company's predominant expense relates to such searches and examinations, the preparation of preliminary title reports, policies or commitments, the maintenance of "title plants," which are indexed compilations of public records, maps and other relevant historical documents, and the facilitation and closing of real estate transactions. Claim losses generally result from errors made in the title search and examination process, from hidden defects such as fraud, forgery, incapacity, or missing heirs of the property, and from closing related errors.

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. Residential real estate transaction volume is primarily affected by macroeconomic and seasonal factors while commercial real estate transaction volume is affected primarily by fluctuations in local supply and demand conditions for commercial space.

*Direct and Agency Operations.* 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 our 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 1,200 offices throughout the U.S. primarily providing residential real estate title insurance. We continuously monitor the number of direct offices to make sure that it remains in line with our strategy and the current economic environment. 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 Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, New York, Philadelphia, Phoenix, Seattle and Washington D.C.

*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, and in some states are fixed by insurance regulatory requirements. 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 and strategically manage the number of agents with which we transact business in an effort to reduce future expenses and manage risks. As of December 31, 2014 , we transact business with approximately 5,000 agents.

*Fees and Premiums.* One method of analyzing our business is to examine 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:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2014 | | 2013 | | 2012 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Direct | $ 1,727 | 47.0% | $ 1,800 | 43.4% | $ 1,732 | 45.2% |
| Agency | 1,944 | 53.0 | 2,352 | 56.6 | 2,101 | 54.8 |
| Total title insurance premiums | $ 3,671 | 100.0% | $ 4,152 | 100.0% | $ 3,833 | 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.

*Escrow, Title-Related and Other Fees.* 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 collection and trust activities, trustee's sales guarantees, recordings and reconveyances, and home warranty services. The escrow and other services provided by us include all of those typically required in connection with residential and commercial real estate purchases and refinance activities. Escrow, title-related and other fees included our Title segment represented approximately 32.8%, 27.1%, and 28.9% of our revenues in 2014 , 2013 , and 2012 , respectively.

*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 are an 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 the ability of service providers to meet their information systems requirements for electronic product delivery.

*Claims.* An important part of our operations is the handling of title and escrow claims. We employ a large staff of attorneys in our claims department. Our claims processing centers are located in Omaha, Nebraska and Jacksonville, Florida. In-house claims counsel are also located in other parts of the country.

Claims result from a wide range of causes. These causes generally include, but are not limited to, search and exam errors, forgeries, incorrect legal descriptions, signature and notary errors, unrecorded liens, mechanics' liens, the failure to pay off existing liens, mortgage lending fraud, mishandling or theft of settlement funds (including independent agency theft), and mistakes in the escrow process. Under our policies, we are required to defend insureds when covered claims are filed against their interest in the property. Some claimants seek damages in excess of policy limits. Those claims are based on various legal theories, including in some cases allegations of negligence or an intentional tort. We occasionally incur losses in excess of policy limits. Experience shows that most policy claims and claim payments are made in the first five years after the policy has been issued, although claims may also be reported and paid many years later.

Title losses due to independent agency defalcations typically occur when the independent agency misappropriates funds from escrow accounts under its control. Such losses are usually discovered when the independent agency fails to pay off an outstanding mortgage loan at closing (or immediately thereafter) from the proceeds of the new loan. Once the previous lender determines that its loan has not been paid off timely, it will file a claim against the title insurer.

Claims can be complex, vary greatly in dollar amounts and are affected by economic and market conditions and the legal environment existing at the time claims are processed. In our commercial title business, we may issue polices with face amounts well in excess of $100 million, and from time to time claims are submitted with respect to large policies. We believe we are appropriately reserved with respect to all claims (large and small) that we currently face. Occasionally we experience large losses from title policies that have been issued or from our escrow operations, or overall worsening loss payment experience, which require us to increase our title loss reserves. These events are unpredictable and adversely affect our earnings. Claims can result in litigation in which we may represent our insured and/or ourselves. We consider this type of litigation to be an ordinary course aspect of the conduct of our business.

*Reinsurance and Coinsurance.* We limit our maximum loss exposure by reinsuring risks with other insurers under excess of loss and case-by-case ("facultative") reinsurance agreements. Reinsurance agreements generally provide 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 to the insured whether or not the reinsurer is able to meet its contractual obligations. Facultative reinsurance agreements are entered into with other title insurers when the transaction to be insured will exceed state statutory or self-imposed limits. Excess of loss reinsurance protects us from a loss from a single loss occurrence. Through March 1, 2015, our excess of loss coverage is split into two tiers. The first tier provides coverage for residential and commercial transactions up to $100 million per loss occurrence, subject to a $20 million retention per loss. The second tier provides additional coverage for commercial transactions in excess of $100 million of loss per occurrence up to $400 million per occurrence, with the Company participating at approximately 10%. We are currently in process of negotiating the terms and conditions of our 2015 - 2016 coverages, but do not expect there to be substantial changes in the terms and conditions.

In addition to reinsurance, we carry errors and omissions insurance and fidelity bond coverage, each of which can provide protection to us in the event of certain types of losses that can occur in our businesses.

Our policy is to be selective in choosing our reinsurers, seeking only those companies that we consider to be financially stable and adequately capitalized. In an effort to minimize exposure to the insolvency of a reinsurer, we periodically review the financial condition of our reinsurers.

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 assume.

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.

*Competition.* 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 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 First American Financial Corporation, Old Republic International Corporation and Stewart Information Services Corporation, as well as numerous smaller title insurance companies, underwritten title companies and independent agency operations at the regional and local level. Several of our smaller competitors have closed their operations in the past few years as a result of the significant decrease in activity in the residential real estate market. The addition or removal of regulatory barriers might result in changes to competition in the title insurance business. 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.

*Regulation.* Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, are subject to extensive regulation under applicable state laws. Each of the insurers is subject to a holding company act in its state of domicile, which regulates, among other matters, the ability to pay dividends and enter into transactions with affiliates. 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. The process of state regulation of changes in rates ranges from states which set rates, to states where individual companies or associations of companies prepare rate filings which are submitted for approval, to a few states in which rate changes do not need to be filed for approval.

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

Pursuant to statutory accounting requirements of the various states in which our title insurers are domiciled, these insurers must defer a portion of premiums as an unearned premium reserve for the protection of policyholders (in addition to their reserves for known claims) 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 a 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, 2014 , the combined statutory unearned premium reserve required and reported for our title insurers was $ 1,736 million. In addition to statutory unearned premium reserves and reserves for known claims, each of our insurers maintains surplus funds for policyholder protection and business operations.

Each of our insurance subsidiaries is regulated by the insurance regulatory authority in its respective state of domicile, as well as that of each state in which it is licensed. The insurance commissioners of their respective states of domicile are the primary regulators of our insurance subsidiaries. Each of the insurers is subject to periodic regulatory financial examination by regulatory authorities.

Under the statutes governing insurance holding companies in most states, insurers may not enter into certain transactions, including sales, reinsurance agreements and service or management contracts, with their affiliates unless the regulatory authority 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 to, 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, and to pay any dividends to our shareholders. The payment of dividends or other distributions to us by our insurers 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 to or has approved the payment within the 30-day period. In general, an "extraordinary" dividend or distribution is statutorily defined as a dividend or distribution that, together with other dividends and distributions made within the preceding 12 months, exceeds the greater of:

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

The laws and regulations of some jurisdictions also prohibit an insurer from declaring or paying a dividend except out of its earned surplus or require the insurer to obtain prior regulatory approval. During 2015 , our directly owned title insurers can pay dividends or make distributions to us of approximately $ 236 million without prior regulatory approval; however, insurance regulators have the authority to prohibit the payment of ordinary dividends or other payments by our title insurers to us (such as a payment under a tax sharing agreement or for other services) if they determine that such payment could be adverse to our policyholders. There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders.

The combined statutory capital and surplus of our title insurers was approximately $ 1,472 million and $ 1,409 millio n as of December 31, 2014 and 2013 , respectively. The combined statutory earnings of our title insurers were $ 276 million, $ 352 million, and $ 281 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively.

As a condition to continued authority to underwrite policies in the states in which our insurers 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 insurers are domiciled, such insurers must maintain certain levels of minimum capital and surplus. Required levels of minimum capital and surplus are not significant to the insurers individually or in the aggregate. Each of our insurers has complied with the minimum statutory requirements as of December 31, 2014 .

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 requirements for each underwritten title company is less than $1 million. These companies were in compliance with their respective minimum net worth requirements at December 31, 2014 .

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions. For further discussion, see item 3, Legal Proceedings.

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 in which the 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 acquirer’s plans for the insurer’s Board of Directors and executive officers, the acquirer’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 insurers, the insurance change of control laws would likely apply to such a transaction.

The National Association of Insurance Commissioners ("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 insurers are domiciled require adherence to NAIC filing procedures, each such insurer, unless it qualifies for an exemption, must file an actuarial opinion with respect to the adequacy of its reserves.

*Title Insurance Ratings*

Our title insurance underwriters are regularly assigned ratings by independent agencies designed to indicate their financial condition and/or claims paying ability. The rating agencies determine ratings by quantitatively and qualitatively analyzing financial data and other information. Our title subsidiaries include Alamo Title, Chicago Title, Commonwealth Land Title, and Fidelity National Title. Standard & Poor’s Ratings Group (“S&P”), Moody’s Investors Service (“Moody’s”), and A. M. Best Company ("A.M. Best") provide ratings for the entire FNF family of companies as a whole as follows:

| | S&P | Moody’s | A.M. Best |
|---|---|---|---|
| FNF family of companies | A | A3 | A- |

The relative position of each of our ratings among the ratings scale assigned by each rating agency is as follows:

- An S&P "A" rating is the third highest rating of 17 ratings for S&P. 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.
- A Moody's "A3" rating is the fourth highest rating of 21 ratings for Moody's. Moody's states that insurance companies rated “A3” offer good financial security.
- An A.M. Best "A-" rating is the fourth highest rating of 17 ratings for A.M. Best. 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.

Demotech provides financial strength/stability ratings for each of our principal title insurance underwriters individually, as follows:

| | |
|---|---|
| Alamo Title Insurance | A' |
| Chicago Title Insurance Company | A" |
| Commonwealth Land Title Insurance Company | A' |
| Fidelity National Title Insurance Company | A' |
| National Title Insurance of New York | A' |

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 two highest ratings of Demotech's five ratings.

The ratings of S&P, Moody's, A.M. Best, and Demotech described above are not designed to be, and do not serve as, measures of protection or valuation offered to investors. These financial strength ratings should not be relied on with respect to making an investment in our securities. See "Item 1A. *Risk Factors —* If the rating agencies downgrade our Company, our results of operations and competitive position in the title insurance industry may suffer" for further information.

**BKFS**

Our BKFS segment offers technology and data and analytics services through leading software systems and information solutions that facilitate and automate many of the business processes across the life cycle of a mortgage. Our customers use our technology and services to reduce their operating costs, improve their customer service and enhance the quality and consistency of various aspects of their mortgage servicing. We continually work with our customers to customize and integrate our software and services in order to assist them in achieving the value proposition that we offer to them.

Our principal technology solutions are software applications provided to mortgage lenders and other lending institutions, together with related support and services. Our technology solutions primarily consist of mortgage processing and workflow management software applications. The long term nature of most of our contracts in this business provides us with substantial recurring revenues. Our revenues from servicing technology are generally based on the number of active mortgages on our mortgage servicing platform in a given period. Our other technology solutions include our origination and default technology, from which we generally earn revenues on a per transaction basis. Our data and analytics offerings primarily consist of our alternative valuation services, real estate and mortgage data, modeling and forecasting and analytical tools.

The U.S. mortgage market has seen significant change over the past few years and is expected to continue to evolve going forward. Increased origination volatility and key regulatory actions arising from the recent financial crisis, such as the Dodd-Frank Act and the establishment of the Consumer Financial Protection Bureau (the "CFPB"), impose new and evolving standards for market participants. These regulatory changes have spurred lenders and servicers to seek technology solutions that facilitate compliance obligations in the face of a changing regulatory environment while remaining efficient and profitable.

The current market conditions for BKFS' services include the following:

*Increased regulation.* Most U.S. mortgage market participants have become subject to increasing regulatory oversight and regulatory requirements as federal and state governments have enacted various new laws, rules and regulations. One example of such legislation is the Dodd-Frank Act, which contains broad changes for many sectors of the financial services and lending industries and established the CFPB, a new federal regulatory agency responsible for regulating consumer financial protection within the United States. It is our experience that mortgage lenders have become more focused on the risk of non-compliance with these evolving regulations and are focused on technologies and solutions that help them to comply with the increased regulatory oversight and burdens.

*Lenders increasingly focused on core operations.* As a result of greater regulatory scrutiny and the higher cost of doing business, we believe lenders have become increasingly focused on their core operations and customers. We believe lenders are increasingly shifting from affiliate business models and in-house technologies to solutions with third-party providers who can provide better technology and services more efficiently. Lenders require these vendors to provide best-in-class technology and deep domain expertise and to assist them in maintaining regulatory compliance. We believe that very few of these providers have the scale and regulatory infrastructure to meet both the technological efficiency and high regulatory standards that lenders require.

*Growing role of technology in the U.S. mortgage industry.* Banks and other lenders and servicers have become increasingly focused on technology automation and workflow management to operate more efficiently and meet their regulatory guidelines. We believe that vendors must be able to support the complexity in the market, display extensive industry knowledge and possess the financial resources to make the necessary investments in technology to support lenders.

*Increased demand for enhanced transparency and analytic insight.* As U.S. mortgage market participants work to minimize the risk in lending, servicing and capital markets, they increasingly rely on data and analytics to integrate with technologies that enhance the decision making process. These industry participants rely on large comprehensive third party databases coupled with enhanced analytics to achieve these goals.

**Intellectual Property**

We rely on a combination of contractual restrictions, internal security practices, and copyright and trade secret law to establish and protect our software, technology, and expertise across our businesses. Further, we have developed a number of brands that have accumulated substantial goodwill in the marketplace, and we rely on trademark law to protect our rights in that area. We intend to continue our policy of taking all measures we deem necessary to protect our copyright, trade secret, and trademark rights. These legal protections and arrangements afford only limited protection of our proprietary rights, and there is no assurance that our competitors will not independently develop or license products, services, or capabilities that are substantially equivalent or superior to ours.

**Technology and Research and Development**

*Title Business*

As a national provider of real estate transaction products and services, we participate in an industry that is subject to significant regulatory requirements, frequent new product and service introductions, and evolving industry standards. We believe that our future success depends in part on our ability to anticipate industry changes and offer products and services that meet evolving industry standards. In connection with our title segment service offerings, we are continuing to deploy new information system technologies to our direct and agency operations. We continue to improve the process of ordering title and escrow services and improve the delivery of our products to our customers. In order to meet new regulatory requirements, we also continue to expand our data collection and reporting abilities. We have made enhancements to certain of our systems to comply with the CFPB's Integrated Mortgage Disclosure rules that will go into effect on August 1, 2015.

*BKFS*

Our research and development activities relate primarily to the design, development and enhancement of our processing systems and related software applications. We expect to continue our practice of investing an appropriate level of resources to maintain, enhance and extend the functionality of our proprietary systems and existing software applications, to develop new and innovative software applications and systems in response to the needs of our clients, and to enhance the capabilities surrounding our infrastructure. We work with our clients to determine the appropriate timing and approach to introducing technology or infrastructure changes to our applications and services. We have made enhancements to certain of our systems products, including a web-based solution designed to support lender and service provider efforts to comply with the CFPB's Integrated Mortgage Disclosure rules that will go into effect on August 1, 2015.

**Investment Policies and Investment Portfolio**

Our investment policy is designed to maximize total return through investment income and capital appreciation consistent with moderate risk of principal, while providing adequate liquidity. Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, are subject to extensive regulation under applicable state laws. The various states in which we operate our underwriters regulate the types of assets that qualify for purposes of capital, surplus, and statutory unearned premium reserves. Our investment policy specifically limits duration and non-investment grade allocations in the FNF core fixed-income portfolio. Maintaining shorter durations on the investment portfolio allows for the mitigation of interest rate risk. Equity securities and preferred stock are utilized to take advantage of perceived value or for strategic purposes. Due to the magnitude of the investment portfolio in relation to our claims loss reserves, durations of investments are not specifically matched to the cash outflows required to pay claims.

As of December 31, 2014 and 2013 , the carrying amount of total investments, which approximates the fair value, excluding investments in unconsolidated affiliates, was $ 3.9 billion and $ 3.4 billion, respectively.

We purchase investment grade fixed maturity securities, selected non-investment grade fixed maturity securities, preferred stock 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 securities and preferred stock portfolio at December 31, 2014 and 2013 :

| Rating(1) | December 31, 2014 Amortized Cost | % of Total | Fair Value | % of Total | 2013 Amortized Cost | % of Total | Fair Value | % of Total |
|---|---|---|---|---|---|---|---|---|
| | (Dollars in millions) | | | | | | | |
| Aaa/AAA | $ 373 | 11.7% | $ 379 | 11.7% | $ 377 | 12.4% | $ 388 | 12.5% |
| Aa/AA | 701 | 22.0 | 721 | 22.1 | 668 | 22.0 | 690 | 22.2 |
| A | 1,061 | 33.3 | 1,085 | 33.4 | 1,032 | 34.0 | 1,056 | 34.0 |
| Baa/BBB | 764 | 24.0 | 778 | 24.0 | 787 | 25.9 | 803 | 25.8 |
| Ba/BB/B | 186 | 5.8 | 184 | 5.7 | 87 | 2.9 | 85 | 2.7 |
| Lower | 60 | 1.9 | 60 | 1.8 | 84 | 2.8 | 87 | 2.8 |
| Other (2) | 41 | 1.3 | 41 | 1.3 | 1 | — | 1 | — |
| | $ 3,186 | 100.0% | $ 3,248 | 100.0% | $ 3,036 | 100.0% | $ 3,110 | 100.0% |

(1) Ratings as assigned by Moody’s Investors Service or Standard & Poor’s Ratings Group if a Moody's rating is unavailable.

(2) This category is composed of unrated securities.

The following table presents certain information regarding contractual maturities of our fixed maturity securities:

| Maturity | December 31, 2014 Amortized Cost | % of Total | Fair Value | % of Total |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| One year or less | $ 307 | 10.4% | $ 309 | 10.2% |
| After one year through five years | 2,035 | 68.7 | 2,077 | 68.7 |
| After five years through ten years | 508 | 17.1 | 521 | 17.2 |
| After ten years | 13 | 0.4 | 13 | 0.4 |
| Mortgage-backed/asset-backed securities | 101 | 3.4 | 105 | 3.5 |
| | $ 2,964 | 100% | $ 3,025 | 100% |

At December 31, 2014 , all of our mortgage-backed and asset-backed securities are rated AAA by Moody's. The mortgage-backed and asset-backed securities are made up of $ 65 million of agency-backed mortgage-backed securities, $ 25 million of agency-backed collateralized mortgage obligations, and $ 15 million in asset-backed securities.

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. Because of the potential for prepayment on mortgage-backed and asset-backed securities, they are not categorized by contractual maturity. Fixed maturity securities with an amortized cost of $ 1,772 million and a fair value of $ 1,796 million were callable or had make-whole call provisions at December 31, 2014 .

Our equity securities at December 31, 2014 and 2013 consisted of investments with a cost basis of $ 72 million and $ 71 million , respectively, and fair value of $ 145 million and $ 136 million , respectively.

At December 31, 2014 and 2013 , we also held $ 770 million and $ 357 million, respectively, in investments that are accounted for using the equity method of accounting, principally our ownership interests in Ceridian.

As of December 31, 2013 , Other long-term investments included structured notes at a fair value of $ 38 million, which were purchased in the third quarter of 2009. During the third quarter of 2014, all of our outstanding structured notes matured and we received $39 million in cash upon maturity, resulting in a net realized gain of $ 1 million for the year ending December 31, 2014 . We held no structured notes at December 31, 2014 . Also included in Other long-term investments were investments accounted for using the cost method of accounting of $ 144 million and $ 124 million, as of December 31, 2014 and 2013 , respectively.

Short-term investments, which consist primarily of 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, 2014 and 2013 , short-term investments amounted to $ 334 million and $ 26 million, respectively.

Our investment results for the years ended December 31, 2014 , 2013 and 2012 were as follows:

| | December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | (Dollars in millions) | | |
| Net investment income (1) | $ 139 | $ 147 | $ 163 |
| Average invested assets | $ 3,819 | $ 3,627 | $ 3,698 |
| Effective return on average invested assets | 3.6% | 4.1% | 4.4% |

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

**Loss Reserves**

For information about our loss reserves, see Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* — Critical Accounting Estimates.

**Geographic Operations**

Our direct title operations are divided into approximately 150 profit centers. 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 approximately 5,000 agents, primarily in those areas in which agents are the more prevalent title insurance provider. Substantially all of our revenues are generated in the United States.

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

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2014 | | 2013 | | 2012 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Texas | $ 567 | 15.4% | $ 597 | 14.4% | 496 | 12.9 |
| California | 552 | 15.0 | 632 | 15.2 | $ 660 | 17.2% |
| New York | 289 | 7.9 | 305 | 7.4 | 282 | 7.4 |
| Florida | 286 | 7.8 | 316 | 7.6 | 255 | 6.6 |
| Illinois | 214 | 5.8 | 222 | 5.3 | 183 | 4.8 |
| All others | 1,762 | 48.1 | 2,080 | 50.1 | 1,957 | 51.1 |
| Totals | $ 3,671 | 100.0% | $ 4,152 | 100.0% | $ 3,833 | 100.0% |

Our Restaurant Group operates and franchises restaurants in 42 states throughout the United States. All of our Restaurant Group's revenues are generated in those states.

**Employees**

As of January 24, 2015 , we had 56,883 full-time equivalent employees, which includes 19,289 in our Title segment, 32,778 in our Restaurant Group segment, 4,124 in the BKFS segment and 692 in our remaining businesses. We monitor our staffing levels based on current economic activity. None of our employees are subject to collective bargaining agreements. We believe that our relations with employees are generally good.

**Financial Information by Operating Segment**

For financial information by operating segment, see Note S of the Notes to Consolidated Financial Statements.

**Statement Regarding Forward-Looking Information**

The statements contained in this Form 10-K or in our other documents or in oral presentations or other statements made by our management that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding our expectations, hopes, intentions, or strategies regarding the future. These statements relate to, among other things, future financial and operating results of the Company. In many cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," or "continue," or the negative of these terms and other comparable terminology. Actual results could differ materially from those anticipated in these statements as a result of a number of factors, including, but not limited to the following:

- changes in general economic, business, and political conditions, including changes in the financial markets;
- the severity of our title insurance claims;
- downgrade of our credit rating by rating agencies;
- adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding, increased mortgage defaults, or a weak U.S. economy;
- compliance with extensive government regulation of our operating subsidiaries and adverse changes in applicable laws or regulations or in their application by regulators;
- regulatory investigations of the title insurance industry;
- loss of key personnel that could negatively affect our financial results and impair our operating abilities;
- our business concentration in the States of Texas and California are the source of approximately 15.2% and 15.0% , respectively, of our title insurance premiums;
- our potential inability to find suitable acquisition candidates, as well as the risks associated with acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus, or difficulties integrating acquisitions;
- our dependence on distributions from our title insurance underwriters as our main source of cash flow;
- competition from other title insurance companies; and
- other risks detailed in "Risk Factors" below and elsewhere in this document and in our other filings with the SEC.

We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider the possibility that actual results may differ materially from our forward-looking statements.

**Additional Information**

Our website address is www.fnf.com. We make available free of charge on or through our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. However, the information found on our website is not part of this or any other report.

## Item 1A. *Risk Factors*

In addition to the normal risks of business, we are subject to significant risks and uncertainties, including those listed below and others described elsewhere in this Annual Report on Form 10-K. Any of the risks described herein could result in a significant or material adverse effect on our results of operations or financial condition.

### General

***We have recorded goodwill as a result of prior acquisitions, and an economic downturn could cause these balances to become impaired, requiring write-downs that would reduce our operating income.***

Goodwill aggregated approximately $ 4,721 million, or 34.0% of our total assets, as of December 31, 2014 . Current accounting rules require that goodwill be assessed for impairment at least annually or whenever changes in circumstances indicate that the carrying amount may not be recoverable from estimated future cash flows. Factors that may be considered a change in circumstance indicating the carrying value of our intangible assets, including goodwill, may not be recoverable include, but are not limited to, significant underperformance relative to historical or projected future operating results, a significant decline in our stock price and market capitalization, and negative industry or economic trends. No goodwill impairment charge was recorded in 2014 . However, if there is an economic downturn in the future, the carrying amount of our goodwill may no longer be recoverable, and we may be required to record an impairment charge, which would have a negative impact on our results of operations and financial condition. We will continue to monitor our market capitalization and the impact of the economy to determine if there is an impairment of goodwill in future periods.

***Our management has articulated a willingness to seek growth through acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus or geographic areas. This expansion of our business subjects us to associated risks, such as the diversion of management's attention and lack of experience in operating such businesses, and may affect our credit and ability to repay our debt.***

Our management has stated that we may make acquisitions in lines of business that are not directly tied to or synergistic with our core operations. Accordingly, we have in the past acquired, and may in the future acquire, businesses in industries or geographic areas with which management is less familiar than we are with our core businesses. These activities involve risks that could adversely affect our operating results, such as diversion of management's attention and lack of substantial experience in operating such businesses. There can be no guarantee that we will not enter into transactions or make acquisitions that will cause us to incur additional debt, increase our exposure to market and other risks and cause our credit or financial strength ratings to decline.

***We are a holding company and depend on distributions from our subsidiaries for cash.***

We are a holding company whose primary assets are the securities of our operating subsidiaries. Our ability to pay interest on our outstanding debt and our other obligations and to pay dividends is dependent on the ability of our subsidiaries to pay dividends or make other distributions or payments to us. If our operating subsidiaries are not able to pay dividends to us, we may not be able to meet our obligations or pay dividends on our common stock.

Our title insurance subsidiaries must comply with state 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 2015 , our title insurers may pay dividends or make distributions to us without prior regulatory approval of approximately $ 236 million.

The maximum dividend permitted by law is not necessarily indicative of an insurer’s actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer’s ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in interpretation of statutory accounting requirements by regulators.

***The loss of key personnel could negatively affect our financial results and impair our operating abilities.***

Our success substantially depends on our ability to attract and retain key members of our senior management team and officers. If we lose one or more of these key employees, our operating results and in turn the value of our common stock could be materially adversely affected. Although we have employment agreements with many of our officers, there can be no assurance that the entire term of the employment agreement will be served or that the employment agreement will be renewed upon expiration.

***Failure of our information security systems or processes could result in a loss or disclosure of confidential information, damage to our reputation, monetary losses, additional costs and impairment of our ability to conduct business effectively.***

Our core operations are highly dependent upon the effective operation of our computer systems. As part of our core operations, we electronically receive, process, store and transmit sensitive personal consumer data (such as names and addresses, social security numbers, driver's license numbers, credit card and bank account information) and important business information of our customers. We also electronically manage substantial cash, investment asset and escrow account balances on behalf of ourselves and our customers, as well as financial information about our businesses generally. The integrity of our information systems and the protection of the information that resides on such systems are important to our successful operation. If we fail to maintain an adequate security infrastructure, adapt to emerging security threats or follow our internal business processes with respect to security, the information or assets we hold could be compromised. Further, even if we (or third parties to which we outsource certain IT services) maintain a reasonable, industry standard information security infrastructure, it is possible that unauthorized persons still could obtain access to information or assets we hold. These risks are increased when we transmit information over the Internet and due to increasing security risks posed by organized crime. While, to date, we believe that we have not experienced a material breach of our information security systems, the existence or scope of such events is not always apparent. If additional information regarding an incident previously considered immaterial is discovered, or a new event were to occur, it could potentially have a material adverse effect on us. In addition, some laws and certain of our contracts require notification of various parties, including consumers or customers, in the event that confidential or personal information has or may have been taken or accessed by unauthorized third parties. Such notifications can result, among other things, in adverse publicity, distraction of managements’ time and energy, the attention of regulatory authorities, and fines and disruptions in sales, the effects of which may be material.

Further, our financial institution customers have obligations to safeguard their information technology systems and information. In certain of our businesses, we are bound contractually and/or by regulation to comply with the same requirements. If we fail to comply with these regulations and requirements, we could be exposed to suits for breach of contract, governmental proceedings or the imposition of fines. In addition, if more restrictive privacy laws, rules or industry security requirements are adopted in the future on the federal or state level or by a specific industry in which we do business, that could have an adverse impact on us through increased costs or restrictions on business processes. Any inability to prevent security or privacy breaches, or the perception that such breaches may occur, could inhibit our ability to retain existing customers or attract new customers and/or result in financial losses, litigation, increased costs or other adverse consequences to our business.

***If economic and credit market conditions deteriorate, it could have a material adverse impact on our investment portfolio.***

Our investment portfolio is exposed to economic and financial market risks, including changes in interest rates, credit markets and prices of marketable equity and fixed-income securities. Our investment policy is designed to maximize total return through investment income and capital appreciation consistent with moderate risk of principal, while providing adequate liquidity and complying with internal and regulatory guidelines. To achieve this objective, our marketable debt investments are primarily investment grade, liquid, fixed-income securities and money market instruments denominated in U.S. dollars. We make investments in certain equity securities and preferred stock in order to take advantage of perceived value and for strategic purposes. In the past, economic and credit market conditions have adversely affected the ability of some issuers of investment securities to repay their obligations and have affected the values of investment securities. If the carrying value of our investments exceeds the fair value, and the decline in fair value is deemed to be other-than-temporary, we will be required to write down the value of our investments, which could have a material negative impact on our results of operations and financial condition.

W e own a minority interest in Ceridian, a leading provider of global human capital management and payment solutions. If the fair value of this company were to decline below book value, we would be required to write down the value of our investment, which could have a material negative impact on our results of operations and financial condition. If this company were to experience significant negative volatility in its results of operations it would have a material adverse effect on our own results of operations due to our inclusion of our portion of its earnings in our results of operations.

***Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under our indebtedness.***

As of December 31, 2014, our outstanding debt was $2,826 million, including $1,208 million in variable rate debt. Our high degree of leverage could have important consequences, including the following: (i) a substantial portion of our cash flow from operations is dedicated to the payment of principal and interest on indebtedness, thereby reducing the funds available for operations, future business opportunities and capital expenditures; (ii) our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate purposes in the future may be limited; (iii) certain of the borrowings are at variable rates of interest, which will increase our vulnerability to increases in interest rates; (iv) we may be unable to adjust rapidly to changing market conditions; (v) the debt service requirements of our other indebtedness could make it more difficult for us to satisfy our financial obligations; and (vi) we may be vulnerable in a downturn in general economic conditions or in our business and we may be unable to carry out activities that are important to our growth.

Our ability to make scheduled payments of the principal of, or to pay interest on, or to refinance indebtedness depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control. If we are unable to generate sufficient cash flow to service our debt or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, which could cause us to default on our obligations and impair our liquidity. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more stringent covenants that could further restrict our business operations. We from time to time may increase the amount of our indebtedness, modify the terms of our financing arrangements, issue dividends, make capital expenditures and take other actions that may substantially increase our leverage.

**Title**

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

Title insurance revenue is closely related to the level of real estate activity which includes sales, mortgage financing 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, including high unemployment levels.

Declines in the level of real estate activity or the average price of real estate sales are likely to adversely affect our title insurance revenues. The Mortgage Bankers Association's ("MBA") Mortgage Finance Forecast currently estimates an approximately $ 1.2 trillion mortgage origination market for 2015 , which would be an increase of 8.9% from 2014 . The MBA forecasts that the 8.9% increase will result almost entirely from increased purchase activity. Our revenues in future periods will continue to be subject to these and other factors which are beyond our control and, as a result, are likely to fluctuate.

***If financial institutions at which we hold escrow funds fail, it could have a material adverse impact on our company.***

We hold customers' assets in escrow at various financial institutions, pending completion of real estate transactions. These assets are maintained in segregated bank accounts and have not been included in the accompanying Consolidated Balance Sheets. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to $ 12.7 billion at December 31, 2014 . Failure of one or more of these financial institutions may lead us to become liable for the funds owed to third parties and there is no guarantee that we would recover the funds deposited, whether through Federal Deposit Insurance Corporation coverage or otherwise.

***If we experience changes in the rate or severity of title insurance claims, it may be necessary for us to record additional charges to our claim loss reserve. This may result in lower net earnings and the potential for earnings volatility.***

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. From time to time, we experience large losses or an overall worsening of our loss payment experience in regard to the frequency or severity of claims that require us to record additional charges to our claims loss reserve. There are currently pending several large claims which we believe can be defended successfully without material loss payments. However, if unanticipated material payments are required to settle these claims, it could result in or contribute to additional charges to our claim loss reserves. These loss events are unpredictable and adversely affect our earnings.

At each quarter end, our recorded reserve for claim losses is initially the result of taking the prior recorded reserve for claim losses, adding the current provision to that balance and subtracting actual paid claims from that balance, resulting in an amount that management then compares to our actuary's central estimate provided in the actuarial calculation. Due to the uncertainty and judgment used by both management and our actuary, our ultimate liability may be greater or less than our current reserves and/or our actuary’s calculation. If the recorded amount is within a reasonable range of the actuary’s central estimate, but not at the central estimate, management assesses other factors in order to determine our best estimate. These factors, which are both qualitative and quantitative, can change from period to period and include items such as current trends in the real estate industry (which management can assess, but for which there is a time lag in the development of the data used by our actuary), any adjustments from the actuarial estimates needed for the effects of unusually large or small claims, improvements in our claims management processes, and other cost saving measures. Depending upon our assessment of these factors, we may or may not adjust the recorded reserve. If the recorded amount is not within a reasonable range of the actuary’s central estimate, we would record a charge or credit and reassess the provision rate on a go forward basis.

Our average provision for claim losses was 6.2% of title premiums in 2014 . We will reassess the provision to be recorded in future periods consistent with this methodology and can make no assurance that we will not need to record additional charges in the future to increase reserves in respect of prior periods.

***Our insurance subsidiaries must comply with extensive regulations. These regulations may increase our costs or impede or impose burdensome conditions on actions that we might seek to take to increase the revenues of those subsidiaries.***

Our insurance businesses are subject to extensive regulation by state insurance authorities in each state in which they 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;
- disclosure requirements on key terms of mortgage loans;
- 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. In addition, we may incur significant costs in the course of complying with regulatory requirements. Further, various state legislatures have in the past considered offering a public alternative to the title industry in their states, as a means to increase state government revenues. Although we think this situation is unlikely, if one or more such takeovers were to occur they could adversely affect our business. We cannot be assured that future legislative or regulatory changes will not adversely affect our business operations. See “Item 1. *Business* — Regulation.”

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

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

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

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

***Because we are dependent upon Texas and California for approximately 15.4% and 15.0% of our title insurance premiums, respectively, our business may be adversely affected by regulatory conditions in Texas and/or California.***

Texas and California are the two largest sources of revenue for the our title segment and, in 2014 , Texas-based premiums accounted for 21.0% of premiums earned by direct operations and 10.8% of our agency premium revenues. California-based premiums accounted for 32.4% of premiums earned by our direct operations and 0.5% of our agency premium revenues. In the aggregate, Texas and California accounted for approximately 15.4% and 15.0% , respectively, of our total title insurance premiums for 2014 . A significant part of our revenues and profitability are therefore subject to our operations in Texas and California and to the prevailing regulatory conditions in Texas and California. Adverse regulatory developments in Texas and 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 Texas and California title insurance regulatory framework, could have a material adverse effect on our results of operations and financial condition.

***If the rating agencies downgrade our insurance companies, our results of operations and competitive position in the title insurance industry may suffer.***

Ratings have always been an important factor in establishing the competitive position of insurance companies. Our title insurance subsidiaries are rated by S&P, Moody's, A.M. Best, and Demotech. Ratings reflect the opinion of a rating agency with regard to an insurance company's or insurance holding company's financial strength, operating performance and ability to meet its obligations to policyholders and are not evaluations directed to investors. Our ratings are subject to continued periodic review by rating agencies 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.

**BKFS**

***BKFS's clients and BKFS are subject to various governmental regulations, and a failure to comply with government regulations or changes in these regulations could result in penalties, restrict or limit it or its clients' operations or make it more burdensome to conduct such operations, any of which could have a material adverse effect on its business, financial condition and results of operations.***

Many of BKFS's clients' and its businesses are subject to various federal, state, local and foreign laws and regulations. BKFS' failure to comply with applicable laws and regulations could restrict its ability to provide certain services or result in imposition of civil fines and criminal penalties, substantial regulatory and compliance costs, litigation expense, adverse publicity and loss of revenue.

As a provider of electronic data processing to financial institutions, such as banks and credit unions, BKFS is subject to regulatory oversight and examination by the Federal Financial Institutions Examination Council, an interagency body of the Federal Reserve Board, the Office of the Comptroller of the Currency, or the OCC, the Federal Deposit Insurance Corporation, or the FDIC, and various other federal and state regulatory authorities. In addition, independent auditors annually review several of the BKFS operations to provide reports on internal controls for its clients' auditors and regulators. BKFS may be subject to review by state agencies that regulate banks in each state in which it conducts its electronic processing activities.

In addition, BKFS is subject to an increasing degree of compliance oversight by regulators and by its clients. Specifically, the CFPB has authority to write rules affecting the business of, supervise, conduct examinations of, and enforce compliance as to federal consumer financial protection laws and regulations with respect to certain "non-depository covered persons" determined by the CFPB to be "larger participants" that offer consumer financial products and services. The CFPB and other financial institution regulators such as the OCC also have the authority to examine BKFS in its role as a service provider to large financial institutions, although it is yet unclear how broadly they will apply this authority going forward. In addition, some of BKFS's largest bank clients are subject to consent orders with the OCC and/or are parties to the National Mortgage Settlement, both of which require them to exercise greater oversight and perform more rigorous audits of their key vendors such as BKFS.

The Real Estate Settlement Procedures Act, or RESPA, and related regulations generally prohibit the payment or receipt of fees or any other item of value for the referral of real estate-related settlement services. RESPA also prohibits fee shares or splits or unearned fees in connection with the provision of residential real estate settlement services, such as mortgage brokerage and real estate brokerage. Notwithstanding these prohibitions, RESPA permits payments for goods furnished or for services actually performed, so long as those payments bear a reasonable relationship to the market value of the goods or services provided. RESPA and related regulations may to some extent restrict our real estate-related businesses from entering into certain preferred alliance arrangements. The CFPB is responsible for enforcing RESPA.

Changes to laws and regulations and enhanced regulatory oversight of our clients and us may compel us to increase our prices in certain situations or decrease our prices in other situations, may restrict our ability to implement price increases, or otherwise limit the manner in which BKFS conducts its business. In addition, in response to increased regulatory oversight, participants in the mortgage lending industry may develop policies pursuant to which they limit the extent to which they can rely on any one vendor or service provider. If we are unable to adapt our products and services to conform to the new laws and regulations, or if these laws and regulations have a negative impact on our clients, we may experience client losses or increased operating costs, which could have a material adverse effect on our business, financial condition and results of operations.

***BKFS relies on its top clients for a significant portion of its revenue and profit, which makes it susceptible to the same macro-economic and regulatory factors that impact its clients. If these clients are negatively impacted by current economic or regulatory conditions or otherwise experience financial hardship or stress, or if the terms of its relationships with these clients change, it could have a material adverse effect on its business, financial condition and results of operations.***

BKFS operates in a consolidated industry and as a result, a small number of its clients have accounted for a significant portion of its revenues. BKFS expects that a limited number of its clients will continue to represent a significant portion of its revenues for the foreseeable future. During 2014, BKFS's largest client, Wells Fargo, N.A., or Wells Fargo, accounted for approximately 13.5% of BKFS' consolidated revenues. JPMorgan Chase Bank, N.A., or JPMorgan Chase, BKFS's second largest client, accounted for approximately 11.8% of BKFS' consolidated revenues.

BKFS's clients face continued pressure in the current economic and regulatory climate. Many of BKFS's relationships with these clients are long-standing and are important to its business and results of operations, but there is no guarantee that BKFS will be able to retain or renew existing agreements or maintain its relationships on acceptable terms or at all. Additionally, BKFS relies on cross-selling its products and services to its existing clients as a source of growth. The deterioration in or termination of any of these relationships could significantly reduce its revenue and could have a material adverse effect on its business, financial condition and results of operations. As a result, BKFS may be disproportionately affected by declining revenue from, or loss of, a significant BKFS client. In addition, by virtue of their significant relationships with us, these clients may be able to exert pressure on us with respect to the pricing of BKFS services.

***There may be consolidation in BKFS' end client market, which would reduce the use of its services by its clients and could have a material adverse effect on its business, financial condition and results of operations.***

Mergers or consolidations among existing or potential clients could reduce the number of BKFS' clients and potential clients. If BKFS's clients merge with or are acquired by other entities that are not BKFS' clients, or that use fewer of BKFS' services, they may discontinue or reduce their use of BKFS's services. In addition, if potential clients merge, BKFS's ability to increase its client base may be adversely affected and the ability of BKFS's customers to exert pressure on BKFS' pricing may increase. Any of these developments could have a material adverse effect on BKFS's business, financial condition and results of operations.

***If BKFS fails to adapt its solutions to technological changes or evolving industry standards, or if BKFS's ongoing efforts to upgrade its technology are not successful, BKFS could lose clients and have difficulty attracting new clients for its solutions, which could have a material adverse effect on its business, financial condition and results of operations.***

The markets for BKFS's solutions are characterized by constant technological changes, frequent introductions of new products and services and evolving industry standards. BKFS's future success will be significantly affected by BKFS's ability to successfully enhance BKFS's current solutions, and develop and introduce new solutions and services that address the increasingly sophisticated needs of BKFS's clients and their customers. These initiatives carry the risks associated with any new product or service development effort, including cost overruns, delays in delivery and performance issues. There can be no assurance that BKFS will be successful in developing, marketing and selling new solutions and services that meet these changing demands, that BKFS will not experience difficulties that could delay or prevent the successful development, introduction, and marketing of these solutions and services, or that BKFS' new solutions and services and their enhancements will adequately meet the demands of the marketplace and achieve market acceptance. If BKFS' efforts are unsuccessful, it could have a material adverse effect on BKFS' business, financial condition and results of operations.

***BKFS operates in a competitive business environment and, if BKFS is unable to compete effectively, it could have a material adverse effect on its business, financial condition and results of operations.***

The markets for BKFS's solutions are intensely competitive. BKFS's competitors vary in size and in the scope and breadth of the services they offer. Some of BKFS's competitors have substantial resources. In addition, BKFS expects that the markets in which BKFS competes will continue to attract new competitors and new technologies. There can be no assurance that BKFS will be able to compete successfully against current or future competitors or that competitive pressures BKFS faces in the markets in which BKFS operates will not have a material adverse effect on its business, financial condition and results of operations.

Further, because many of BKFS' larger potential clients have historically developed their key processing applications in-house and therefore view their system requirements from a make-versus-buy perspective, BKFS often competes against BKFS's potential clients’ in-house capacities. There can be no assurance that BKFS's strategies for overcoming potential clients’ reluctance to change will be successful, and if BKFS is unsuccessful, it could have a material adverse effect on BKFS's business, financial condition and results of operations.

***BKFS relies on proprietary technology and information rights, and if BKFS is unable to protect its rights, it could have a material adverse effect on BKFS's business, financial condition and results of operations.***

BKFS's success depends, in part, upon its intellectual property rights. BKFS relies primarily on a combination of patents, copyrights, trade secrets, and trademark laws and nondisclosure and other contractual restrictions on copying, distribution and creation of derivative products to protect BKFS's proprietary technology and information. This protection is limited, and BKFS's intellectual property could be used by others without their consent. In addition, patents may not be issued with respect to BKFS's pending or future patent applications, and BKFS's patents may not be upheld as valid or may not prevent the development of competitive products. Any infringement, disclosure, loss, invalidity of, or failure to protect BKFS's intellectual property could have a material adverse effect on its business, financial condition and results of operations. Moreover, litigation may be necessary to enforce or protect its intellectual property rights, to protect its trade secrets, or to determine the validity and scope of the proprietary rights of others. Such litigation could be time-consuming, result in substantial costs and diversion of resources and could have a material adverse effect on its business, financial condition and results of operations.

***Because BKFS's revenue from clients in the mortgage lending industry is affected by the strength of the economy and the housing market generally, including the volume of real estate transactions, a change in any of these conditions could have a material adverse effect on its business, financial condition and results of operations.***

BKFS's revenue is primarily generated from technology, data and analytics BKFS provides to the mortgage lending industry and, as a result, a weak economy or housing market may have a material adverse effect on BKFS's business, financial condition and results of operations. The volume of mortgage origination and residential real estate transactions is highly variable and reductions in these transaction volumes could have a direct impact on the revenues BKFS generates.

The revenues BKFS generates from its servicing technology depend upon the total number of mortgage loans processed on its MSP platform, which tends to be comparatively consistent regardless of economic conditions. However, in the event that a difficult economy or other factors lead to a decline in levels of home ownership and a reduction in the number of mortgage loans outstanding and BKFS is not able to counter the impact of those events with increased market share or higher fees, BKFS's mortgage processing revenues could be adversely affected. Moreover, negative economic conditions, including increased unemployment or interest rates or a downturn in other general economic factors, among other things, could adversely affect the performance and financial condition of some of BKFS's clients in many of its businesses, which may have a material adverse effect on its business, financial condition and results of operations if these clients exit certain businesses.

A weaker economy and housing market tend to increase the volume of consumer mortgage defaults, which can increase revenues from BKFS's applications focused on supporting default management functions. However, government regulation of the mortgage industry in general, and the default and foreclosure process in particular, has greatly slowed the processing of defaulted mortgages in recent years and has changed the way many of its clients address mortgage loans in default. A downturn in the origination market and a concurrent slowdown or change in the way mortgage loans in default are addressed could have a material adverse effect on its business, financial condition and results of operations.

**FNFV**

***Our operations could be adversely affected by the results of our acquired restaurant companies due to the risks inherent in that segment.***

Our acquired restaurant companies face certain risks that could negatively impact their results of operations. These risks include such things as the risks of unfavorable economic conditions, changing consumer preferences, unfavorable publicity, increasing food and labor costs, effectiveness of marketing campaigns, and the ability to compete successfully with other restaurants. In addition, risks related to supply chain, food quality, and protecting guests' personal information are inherent to the restaurant business. These companies are also subject to compliance with extensive government laws and regulations related to employment practices and policies and the manufacture, preparation, and sale of food and alcohol. If our restaurant companies are not able to respond effectively to one or more of these risks, it could have a material adverse impact on the results of operations of those businesses.

**Risks Relating to the Ownership of Our FNFV Group Common Stock due to our Tracking Stock Capitalization**

***Holders of FNF Group common stock and FNFV Group common stock are common shareholders of FNF and are, therefore, subject to risks associated with an investment in FNF as a whole, even if a holder does not own shares of common stock of both of our groups.***

Even though we have attributed, for financial reporting purposes, all of our consolidated assets, liabilities, revenue, expenses to either the FNF Group or the FNFV Group in order to prepare the separate financial results for each of these groups included herein, we retain legal title to all of our assets and our capitalization does not limit our legal responsibility, or that of our subsidiaries, for the liabilities included in any disclosed financial results. Holders of FNF Group common stock and FNFV Group common stock do not have any legal rights related to specific assets attributed to the FNF Group or the FNFV Group and, in any liquidation, holders of FNF Group common stock and holders of FNFV Group common stock will be entitled to receive a pro rata share of our available net assets based on their respective numbers of liquidation units as specified in our certificate of incorporation (our "Corporate Charter").

***Our Board of Directors' ability to reattribute businesses, assets and expenses between tracking stock groups may make it difficult to assess the future prospects of either tracking stock group based on its past performance.***

Our Board of Directors is vested with discretion to reattribute businesses, assets and liabilities that are attributed to one tracking stock group to the other tracking stock group, without the approval of any of our shareholders, in accordance with our management and allocation policies and our Corporate Charter. Any such reattribution made by our Board of Directors, as well as the existence of the right in and of itself to effect a reattribution, may impact the ability of investors to assess the future prospects of either tracking stock group, including its liquidity and capital resource needs, based on its past performance. Shareholders may also have difficulty evaluating the liquidity and capital resources of each group based on past performance, as our Board of Directors may use one group's liquidity to fund the other group's liquidity and capital expenditure requirements through the use of inter-group loans and inter-group interests.

***We could be required to use assets attributed to one group to pay liabilities attributed to the other group.***

The assets attributed to one group are potentially subject to the liabilities attributed to the other group, even if those liabilities arise from lawsuits, contracts or indebtedness that are attributed to such other group. While our current management and allocation policies provide that reattributions of assets between groups will result in the creation of an inter-group loan or an inter-group interest or an offsetting reattribution of cash or other assets, no provision of our Corporate Charter prevents us from satisfying liabilities of one group with assets of the other group, and our creditors will not in any way be limited by our tracking stock capitalization from proceeding against any assets they could have proceeded against if we did not have a tracking stock capitalization.

***The market price of FNF Group common stock and FNFV Group common stock may not reflect the performance of the FNF Group and the FNFV Group, respectively, as we intend.***

We cannot assure you that the market price of the common stock of a group will, in fact, reflect the performance of the group of businesses, assets and liabilities attributed to that group. Holders of FNF Group common stock and FNFV Group common stock are common shareholders of FNF as a whole and, as such, will be subject to all risks associated with an investment in FNF and all of our businesses, assets and liabilities. As a result, the market price of each class of stock of a group may simply reflect the performance of FNF as a whole or may more independently reflect the performance of some or all of the group of assets attributed to such group. In addition, investors may discount the value of the stock of a group because it is part of a common enterprise rather than a stand-alone entity.

***The market price of FNF Group common stock and FNFV Group common stock may be volatile, could fluctuate substantially and could be affected by factors that do not affect traditional common stock.***

To the extent the market prices of FNF Group common stock and FNFV Group common stock track the performance of more focused groups of businesses, assets and liabilities than the historic FNF Class A common stock did, the market prices of these new tracking stocks may be more volatile than the market price of FNF Class A common stock was historically. The market prices of FNF Group common stock and FNFV Group common stock may be materially affected by, among other things:

- actual or anticipated fluctuations in a group's operating results or in the operating results of particular companies attributable to such group;
- potential acquisition activity by FNF or the companies in which we invest;
- issuances of debt or equity securities to raise capital by FNF or the companies in which we invest and the manner in which that debt or the proceeds of an equity issuance are attributed to each of the groups;
- changes in financial estimates by securities analysts regarding FNF Group common stock or FNFV Group common stock or the companies attributable to either of our tracking stock groups;
- the complex nature and the potential difficulties investors may have in understanding the terms of both of our tracking stocks, as well as concerns regarding the possible effect of certain of those terms on an investment in our stock; and

- general market conditions.

***The market value of FNF Group common stock and FNFV Group common stock could be adversely affected by events involving the assets and businesses attributed to either of the groups.***

Because we are the issuer of FNF Group common stock and FNFV Group common stock, an adverse market reaction to events relating to the assets and businesses attributed to either of our groups, such as earnings announcements or announcements of new products or services, acquisitions or dispositions that the market does not view favorably, may cause an adverse reaction to the common stock of the other group. This could occur even if the triggering event is not material to us as a whole. A certain triggering event may also have a greater impact on one group than the same triggering event would have on the other group due to the asset composition of the affected group. In addition, the incurrence of significant indebtedness by us or any of our subsidiaries on behalf of one group, including indebtedness incurred or assumed in connection with acquisitions of or investments in businesses, could affect our credit rating and that of our subsidiaries and, therefore, could increase the borrowing costs of businesses attributable to our other group or the borrowing costs of FNF as a whole.

***We may not pay dividends equally or at all on FNF Group common stock or FNFV Group common stock.***

FNF has historically paid quarterly dividends to its shareholders. We have the right to pay dividends on the shares of common stock of each group in equal or unequal amounts, and we may pay dividends on the shares of common stock of one group and not pay dividends on shares of common stock of the other group. In addition, any dividends or distributions on, or repurchases of, shares relating to either group will reduce our assets legally available to be paid as dividends on the shares relating to the other group.

***Our tracking stock capital structure could create conflicts of interest, and our Board of Directors may make decisions that could adversely affect only some holders of our common stock.***

Our tracking stock capital structure could give rise to occasions when the interests of holders of stock of one group might diverge or appear to diverge from the interests of holders of stock of the other group. In addition, given the nature of their businesses, there may be inherent conflicts of interests between the FNF Group and the FNFV Group. Our tracking stock groups are not separate entities and thus holders of FNF Group common stock and FNFV Group common stock do not have the right to elect separate Boards of Directors. As a result, our FNF's officers and directors owe fiduciary duties to FNF as a whole and all of our shareholders as opposed to only holders of a particular group. Decisions deemed to be in the best interest of our Company and all of our shareholders may not be in the best interest of a particular group when considered independently. Examples include:

- decisions as to the terms of any business relationships that may be created between the FNF Group and the FNFV Group or the terms of any reattributions of assets between the groups;
- decisions as to the allocation of consideration among the holders of FNF Group common stock and FNFV Group common stock to be received in connection with a merger involving FNF;
- decisions as to the allocation of corporate opportunities between the groups, especially where the opportunities might meet the strategic business objectives of both groups;
- decisions as to operational and financial matters that could be considered detrimental to one group but beneficial to the other;
- decisions as to the conversion of shares of common stock of one group into shares of common stock of the other, which the Board of Directors may make in its sole discretion, so long as the shares are converted (other than in connection with the disposition of all or substantially all of a group's assets) at a ratio that provides the shareholders of the converted stock with a premium based on the following requirements:
  (i) a 10% premium to such stock's market price for the first year following the recapitalization,
  (ii) an 8% premium to such stock's market price for the second year following the recapitalization,
  (iii) a 6% premium to such stock's market price for the third year following the recapitalization,
  (iv) a 4% premium to such stock's market price for fourth year following the recapitalization,
  (v) a 2% premium to such stock's market price for the fifth year following the recapitalization, and
  (vi) no premium to such stock's market price thereafter, with such premium to be based on, in each case, the market price of such stock over the 10 day trading period preceding the date on the which the Board of Directors determines to effect any such conversion; no conversion premium is available for a conversion in connection with the disposition of all or substantially all of the assets of either group;
- decisions regarding the creation of, and, if created, the subsequent increase or decrease of any intergroup interest that one group may own in the other group;
- decisions as to the internal or external financing attributable to businesses or assets attributed to either of our groups;
- decisions as to the dispositions of assets of either of our groups; and
- decisions as to the payment of dividends on the stock relating to either of our groups.

***Our directors' or officers' ownership of FNF Group common stock and FNFV Group common stock may create or appear to create conflicts of interest.***

If directors or officers own disproportionate interests (in percentage or value terms) in FNF Group common stock or FNFV Group common stock, that disparity could create or appear to create conflicts of interest when they are faced with decisions that could have different implications for the holders of FNF Group common stock or FNFV Group common stock.

***We have not adopted any specific procedures for consideration of matters involving a divergence of interests among holders of shares of stock relating to our two groups.***

Rather than develop additional specific procedures in advance, our Board of Directors intends to exercise its judgment from time to time, depending on the circumstances, as to how best to:

- obtain information regarding the divergence (or potential divergence) of interests;
- determine under what circumstances to seek the assistance of outside advisers;
- determine whether a committee of our Board of Directors should be appointed to address a specific matter and the appropriate members of that committee; and
- assess what is in our best interest and the best interest of all of our shareholders.

Our Board of Directors believes the advantage of retaining flexibility in determining how to fulfill its responsibilities in any such circumstances as they may arise outweighs any perceived advantages of adopting additional specific procedures in advance.

***Our Board of Directors may change the management and allocation policies following their implementation to the detriment of either group without shareholder approval.***

Our Board of Directors intends to adopt certain management and allocation policies as guidelines in making decisions regarding the relationships between the FNF Group and the FNFV Group with respect to matters such as tax liabilities and benefits, inter-group loans, inter-group interests, attribution of assets, financing alternatives, corporate opportunities and similar items. These policies also set forth the initial focuses and strategies of these groups and the initial attribution of our businesses, assets and liabilities between them. Our Board of Directors may at any time change or make exceptions to these policies. Because these policies relate to matters concerning the day-to-day management of FNF as opposed to significant corporate actions, such as a merger involving FNF or a sale of substantially all of our assets, no shareholder approval is required with respect to policy adoption or amendment. A decision to change, or make exceptions to, these policies or adopt additional policies could disadvantage one group while advantaging the other.

***Holders of shares of stock relating to a particular group may not have any remedies if any action by our Directors or Officers has an adverse effect on only that stock.***

Principles of Delaware law and the provisions of our Corporate Charter may protect decisions of our Board of Directors that have a disparate impact upon holders of shares of stock relating to a particular group. Under Delaware law, the Board of Directors has a duty to act with due care and in the best interests of all shareholders, regardless of the stock held. Principles of Delaware law established in cases involving differing treatment of multiple classes or series of stock provide that a Board of Directors owes an equal duty to all shareholders and does not have separate or additional duties to any subset of shareholders. Judicial opinions in Delaware involving tracking stocks have established that decisions by directors or officers involving differing treatment of holders of tracking stocks may be judged under the business judgment rule. In some circumstances, our directors or officers may be required to make a decision that is viewed as adverse to the holders of shares relating to a particular group. Under the principles of Delaware law and the business judgment rule referred to above, you may not be able to successfully challenge decisions that you believe have a disparate impact upon the shareholders of one of our groups if a majority of our Board of Directors is disinterested and independent with respect to the action taken, is adequately informed with respect to the action taken and acts in good faith and in the honest belief that the Board of Directors is acting in the best interest of FNF and our shareholders as a whole.

***Shareholders will not vote on how to attribute consideration received in connection with a merger involving FNF among holders of FNF Group common stock and FNFV Group common stock.***

Our Corporate Charter does not contain any provisions governing how consideration received in connection with a merger or consolidation involving FNF is to be attributed to the holders of FNF Group common stock and holders of FNFV Group common stock, and none of the holders of FNF Group common stock or FNFV Group common stock will have a separate class vote in the event of such a merger or consolidation. Consistent with applicable principles of Delaware law, our Board of Directors will seek to divide the type and amount of consideration received in a merger or consolidation involving FNF among holders of FNF Group common stock and FNFV Group common stock in a fair manner. As the different ways our Board of Directors may divide the consideration between holders of stock relating to the different groups might have materially different results, the consideration to be received by holders of FNF Group common stock and FNFV Group common stock in any such merger or consolidation may be materially less valuable than the consideration they would have received if they had a separate class vote on such merger or consolidation.

***We may dispose of assets of the FNF Group or the FNFV Group without your approval.***

Delaware law requires shareholder approval only for a sale or other disposition of all or substantially all of the assets of FNF taken as a whole, and our Corporate Charter does not require a separate class vote in the case of a sale of a significant amount of assets of any of our groups. As long as the assets attributed to the FNF Group or the FNFV Group proposed to be disposed of represent less than substantially all of our assets, we may approve sales and other dispositions of any amount of the assets of such group without any shareholder approval. If we dispose of all or substantially all of the assets attributed to any group (which means, for this purpose, assets representing 80% of the fair market value of the total assets of the disposing group, as determined by our Board of Directors), we would be required, if the disposition is not an exempt disposition under the terms of our Corporate Charter, to choose one or more of the following three alternatives:

- declare and pay a dividend on the disposing group's common stock;
- redeem shares of the disposing group's common stock in exchange for cash, securities or other property; and/or
- convert all or a portion of the disposing group's outstanding common stock into common stock of the other group.

In this type of a transaction, holders of the disposing group's common stock may receive less value than the value that a third-party buyer might pay for all or substantially all of the assets of the disposing group. Our Board of Directors will decide, in its sole discretion, how to proceed and is not required to select the option that would result in the highest value to holders of any group of our common stock.

***Holders of FNF Group common stock or FNFV Group common stock may receive less consideration upon a sale of the assets attributed to that group than if that group were a separate company.***

If the FNF Group or the FNFV Group were a separate, independent company and its shares were acquired by another person, certain costs of that sale, including corporate level taxes, might not be payable in connection with that acquisition. As a result, shareholders of a separate, independent company with the same assets might receive a greater amount of proceeds than the holders of FNF Group common stock or FNFV Group common stock would receive upon a sale of all or substantially all of the assets of the group to which their shares relate. In addition, we cannot assure you that in the event of such a sale the per share consideration to be paid to holders of FNF Group common stock or FNFV Group common stock, as the case may be, will be equal to or more than the per share value of that share of stock prior to or after the announcement of a sale of all or substantially all of the assets of the applicable group. Further, there is no requirement that the consideration paid be tax-free to the holders of the shares of common stock of that group. Accordingly, if we sell all or substantially all of the assets attributed to the FNF Group or the FNFV Group, our shareholders could suffer a loss in the value of their investment in FNF.

***In the event of a liquidation of FNF, holders of FNF Group common stock and FNFV Group common stock will not have a priority with respect to the assets attributed to the related tracking stock group remaining for distribution to shareholders.***

Under the Corporate Charter, upon FNF's liquidation, dissolution or winding up, holders of the FNF Group common stock and the FNFV Group common stock will be entitled to receive, in respect of their shares of such stock, their proportionate interest in all of FNF's assets, if any, remaining for distribution to holders of common stock in proportion to their respective number of "liquidation units" per share. Relative liquidation units will be based on the volume weighted average prices of the FNF Group common stock and the FNFV Group common stock over the 10 trading day period commencing shortly after the initial filing of the Corporate Charter. Hence, the assets to be distributed to a holder of either tracking stock upon a liquidation, dissolution or winding up of FNF will have nothing to do with the value of the assets attributed to the related tracking stock group or to changes in the relative value of the FNF Group common stock and the FNFV Group common stock over time.

***Our Board of Directors may in its sole discretion elect to convert the common stock relating to one group into common stock relating to the other group, thereby changing the nature of your investment and possibly diluting your economic interest in FNF, which could result in a loss in value to you.***

Our Corporate Charter permits our Board of Directors, in its sole discretion, to convert all of the outstanding shares of common stock relating to either of our groups into shares of common stock of the other group so long as the shares are converted at a ratio that provides the shareholders of the converted stock with the applicable Conversion Premium (if any) to which they are entitled. A conversion would preclude the holders of stock in each group involved in such conversion from retaining their investment in a security that is intended to reflect separately the performance of the relevant group. We cannot predict the impact on the market value of our stock of (1) our Board of Directors' ability to effect any such conversion or (2) the exercise of this conversion right by FNF. In addition, our Board of Directors may effect such a conversion at a time when the market value of our stock could cause the shareholders of one group to be disadvantaged.

***Holders of FNF Group common stock and FNFV Group common stock vote together and have limited separate voting rights.***

Holders of FNF Group common stock and FNFV Group common stock vote together as a single class, except in certain limited circumstances prescribed by our Corporate Charter and under Delaware law. Each share of common stock of each group has one vote per share. When holders of FNF Group common stock and FNFV Group common stock vote together as a single class, holders having a majority of the votes are in a position to control the outcome of the vote even if the matter involves a conflict of interest among our shareholders or has a greater impact on one group than the other.

***Our capital structure, as well as the fact that the FNF Group and the FNFV Group are not independent companies may inhibit or prevent acquisition bids for the FNF Group or the FNFV Group and may make it difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders.***

If the FNF Group and the FNFV Group were separate independent companies, any person interested in acquiring the FNF Group or the FNFV Group without negotiating with management could seek control of that group by obtaining control of its outstanding voting stock, by means of a tender offer, or by means of a proxy contest. Although we intend FNF Group common stock and FNFV Group common stock to reflect the separate economic performance of the FNF Group and the FNFV Group, respectively, those groups are not separate entities and a person interested in acquiring only one group without negotiation with our management could obtain control of that group only by obtaining control of a majority in voting power of all of the outstanding shares of common stock of FNF. The existence of shares of common stock relating to different groups could present complexities and in certain circumstances pose obstacles, financial and otherwise, to an acquiring person that are not present in companies that do not have capital structures similar to ours. Certain provisions of our Corporate Charter and bylaws may discourage, delay or prevent a change in control of FNF that a shareholder may consider favorable. These provisions include:

- classifying our Board of Directors with staggered three-year terms, which may lengthen the time required to gain control of our Board of Directors;
- limiting who may call special meetings of shareholders;
- establishing advance notice requirements for nominations of candidates for election to our board of directors; and
- the existence of authorized and unissued stock, including “blank check” preferred stock, which could be issued by our Board of Directors to persons friendly to our then current management, thereby protecting the continuity of our management, or which could be used to dilute the stock ownership of persons seeking to obtain control of FNF.

**Item 1B.** ***Unresolved Staff Comments***

None.

**Item 2.** ***Properties***

Our corporate headquarters are on our campus in Jacksonville, Florida in owned facilities.

*Title*

The majority of our branch offices are leased from third parties (see Note M to Notes to Consolidated Financial Statements). Our subsidiaries conduct their business operations primarily in leased office space in 41 states, Washington, DC, Puerto Rico, Canada and India.

*BKFS*

BFKS owns one facility in Sharon, Pennsylvania, and leases office space throughout the United States.

*Restaurant Group*

The Restaurant Group's headquarters are located in Nashville, Tennessee with other office locations in Woburn, Massachusetts and Denver, Colorado. The majority of the restaurants are leased from third parties, and are located in 43 states.

**Item 3.** ***Legal Proceedings***

For a description of our legal proceedings see discussion of *Legal and Regulatory Contingencies* in Note N to the Consolidated Financial Statements included in Item 8 of Part II of this Report, which is incorporated by reference into this Part I, Item 3.

**PART II**

**Item 5.** ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

On June 30, 2014, we completed the approved recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Each share of the previously outstanding FNF Class A common stock ("Old FNF common stock") was converted into one share of FNF Group common stock, which continues to trade under the trading symbol "FNF," and 0.3333 of a share of FNFV Group common stock, which trades under the trading symbol "FNFV." Both FNF and FNFV began regular trading on July 1, 2014. Both classes of our common stock trade on the New York Stock Exchange. The tables below provide the high and low closing sales prices of each class of our common stock and cash dividends declared per share of common stock for each quarter during 2014 and 2013.

| Old FNF | Stock Price High | | Stock Price Low | | Cash Dividends Declared | |
|---|---|---|---|---|---|---|
| Year ended December 31, 2014 (1) | | | | | | |
| First quarter | $ | 33.22 | $ | 29.78 | $ | 0.18 |
| Second quarter | | 34.45 | | 31.11 | | 0.18 |
| | | | | | | |
| Year ended December 31, 2013 (1) | | | | | | |
| First quarter | $ | 26.41 | $ | 23.45 | $ | 0.16 |
| Second quarter | | 27.17 | | 21.99 | | 0.16 |
| Third quarter | | 26.75 | | 23.23 | | 0.16 |
| Fourth quarter | | 33.80 | | 25.50 | | 0.18 |

| FNF Group | Stock Price High | | Stock Price Low | | Cash Dividends Declared | |
|---|---|---|---|---|---|---|
| Year ended December 31, 2014 | | | | | | |
| Third quarter | $ | 28.24 | $ | 26.27 | $ | 0.18 |
| Fourth quarter | | 36.02 | | 26.06 | | 0.19 |

| FNFV Group | Stock Price High | | Stock Price Low | | Cash Dividends Declared | |
|---|---|---|---|---|---|---|
| Year ended December 31, 2014 | | | | | | |
| Third quarter | $ | 12.91 | $ | 10.49 | $ | — |
| Fourth quarter | | 12.00 | | 9.91 | | — |

(1) Prices listed for Old FNF are unadjusted prices which do not give effect to the recapitalization and tracking stock formation on June 30, 2014.

Information concerning securities authorized for issuance under our equity compensation plans will be included in Item 12 of Part III of this report.

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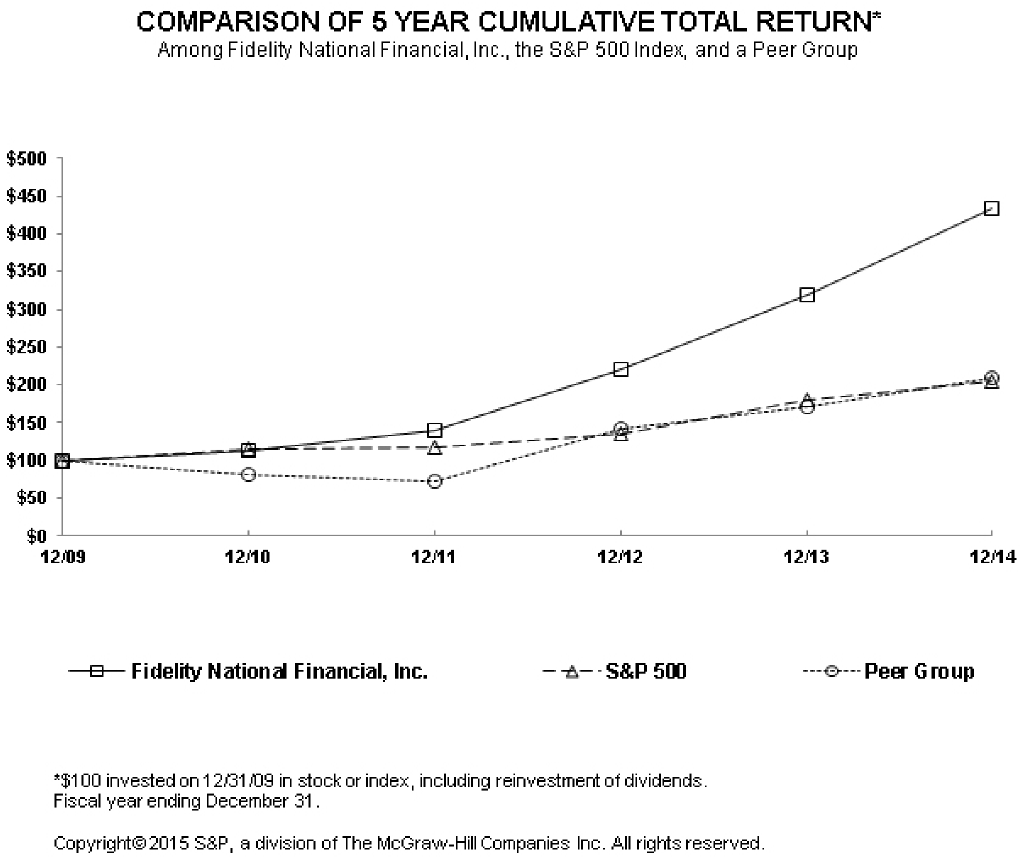
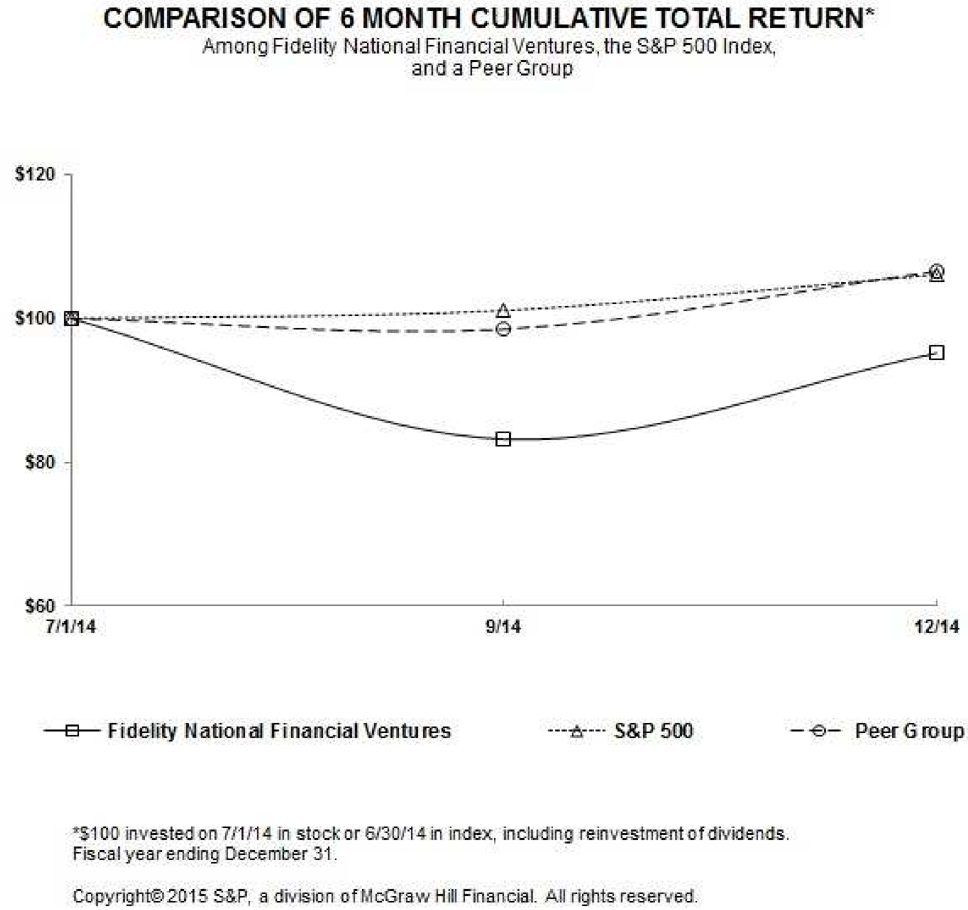
## PERFORMANCE GRAPH

Set forth below is a graph comparing cumulative total shareholder return on our FNF Group common stock against the cumulative total return on the S & P 500 Index and against the cumulative total return of a peer group index consisting of certain companies in the primary industry in which we compete (SIC code 6361 — Title Insurance) for the period ending December 31, 2014 . This peer group consists of the following companies: First American Financial Corporation and Stewart Information Services Corp. The peer group comparison has been weighted based on their stock market capitalization. The graph assumes an initial investment of $100.00 on December 31, 2009, with dividends reinvested over the periods indicated.




| | 12/31/2009 | 12/31/2010 | 12/31/2011 | 12/31/2012 | 12/31/2013 | 12/31/2014 |
|---|---|---|---|---|---|---|
| Fidelity National Financial, Inc. | 100.00 | 112.82 | 140.44 | 220.37 | 319.97 | 432.96 |
| S&P 500 | 100.00 | 115.06 | 117.49 | 136.3 | 180.44 | 205.14 |
| Peer Group | 100.00 | 81.89 | 71.96 | 142.68 | 171.61 | 209.45 |

Set forth below is a graph comparing cumulative total shareholder return on our FNFV Group common stock against the cumulative total return on the S & P 500 Index and against the cumulative total return of a peer group index consisting of certain companies against which we compete for the period ending December 31, 2014 . The peer group comparison has been weighted based on their stock market capitalization . The graph assumes an initial investment of $100.00 on July 1, 2014, with dividends reinvested over the periods indicated.




| | 7/1/2014 | 9/30/2014 | 12/31/2014 |
|---|---|---|---|
| **Fidelity National Financial Ventures** | **100.00** | **83.19** | **95.16** |
| **S&P 500** | **100.00** | **101.13** | **106.12** |
| **Peer Group (1)** | **100.00** | **98.49** | **106.56** |

(1) This peer group consists of the following companies: American Capital, Ltd., Apollo Global Management, LLC, BlackRock, Inc., The Blackstone Group L.P., The Carlyle Group, Compass Diversified Holdings, Fortress Investment Group, LLC, KKR & Co. L.P., Leucadia National Corporation, Liberty Interactive Corporation, and Liberty Media Corporation.

On January 31, 2015, the last reported sale price of our FNF Group common stock and FNFV Group common stock on the New York Stock Exchange was $35.10 and $12.40 per share, respectively. We had approximately 7,400 shareholders of record of FNF Group common stock and 5,700 shareholders of record of FNFV Group common stock combined.

On January 27, 2015, our Board of Directors formally declared an $0.19 per FNF Group share cash dividend that is payable on March 31, 2015 to FNF Group shareholders of record as of March 17, 2015.

No dividends were declared on our FNFV Group common stock.

Our current FNF Group dividend policy anticipates the payment of quarterly dividends in the future. The declaration and payment of dividends will be at the discretion of our Board of Directors and will be dependent upon our future earnings, financial condition and capital requirements. There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders, although there are limits on the ability of certain subsidiaries to pay dividends to us, as described below. Our ability to declare dividends is subject to restrictions under our existing credit agreement. We do not believe the restrictions contained in our credit agreement will, in the foreseeable future, adversely affect our ability to pay cash dividends at the current dividend rate.

Since we are a holding company, our ability to pay dividends will depend largely on the ability of our subsidiaries to pay dividends to us, and the ability of our title insurance subsidiaries to do so is subject to, among other factors, their compliance with applicable insurance regulations. As of December 31, 2014 , $ 2,108 million of our net assets are restricted from dividend payments without prior approval from the Departments of Insurance in the States where our title insurance subsidiaries are domiciled. During 2015 , our directly owned title insurance subsidiaries can pay dividends or make distributions to us of approximately $ 236 million without prior approval. The limits placed on such subsidiaries' abilities to pay dividends affect our ability to pay dividends.

We have not paid any dividends on our FNFV Group common stock, and our current FNFV Group dividend policy does not presently anticipate the payment of dividends. Payment of dividends, if any, in the future will be determined by our Board of Directors in light of our earnings, financial condition and other relevant considerations. On February 23, 2015, we announced a tender offer to purchase up to $185 million of shares of our FNFV Group Common stock at a purchase price of no greater than $15.40 per share, nor less than $14.30 per share in cash. We are conducting this Offer through a procedure commonly called a "modified Dutch auction." This procedure allows shareholders to select the price within a price range specified by us at which the shareholders are willing to sell their shares. The offer is set to expire at 12:00 Midnight, New York City time, at the end of Friday, March 20, 2015, unless we extend the offer.

On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2014 , we repurchased a total of 116,100 shares for $2 million, or an average of $14.00 per share under this program. Subsequent to year-end we repurchased a total of 423,350 shares for $5 million, or an average of $12.34 per share under this program through market close on February 27, 2015. Since the original commencement of the plan adopted November 6, 2014, we have repurchased a total of 539,450 shares for $7 million, or an average of $12.70 per share, and there are 9,460,550 shares available to be repurchased under this program. For more information, see "Liquidity and Capital Resources" in Item 7 of this Form 10-K.

On June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. We issued 277,462,875 shares of FNF Group common stock and 91,711,237 shares of FNFV Group common stock. See Note A for further discussion on the recapitalization of FNF common stock.

On January 2, 2014 as part of the LPS Acquisition, we issued $839 million or 25,920,078 shares of Old FNF common stock as consideration for the LPS Acquisition to the former shareholders of LPS.

On October 24, 2013, we offered 17,250,000 shares of our Old FNF common stock at an offering price of $26.75 per share, pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. We granted the underwriters a 30-day option to purchase 2,587,500 additional shares at the offering price, which was subsequently exercised in full. A total of 19,837,500 shares were issued on October 30, 2013, for net proceeds of approximately $511 million. The net proceeds from this offering were used to pay a portion of the cash consideration for the LPS Acquisition on January 2, 2014.

On July 21, 2012, our Board of Directors approved a three-year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our common stock through July 31, 2015. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2014 , we did not repurchase any FNF Group shares under this program. Subsequent to year-end we did not repurchase any shares through market close on February 27, 2015. Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 2,080,000 Old FNF common shares for $ 50 million , or an average of $ 23.90 per share, and there are 12,920,000 shares available to be repurchased under this program. During the year ending December 31, 2014 , we did not repurchase any Old FNF Shares. For more information, see "Liquidity and Capital Resources" in Item 7 of this Form 10-K.

On July 21, 2009, the Board of Directors approved a three-year stock repurchase program under which we can repurchase up to 15 million shares of our common stock through July 31, 2012. On January 27, 2011, our Board of Directors approved an additional 5 million shares that may be repurchased under the program. This program expired July 31, 2012, and we repurchased a total of 16,528,512 shares for $ 243 million, or an average of $ 14.73 per share under this program.

The following table summarizes repurchases of equity securities by FNFV during the year ending December 31, 2014 :

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2) |
|---|---|---|---|---|
| 11/6/2014 - 11/30/2014 | 9,100 | $ 13.98 | 9,100 | 9,990,900 |
| 12/1/2014 - 12/31/2014 | 107,000 | 13.97 | 107,000 | 9,883,900 |
| Total | 116,100 | $ 13.97 | 116,100 | |

(1) On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017.

(2)As of the last day of the applicable month.

## Item 6. *Selected Financial Data*

The information set forth below should be read in conjunction with the consolidated financial statements and related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Form 10-K. Certain reclassifications have been made to the prior year amounts to conform with the 2014 presentation.

On December 31, 2014, we completed the distribution of Remy to our FNFV shareholders. The operations of Remy are included in discontinued operations for all periods presented.

On January 2, 2014, we completed the purchase of LPS and consolidated the operations of LPS beginning on January 3, 2014.

On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's Inc. We have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55%. We have consolidated the operations of ABRH with the O'Charley's group of companies, beginning on May 11, 2012.

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| | (Dollars in millions, except share data) | | | | |
| **Operating Data:** | | | | | |
| Revenue | $ 8,024 | $ 7,440 | $ 6,668 | $ 4,800 | $ 5,413 |
| Expenses: | | | | | |
| Personnel costs | 2,540 | 2,061 | 1,834 | 1,568 | 1,579 |
| Agent commissions | 1,471 | 1,789 | 1,600 | 1,411 | 1,758 |
| Other operating expenses | 1,643 | 1,273 | 1,269 | 1,064 | 1,145 |
| Cost of restaurant revenues | 1,220 | 1,204 | 773 | — | — |
| Depreciation and amortization | 403 | 133 | 103 | 73 | 87 |
| Provision for title claim losses | 228 | 291 | 279 | 222 | 249 |
| Interest expense | 127 | 73 | 64 | 57 | 46 |
| | 7,632 | 6,824 | 5,922 | 4,395 | 4,864 |
| Earnings before income taxes, equity in earnings (loss) of unconsolidated affiliates, and noncontrolling interest | 392 | 616 | 746 | 405 | 549 |
| Income tax expense | 312 | 195 | 242 | 131 | 190 |
| Earnings before equity in earnings (loss) of unconsolidated affiliates | 80 | 421 | 504 | 274 | 359 |
| Equity in earnings (loss) of unconsolidated affiliates | 432 | (26) | 10 | 10 | (1) |
| Earnings from continuing operations, net of tax | 512 | 395 | 514 | 284 | 358 |
| Earnings from discontinued operations, net of tax | 7 | 16 | 98 | 95 | 18 |
| Net earnings | 519 | 411 | 612 | 379 | 376 |
| Less: net (loss) earnings attributable to noncontrolling interests | (64) | 17 | 5 | 10 | 6 |
| Net earnings attributable to FNF common shareholders | $ 583 | $ 394 | $ 607 | $ 369 | $ 370 |

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| | (Dollars in millions, except share data) | | | | |
| **Per Share Data:** | | | | | |
| Basic net earnings per share attributable to Old FNF common shareholders | $ 0.33 | $ 1.71 | $ 2.75 | $ 1.68 | $ 1.64 |
| Basic net earnings per share attributable to FNF Group common shareholders | $ 0.77 | | | | |
| Basic net earnings per share attributable to FNFV Group common shareholders | $ 3.04 | | | | |
| Weighted average shares outstanding Old FNF, basic basis (1) | 138 | 230 | 221 | 219 | 226 |
| Weighted average shares outstanding FNF Group, basic basis (1) | 138 | | | | |
| Weighted average shares outstanding FNFV Group, basic basis (1) | 46 | | | | |
| Diluted net earnings per share attributable to Old FNF common shareholders | $ 0.32 | $ 1.68 | $ 2.69 | $ 1.65 | $ 1.62 |
| Diluted net earnings per share attributable to FNF Group common shareholders | $ 0.75 | | | | |
| Diluted net earnings per share attributable to FNFV Group common shareholders | $ 3.01 | | | | |
| Weighted average shares outstanding Old FNF, diluted basis (1) | 142 | 235 | 226 | 223 | 229 |
| Weighted average shares outstanding FNF Group, diluted basis (1) | 142 | | | | |
| Weighted average shares outstanding FNFV Group, diluted basis (1) | 47 | | | | |
| Dividends declared per share of Old FNF common stock | $ 0.36 | $ 0.66 | $ 0.58 | $ 0.48 | $ 0.69 |
| Dividends declared per share of FNF Group common stock | $ 0.37 | | | | |
| **Balance Sheet Data:** | | | | | |
| Investments (2) | $ 4,669 | $ 3,791 | $ 4,053 | $ 4,052 | $ 4,359 |
| Cash and cash equivalents (3) | 700 | 1,969 | 1,132 | 665 | 581 |
| Total assets | 13,868 | 10,528 | 9,903 | 7,862 | 7,888 |
| Notes payable | 2,826 | 1,323 | 1,344 | 916 | 952 |
| Reserve for title claim losses | 1,621 | 1,636 | 1,748 | 1,913 | 2,270 |
| Redeemable NCI | 715 | — | — | — | — |
| Equity | 6,073 | 5,535 | 4,749 | 3,655 | 3,444 |
| Book value per share Old FNF | $ — | $ 22.14 | $ 20.78 | $ 16.57 | $ 15.39 |
| Book value per share FNF Group (4) | $ 18.87 | | | | |
| Book value per share FNFV Group (4) | $ 16.31 | | | | |
| **Other Data:** | | | | | |
| Orders opened by direct title operations (in 000's) | 1,914 | 2,181 | 2,702 | 2,140 | 2,385 |
| Orders closed by direct title operations (in 000's) | 1,319 | 1,708 | 1,867 | 1,514 | 1,574 |
| Provision for title insurance claim losses as a percent of title insurance premiums | 6.2% | 7.0% | 7.0% | 6.8% | 6.8% |
| Title related revenue (5): | | | | | |
| Percentage direct operations | 70.0% | 60.1% | 61.9% | 60.6% | 55.6% |
| Percentage agency operations | 30.0% | 39.9% | 38.1% | 39.4% | 44.4% |

(1) Weighted average shares outstanding as of December 31, 2014 includes 25,920,078 FNF shares that were issued as part of the acquisition of LPS on January 2, 2014 and 91,711,237 FNFV shares that were issued as part of the recapitalization completed on June 30, 2014. Weighted average shares outstanding as of December 31, 2013 includes 19,837,500 shares that were issued as part of an equity offering by FNF on October 31, 2013.

(2) Long-term investments as of December 31, 2014 , 2013 , 2012 , 2011 , and 2010 , include securities pledged to secured trust deposits of $499 million , $261 million , $275 million , $274 million , and $252 million , respectively.

(3) Cash and cash equivalents as of December 31, 2014 , 2013 , 2012 , 2011 , and 2010 include cash pledged to secured trust deposits of $136 million , $339 million , $266 million , $162 million , and $146 million , respectively.

(4) Book value per share is calculated as equity at December 31 of each year presented divided by actual shares outstanding at December 31 of each year presented.

(5) Includes title insurance premiums and escrow, title-related and other fees.

**Selected Quarterly Financial Data (Unaudited)**

Selected quarterly financial data is as follows:

| | Quarter Ended | | | |
|---|---|---|---|---|
| | March 31, | June 30, | September 30, | December 31, |
| | (Dollars in millions, except per share data) | | | |
| **2014** | | | | |
| Revenue | $ 1,786 | $ 2,059 | $ 2,093 | $ 2,086 |
| Earnings (loss) from continuing operations before income taxes, equity in earnings (loss) of unconsolidated affiliates, and noncontrolling interest | (89) | 156 | 172 | 153 |
| Net earnings (loss) attributable to Old FNF common shareholders | (22) | 111 | | |
| Net earnings attributable to FNF Group common shareholders | | | 114 | 100 |
| Net earnings (loss) attributable to FNFV Group common shareholders | | | (12) | 292 |
| Basic earnings per share attributable to Old FNF common shareholders | (0.08) | 0.41 | — | — |
| Basic earnings per share attributable to FNF Group common shareholders | | | 0.40 | 0.37 |
| Basic earnings per share attributable to FNFV Group common shareholders | | | (0.14) | 3.18 |
| Diluted earnings per share attributable to Old FNF common shareholders | (0.08) | 0.40 | | |
| Diluted earnings per share attributable to FNF Group common shareholders | | | 0.40 | 0.35 |
| Diluted earnings per share attributable to FNFV Group common shareholders | | | (0.14) | 3.15 |
| Dividends paid per share Old FNF common stock | 0.18 | 0.18 | | |
| Dividends paid per share FNF Group common stock | | | 0.18 | 0.19 |
| **2013** | | | | |
| Revenue | $ 1,756 | $ 1,999 | $ 1,908 | $ 1,777 |
| Earnings from continuing operations before income taxes, equity in earnings of unconsolidated affiliates, and noncontrolling interest | 138 | 221 | 156 | 101 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 90 | 138 | 94 | 72 |
| Basic earnings per share attributable to Old FNF common shareholders | 0.40 | 0.61 | 0.42 | 0.31 |
| Diluted earnings per share attributable to Old FNF common shareholders | 0.39 | 0.60 | 0.41 | 0.31 |
| Dividends paid per share of Old FNF Common Stock | 0.16 | 0.16 | 0.16 | 0.18 |

**Item 7.** ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with the Consolidated Financial Statements and the Notes thereto and Selected Financial Data included elsewhere in this Form 10-K.

**Overview**

We have organized our business into two groups, FNF Core Operations and FNF Ventures, known as "FNFV." Through our Core operations, FNF is a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. FNF is the nation's largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title, Alamo Title and National Title of New York Inc. - that collectively issue more title insurance policies than any other title company in the United States. FNF also provides industry-leading mortgage technology solutions and transaction services, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiaries, Black Knight Financial Services, LLC ("BKFS") and ServiceLink Holdings, LLC ("ServiceLink"). In addition, in our FNFV group, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), J. Alexander's, LLC ("J. Alexander's"), Ceridian HCM, Inc. and Fleetcor Technologies Inc. (collectively "Ceridian") and Digital Insurance, Inc. ("Digital Insurance").

As of December 31, 2014 , we had the following reporting segments:

FNF Core Operations

- *Title.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty insurance. This segment also includes the transaction services business acquired from Lender Processing Services ("LPS"), now combined with our ServiceLink business. Transaction services include other title related services used in production and management of mortgage loans, including mortgage loans that go into default.

- *BKFS.* This segment consists of the operations of BKFS. This segment provides core technology and data and analytics services through leading software systems and information solutions that facilitate and automate many of the business processes across the life cycle of a mortgage.

- *FNF Core Corporate and Other.* This segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

FNFV

- *Restaurant Group.* This segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Bakers Square concepts. This segment also includes J. Alexander's, which includes the Stoney River Steakhouse and Grill concepts.

- *FNFV Corporate and Other.* This segment primarily consists of our share in the operations of certain equity investments, including Ceridian, as well as Digital Insurance in which we own 96% and other smaller operations which are not title related.

**Recent Developments**

On February 23, 2015, we announced a tender offer to purchase up to $185 million of shares of our FNFV Group Common stock at a purchase price of no greater than $15.40 per share, nor less than $14.30 per share in cash. We are conducting this Offer through a procedure commonly called a "modified Dutch auction." This procedure allows shareholders to select the price within a price range specified by us at which the shareholders are willing to sell their shares. The offer is set to expire at 12:00 Midnight, New York City time, at the end of Friday, March 20, 2015, unless we extend the offer.

On February 19, 2015, we announced our intention to pursue a tax-free spin-off of J. Alexander's to FNFV shareholders.

On January 16, 2015, we closed the sale of Cascade Timberlands, LLC, which grows and sells timber and in which we owned a 70.2% interest, for $85 million less a replanting allowance of $1 million and an indemnity holdback of $1 million. We received cash of $63 million upon the closing.

On February 12, 2015, we announced the closing of our purchase of BPG Holdings, LLC ("BPG"), a recognized leader in home warranty, home inspection services and commercial inspections for $46 million.

On December 31, 2014, we closed the previously announced distribution (the "Spin-off") of all of the outstanding shares of common stock of New Remy Corp. ("New Remy") to FNFV shareholders. As part of the Spin-off, FNFV combined all of the

16,342,508 shares of Remy common stock that FNFV owned and a small company called Fidelity National Technology Imaging, LLC ("Imaging") into New Remy. Immediately following the Spin-off, New Remy and Remy International, Inc. ("Old Remy") engaged in a series of stock-for-stock transactions ending with a new publicly-traded holding company, New Remy Holdco Corp. ("New Remy Holdco"). In the Spin-off, FNFV shareholders ultimately received a total of approximately 16.6 million shares of New Remy Holdco common stock, or approximately 0.17879 shares of New Remy Holdco common stock for each share of FNFV that they owned. As a result of the Spin-off, the operations of Remy are now presented in discontinued operations for all periods presented. This spin-off is expected to be tax free to FNFV shareholders.

On December 23, 2014, we filed a draft registration statement with the Securities and Exchange Commission (“SEC”) relating to a proposed initial public offering of Black Knight Financial Services, Inc. ("BKFSI") common stock (the "Offering"). After the offering BKFSI is expected to be the holding company of BKFS.

On November 17, 2014, Ceridian completed the exchange of its subsidiary Comdata Inc. ("Comdata") with FleetCor Technologies Inc. ("FleetCor") in a transaction valued at approximately $3.5 billion. FNFV owns approximately 32% of Ceridian and through this ownership has indirectly received approximately 2.4 million shares of Fleetcor common stock. Based on FleetCor's closing stock price of $147.66 on November 13, 2014, the 2.4 million FleetCor shares are valued at approximately $356 million. The shares of FleetCor's common stock that FNFV indirectly owns are subject to a six-month lockup from the November 14, 2014 closing date and approximately 25% of these shares have been contributed to an escrow account to meet potential indemnification claims, if any, for up to three years from closing. The stock-for-stock transaction is tax-free for Ceridian and its shareholders. As of December 31, 2014, FNFV indirectly owns approximately 3% of the outstanding shares of FleetCor. We recognized $495 million in equity in earnings of unconsolidated affiliates in the twelve months ending December 31, 2014 as a result of the transaction.

On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors.

On August 25, 2014, we acquired a 70% ownership interest in LandCastle Title ("LandCastle"), in exchange for our agreement to fund any escrow shortfalls in LandCastle's escrow accounts. At the time of its acquisition, LandCastle was a large third-party agent of FNF, operating primarily in the State of Georgia. To date, FNF's total cash contribution to LandCastle is approximately $22 million and based on our current understanding of the business could increase by approximately $0 - $10 million. On January 31, 2015, we acquired an additional 5% ownership interest in LandCastle and we now have a 75% ownership interest in LandCastle.

On August 19, 2014, ABRH completed a recapitalization whereby it entered into a new credit agreement for $210 million. As part of the recapitalization, ABRH's parent paid a special dividend to its members, totaling $75 million. Of this special dividend, FNFV received $41 million. ABRH's parent also distributed its 28% ownership interest in J. Alexander's to FNFV, resulting in FNFV now directly owning 87% of J. Alexander's. See Note K for further discussion of the new credit agreement.

On June 30, 2014, we completed the recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Each share of the previously outstanding FNF Class A common stock ("Old FNF" common stock) was converted into one share of FNF Group common stock, which now trades on the New York Stock Exchange under the current trading symbol "FNF," and 0.3333 of a share of FNFV Group common stock, which now trades on the New York Stock Exchange under the trading symbol "FNFV." Both FNF and FNFV began regular trading on July 1, 2014.

Effective June 1, 2014, we completed an internal reorganization to contribute our subsidiary Property Insight, a company which provides information used by title insurance underwriters, title agents and closing attorneys to underwrite title insurance policies for real property sales and transfer, from our Title segment to BKFS. As a result of this transfer, our ownership percentage in BKFS increased to 67% . Our results for periods since June 1, 2014, reflect our now 67% ownership interest in BKFS.

On January 13, 2014, Remy announced that it acquired substantially all of the assets of United Starters and Alternators Industries, Inc. ("USA Industries") pursuant to the terms and conditions of the Asset Purchase Agreement, effective as of January 13, 2014. USA Industries is a leading worldwide distributor of premium quality re-manufactured and new alternators, starters, constant velocity axles and disc brake calipers for the light-duty aftermarket. Total consideration paid was $41million.

On January 2, 2014, we completed the purchase of LPS. The purchase consideration paid was $37.14 per share of LPS common stock, of which $28.10 per share was paid in cash and the remaining $9.04 was paid in Old FNF common shares. The purchase consideration represented an exchange ratio of 0.28742 per share of LPS common stock. Total consideration paid for LPS was $3.4 billion, which consisted of $2,535 million in cash and $839 million in Old FNF common stock. In order to pay the stock component of the consideration, we issued 25,920,078 Old FNF shares to the former LPS shareholders. See Note B to our Consolidated Financial Statements for further discussion.

***Discontinued Operations***

As a result of the Spin-off discussed above, the results from Remy are reflected in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total revenues included in discontinued operations were $1,173 million , $1,125 million and $497 million for the years ending December 31, 2014, 2013 and 2012, respectively. Pre-tax earnings included in discontinued operations were $6 million , $22 million , and $89 million for the years ending December 31, 2014, 2013 and 2012, respectively.

The results from a small software company, which we acquired with LPS and which was sold during the second quarter of 2014, are included in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total revenues included in discontinued operations were $2 million for the year ending December 31, 2014. Pre-tax earnings included in discontinued operations are $1 million for the year ending December 31, 2014.

The results from two closed J. Alexander's locations in the second quarter of 2013 are reflected in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total net revenue included in discontinued operations was $ 3 million for the year ended December 31, 2013. Pre-tax loss included in discontinued operations was $ 3 million for the year ended December 31, 2013.

The results from a settlement services company closed in the second quarter of 2013 are reflected in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total revenues included in discontinued operations were $9 million and $36 million for the years ended December 31, 2013 and 2012, respectively. Pre-tax earnings included in discontinued operations were $2 million and $9 million for the year ended December 31, 2013 and 2012, respectively.

On May 1, 2012, we completed the sale of an 85% interest in our remaining subsidiaries that write personal lines insurance to WT Holdings, Inc. for $ 120 million . Accordingly, the results of this business through the date of sale (which we refer to as our "at-risk" insurance business) for all periods presented are reflected in the Consolidated Statements of Earnings as discontinued operations.

**Related Party Transactions**

Our financial statements for the years ended December 31, 2013 and 2012 reflect transactions with Fidelity National Information Services ("FIS"), which was considered a related party until December 31, 2013. See Note A of the Notes to Consolidated Financial Statements.

**Business Trends and Conditions**

*FNF Core Operations*

Our core revenue is closely related to the level of real estate activity which includes sales, mortgage financing 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. Declines in the level of real estate activity or the average price of real estate sales will adversely affect our title insurance revenues.

We have found that residential real estate activity is generally dependent on the following:

- mortgage interest rates;
- the mortgage funding supply; and
- the strength of the United States economy, including employment levels.

Since December 2008, the Federal Reserve has held the federal funds rate at 0.0%-0.25%, and has recently indicated that it will be "patient" in determining when to raise rates, although there is no assurance as to how long that will be. Mortgage interest rates were at historically low levels through the beginning of 2013. During the last half of 2013, however, interest rates rose to their highest level since 2011. Through the first nine months of 2014, mortgage interest rates have declined moderately. In early October, however, interest rates dropped below 4%, and have remained in the range of 3.75% and 4.00% through the end of 2014.

As of February 20, 2015, the Mortgage Banker's Association ("MBA") estimated the size of the U.S. mortgage originations market as shown in the following table for 2013 - 2016 in its "Mortgage Finance Forecast" (in trillions):

| | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|
| Purchase transactions | $ 0.8 | $ 0.7 | $ 0.6 | $ 0.7 |
| Refinance transactions | 0.4 | 0.5 | 0.5 | 1.1 |
| Total U.S. mortgage originations | $ 1.2 | $ 1.2 | $ 1.1 | $ 1.8 |

As shown above, originations in 2013 were driven primarily by refinance transactions, which coincides with the historically low interest rates experienced during those years. In 2014 originations declined by $700 million, or 39%, driven primarily by a

$600 million, or 33% decline in refinance transactions. In 2015 and 2016, the MBA predicts the market will be relatively consistent with 2014, with a slight increase in purchase transactions.

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, we believe that our commercial real estate title insurance business is less dependent on the industry cycles discussed above than our residential real estate title business. Commercial real estate transaction volume is also often linked to the availability of financing. For the past several years, including 2014, we have experienced an increase in volume and fee per file of commercial transactions from the previous years, indicating strong commercial markets. In 2014, we experienced the highest level of commercial transactions in our Title segment in our company's history.

Several pieces of legislation were enacted to address the struggling mortgage market and the current economic and financial environment. On October 24, 2011, the Federal Housing Finance Agency ("FHFA") announced a series of changes to the Home Affordable Refinance Program ("HARP") that would make it easier for certain borrowers who owe more than their home is worth and who are current on their mortgage payments to refinance their mortgages at lower interest rates. The program reduces or eliminates the risk-based fees Fannie Mae and Freddie Mac charge on many loans, raises the loan-to-home value ratio requirement for refinancing, and streamlines the underwriting process. According to the Federal Housing Authority ("FHA"), lenders began taking refinancing applications on December 1, 2011 under the modified HARP. On April 11, 2013, the FHFA announced that the modified HARP program had been extended through December 2015. We believe the modified HARP program had a positive effect on our results during 2013 and 2012, but are uncertain to what degree the program has impacted our results in 2014 or may impact our results in the future.

During 2010, a number of lenders imposed freezes on foreclosures in some or all states as they reviewed their foreclosure practices. In response to these freezes, the Office of the Comptroller of the Currency ("OCC") reviewed the foreclosure practices in the residential mortgage loan servicing industry. On April 13, 2011, the OCC and other federal regulators (collectively the "banking agencies") announced formal consent orders against several national bank mortgage servicers and third-party servicer providers for inappropriate practices related to residential mortgage loan servicing and foreclosure processing. The consent orders require the servicers to promptly correct deficiencies and make improvements in practices for residential mortgage loan servicing and foreclosure processing, including improvements to future communications with borrowers and a comprehensive "look back" to assess whether foreclosures complied with federal and state laws and whether any deficiencies in the process or related documentation resulted in financial injury to borrowers. Our title insurance underwriters were not involved in these enforcement actions and we do not believe that our title insurance underwriters are exposed to significant losses resulting from faulty foreclosure practices. Our title insurance underwriters issue title policies on real estate owned properties to new purchasers and lenders to those purchasers. We believe that these policies will not result in significant additional claims exposure to us because even if a court sets aside a foreclosure due to a defect in documentation, the foreclosing lender would be required to return to our insureds all funds obtained from them, resulting in reduced exposure under the title insurance policy. Further, we believe that under current law and the rights we have under our title insurance policies, we would have the right to seek recovery from the foreclosing lender in the event of a failure to comply with state laws or local practices in connection with a foreclosure. The former LPS and certain of its subsidiaries entered into a consent order with the banking agencies in relation to its default operations, now part of our Title segment. As part of the consent order, LPS agreed to further study the issues identified in the review and enhance its compliance, internal audit, risk management and board oversight plans with respect to the related businesses, among additional agreed undertakings. In January 2013, ten large mortgage servicers concluded the reviews required by the 2011 consent orders and agreed to monetary settlements, and LPS also entered into settlement agreements, in January 2013 with 49 States and the District of Columbia relating to certain practices within its default operations and in February 2014, ServiceLink, a subsidiary of our Title Segment and formerly part of LPS, also settled with the State of Nevada and the Federal Deposit Insurance Corporation. In April 2013, these mortgage servicers began making restitution under these settlements.

In addition to state-level regulation, segments of our FNF core businesses are subject to regulation by federal agencies, including the Consumer Financial Protection Bureau ("CFPB"). The Dodd-Frank Wall Street Reform ("Dodd-Frank") and Consumer Protection Act of 2010 established the CFPB, and in January 2012, President Obama appointed its first director. The CFPB has been given broad authority to regulate, among other areas, the mortgage and real estate markets in matters pertaining to consumers. This authority includes the enforcement of the Real Estate Settlement Procedures Act formerly placed with the Department of Housing and Urban Development. On July 9, 2012, the CFPB introduced a number of proposed rules related to the enforcement of the Real Estate Settlement Procedures Act and the Truth in Lending Act, including, among others, measures designed to (i) simplify financing documentation and (ii) require lenders to deliver to consumers a statement of final financing charges (and the related annual percentage rate) at least three business days prior to the closing. These rules became effective on January 10, 2014. Dodd-Frank also included regulation over financial services and other lending related businesses including our newly acquired BKFS business. On November 20, 2013, the CFPB issued additional rules regarding mortgage forms and other mortgage related disclosures with the intent to provide "easier-to-use" mortgage disclosure forms for the consumer. The additional disclosure requirements are effective August 1, 2015. We have reviewed the new requirements and are reviewing and updating our policies, procedures and technology resources as appropriate. It is our experience that mortgage lenders have become more focused on the risk of non-compliance with these evolving regulations and are focused on technologies and solutions that help them to comply with the increased regulatory oversight and burdens. BKFS has developed solutions that target this need, which has resulted in additional revenue.

Historically, real estate transactions have produced seasonal revenue levels for the real estate industry including 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 third calendar quarter has been typically the strongest in terms of revenue primarily due to a higher volume of home sales in the summer months and the fourth quarter is usually also strong due to commercial entities desiring to complete transactions by year-end. We have noted short term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates and the implementation and subsequent expiration of government programs designed to stimulate the real estate market. In 2013 and in 2014, we have seen seasonality trends return to historical patterns.

*FNFV*

*Restaurant Group*

The restaurant industry is highly competitive and is often affected by changes in consumer tastes and discretionary spending patterns; changes in general economic conditions; public safety conditions or concerns; demographic trends; weather conditions; the cost of food products, labor, energy and other operating costs; and governmental regulations. The restaurant industry is also characterized by high capital investments for new restaurants and relatively high fixed or semi-variable restaurant operating expenses. Because of the high fixed and semi-variable expenses, changes in sales in existing restaurants are generally expected to significantly affect restaurant profitability because many restaurant costs and expenses are not expected to change at the same rate as sales. Restaurant profitability can also be negatively affected by inflationary and regulatory increases in operating costs and other factors. The most significant commodities that may affect our cost of food and beverage are beef, seafood, poultry, and dairy, which accounted for almost 48 percent of our overall cost of food and beverage in the past. Generally, temporary increases in these costs are not passed on to guests; however, in the past, we have adjusted menu prices to compensate for increased costs of a more permanent nature.

Average weekly sales per restaurant are typically higher in the first and fourth quarters than in other quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

Our revenues in future periods will continue to be subject to these and other factors that are beyond our control and, as a result, are likely to fluctuate.

**Critical Accounting Estimates**

The accounting estimates described below are those we consider critical in preparing our Consolidated 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 Consolidated 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 Consolidated Financial Statements for additional description of the significant accounting policies that have been followed in preparing our Consolidated Financial Statements.

*Reserve for Title Claim Losses.* Title companies issue two types of policies, owner's and lender's policies, since both the new owner and the 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 buyer against such defects for as long as he or she owns the property (as well as against warranty claims arising out of the sale of the property by such owner). 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, however, occasionally we do incur losses in excess of policy limits. 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 for events that predate 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 title claim losses includes reserves for known claims as well as for losses that have been incurred but not yet reported to us (“IBNR”), net of recoupments. We reserve for each known claim based on our review of the estimated amount of the claim and the costs required to settle the claim. Reserves for IBNR claims 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 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 related to title insurance:

| | December 31, 2014 | % | December 31, 2013 | % |
|---|---|---|---|---|
| | (in millions) | | | |
| Known claims | $ 238 | 14.7% | $ 240 | 14.7% |
| IBNR | 1,383 | 85.3 | 1,396 | 85.3 |
| Total Reserve for Title Claim Losses | $ 1,621 | 100.0% | $ 1,636 | 100.0% |

Although claims against title insurance policies can be reported relatively soon after the policy has been issued, claims may be reported many years later. Historically, approximately 60% of claims are paid within approximately five years of the policy being written. By their nature, claims are often complex, vary greatly in dollar amounts and are affected by economic and market conditions, as well as 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.

Our process for recording our reserves for title claim losses begins with analysis of our loss provision rate. We forecast ultimate losses for each policy year based upon historical policy year loss emergence and development patterns and adjust these to reflect policy year and policy type differences which affect the timing, frequency and severity of claims. We also use a technique that relies on historical loss emergence and on a premium-based exposure measurement. The latter technique is particularly applicable to the most recent policy years, which have few reported claims relative to an expected ultimate claim volume. After considering historical claim losses, reporting patterns and current market information, and analyzing quantitative and qualitative data provided by our legal, claims and underwriting departments, we determine a loss provision rate, which is recorded as a percentage of current title premiums. This loss provision rate is set to provide for losses on current year policies, but due to development of prior years and our long claim duration, it periodically includes amounts of estimated adverse or positive development on prior years' policies. Any significant adjustments to strengthen or release loss reserves resulting from the comparison with our actuarial analysis are made in addition to this loss provision rate. At each quarter end, our recorded reserve for claim losses is initially the result of taking the prior recorded reserve for claim losses, adding the current provision and subtracting actual paid claims, resulting in an amount that management then compares to the range of reasonable estimates provided by the actuarial calculation. We recorded our loss provision rate at 6.0% for the last 3 quarters of 2014 and had recorded our periodic loss provision rate at 7.0% in the first quarter of 2014 resulting in an average provision rate of 6.2% for the entire 2014 period. Our loss provision rate was 7% for the years ended December 31, 2013 and 2012. Of such annual amounts, 5.5%, 5.3% and 5.5% related to losses on policies written in the current year, and the remainder relates to developments on prior year policies. The decrease in the loss provision rate during 2014 was primarily driven by positive development in the more recent policy years. In 2014, 2013 and 2012, adverse development of prior year losses of $26 million or 0.7% of 2014 premium, $71 million or 1.7% of 2013 premium and $57.5 million or 1.5% of 2012 premium was accounted for in the loss provision rate.

Due to the uncertainty inherent in the process and due to the judgment used by both management and our actuary, our ultimate liability may be greater or less than our carried reserves. If the recorded amount is within the actuarial range but not at the central estimate, we assess the position within the actuarial range by analysis of other factors in order to determine that the recorded amount is our best estimate. These factors, which are both qualitative and quantitative, can change from period to period, and include items such as current trends in the real estate industry (which we can assess, but for which there is a time lag in the development of the data), any adjustments from the actuarial estimates needed for the effects of unusually large or small claims, improvements in our claims management processes, and other cost saving measures. If the recorded amount is not within a reasonable range of our actuary's central estimate, we may have to record a charge or credit and reassess the loss provision rate on a go forward basis. We will continue to reassess the provision to be recorded in future periods consistent with this methodology.

The table below presents our title insurance loss development experience for the past three years:

| | 2014 | 2013 | 2012 |
|---|---|---|---|
| | | (In millions) | |
| Beginning balance | $ 1,636 | $ 1,748 | $ 1,913 |
| Reserve assumed, net (1) | 52 | — | — |
| Reinsurance recoverable | 7 | — | — |
| Claims loss provision related to: | | | |
| Current year | 202 | 220 | 210 |
| Prior years | 26 | 71 | 58 |
| Total title claims loss provision (2) | 228 | 291 | 268 |
| Claims paid, net of recoupments related to: | | | |
| Current year | (5) | (9) | (4) |
| Prior years | (297) | (394) | (429) |
| Total title claims paid, net of recoupments | (302) | (403) | (433) |
| Ending balance | $ 1,621 | $ 1,636 | $ 1,748 |
| Title premiums | $ 3,671 | $ 4,152 | $ 3,833 |

(1) Reserve of $54 million was recorded as part of the acquisition of LPS on January 2, 2014, and a reserve of $2 million was released as part of the sale of a small title operation.

(2) Included in the provision for title claim losses in the 2013 period is an $11 million impairment recorded on an asset previously recouped as part of a claim settlement.

| | 2014 | 2013 | 2012 |
|---|---|---|---|
| Provision for claim losses as a percentage of title insurance premiums: | | | |
| Current year | 5.5% | 5.3% | 5.5% |
| Prior years | 0.7 | 1.7 | 1.5 |
| Total provision | 6.2% | 7.0% | 7.0% |

Actual claims payments are made up of loss payments and claims management expenses offset by recoupments and were as follows (in millions):

| | Loss Payments | Claims Management Expenses | Recoupments | Net Loss Payments |
|---|---|---|---|---|
| Year ended December 31, 2014 | $ 207 | $ 151 | $ (56) | $ 302 |
| Year ended December 31, 2013 | 323 | 162 | (82) | 403 |
| Year ended December 31, 2012 | 345 | 182 | (94) | 433 |

As of December 31, 2014 and 2013 , our recorded reserves were $ 1,621 million and $ 1,636 million , respectively, which we determined were reasonable and represented our best estimate and these recorded amounts were within a reasonable range of the central estimates provided by our actuaries. Our recorded reserves were approximately $20 million above the mid-point of the range of our actuarial estimates as of December 31, 2014 and were $70 million below the central estimate provided by our actuary as of December 31, 2013, but within the provided actuarial range of $1.5 billion to $1.8 billion.

Some traditional actuarial methods, such as paid loss development, are particularly sensitive to distortions in payment activity. We believe that the high level of foreclosure activity over the past few years is accelerating the reporting of claims, particularly lender claims, thereby increasing paid losses and expenses. As a result, a paid loss development approach may temporarily overstate ultimate cost projections. We believe that losses and expenses related to this accelerated claims activity, specifically losses relating to lender policies, will have a shorter duration and that expected payments relating to these policy years will eventually return to or perhaps even drop below historical levels.

During 2014, payment patterns were consistent with our actuaries' and management's expectations. Also, we continued to see positive development relating to the 2009 through 2013 policy years, which we believe is indicative of more stringent underwriting standards by us and the lending industry. In addition we have seen significant positive development in residential owners policies due to increased payments on residential lenders policies which inherently limit the potential loss on the related owners policy to the differential in coverage amount between the amount insured under the owner's policy and the amount paid under the residential lender's policy. Also, any residential lender policy claim paid relating to a property that is in foreclosure negates any potential loss under an owner's policy previously issued on the property as the owner has no equity in the property. Along with the positive development on claims management expenses, our ending open claim inventory decreased from approximately 24,000 claims at December 31, 2013 to approximately 21,000 claims at December 31, 2014 . If actual claims loss development is worse than currently expected and is not offset by other positive factors, such as continued improvement in claims management expenses and the other factors mentioned above, it is possible that our recorded reserves may fall outside a reasonable range of our actuary's central estimate, which may require additional reserve strengthening in future periods.

In 2013, the negative development of claims incurred and paid resulted in our recorded reserves being below the mid-point of the range of our actuary's estimate. This was primarily caused by the actual claims paid being greater than expected claims paid in the actuarial model. These payments primarily related to the high volume policy years in the mid-2000s, particularly the 2005-2007 policy years. We believe that this development related to both the fact that these policy years have higher loss ratios and that the accelerated reporting of these claims as discussed above. Management was comfortable with our recorded position for 2013 as we have seen significant positive developments in certain actuarial models relating to the acceleration of claims processing and claims related expense development. Claims management expenses have decreased due to management initiatives related to use of outside counsel and their fees and additional use of internal counsel in handling claims matters.

An approximate $ 37 million increase (decrease) in our annualized provision for title claim losses would occur if our loss provision rate were 1% higher (lower), based on 2014 title premiums of $ 3,671 million. A 10% increase (decrease) in our reserve for title claim losses, as of December 31, 2014, would result in an increase (decrease) in our provision for title claim losses of approximately $ 162 million.

*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 intent and need to sell the investment prior to 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 or by using other qualitative factors. Fixed maturity investments that have unrealized losses caused by interest rate movements are not at risk as we do not anticipate having the need or intent to sell prior to maturity. Unrealized losses on investments in equity securities, preferred stock 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 intent or 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 our monitoring and analysis has provided 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.

The fair value hierarchy established by the standard on fair value includes three levels, which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

In accordance with the standard on fair value, our financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

*Level 1.* Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

*Level 2.* Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3.* Financial assets and liabilities whose values are based on model inputs that are unobservable.

The following table presents our fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2014 and 2013 , respectively:

| | December 31, 2014 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Assets: | | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 115 | $ — | $ 115 |
| State and political subdivisions | — | 948 | — | 948 |
| Corporate debt securities | — | 1,820 | — | 1,820 |
| Foreign government bonds | — | 37 | — | 37 |
| Mortgage-backed/asset-backed securities | — | 105 | — | 105 |
| Preferred stock available for sale | 50 | 173 | — | 223 |
| Equity securities available for sale | 145 | — | — | 145 |
| Total assets | $ 195 | $ 3,198 | $ — | $ 3,393 |

| | December 31, 2013 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 126 | $ — | $ 126 |
| State and political subdivisions | — | 1,075 | — | 1,075 |
| Corporate debt securities | — | 1,606 | — | 1,606 |
| Foreign government bonds | — | 43 | — | 43 |
| Mortgage-backed/asset-backed securities | — | 109 | — | 109 |
| Preferred stock available for sale | 73 | 78 | — | 151 |
| Equity securities available for sale | 136 | — | — | 136 |
| Other long-term investments | — | — | 38 | 38 |
| Foreign exchange contracts | — | 4 | — | 4 |
| Commodity contracts | — | 2 | — | 2 |
| Total | $ 209 | $ 3,043 | $ 38 | $ 3,290 |
| | | | | |
| Liabilities: | | | | |
| Commodity contracts | $ — | $ 2 | $ — | $ 2 |
| Interest rate swap contracts | — | 1 | — | 1 |
| Total liabilities | $ — | $ 3 | $ — | $ 3 |

Our Level 2 fair value measures for fixed-maturities available for sale are provided by third-party pricing services. We utilize one firm for our taxable bond and preferred stock portfolios and another for our tax-exempt bond portfolio. These pricing services are leading global providers of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are:

- U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.

- State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.
- Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, or any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.
- Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.
- Mortgage-backed/asset-backed securities: These securities consist of commercial mortgage-backed securities, agency mortgage-backed securities, collaterized mortgage obligations, and asset-backed securities. They are valued based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.
- Preferred stock: Preferred stocks are valued by calculating the appropriate spread over a comparable US Treasury security. Inputs include benchmark quotes and other relevant market data.

Our Level 2 fair value measures for our interest rate swap, foreign exchange contracts, and commodity contracts are valued using the income approach. This approach uses techniques to convert future amounts to a single present value amount based upon market expectations (including present value techniques, option-pricing and excess earnings models).

Our Level 3 investments consist of structured notes that were purchased in the third quarter of 2009. During the third quarter of 2014, all of our outstanding structured notes matured and we received $39 million in cash upon maturity, resulting in a net realized gain of $ 1 million for the year ending December 31, 2014 . We held no structured notes at December 31, 2014 and the structured notes had a par value and a fair value of $38 million at December 31, 2013 . The structured notes were classified as other long-term investments and were measured in their entirety at fair value with changes in fair value recognized in earnings. The fair value of these instruments represented exit prices obtained from a broker-dealer. These exit prices were the product of a proprietary valuation model utilized by the trading desk of the broker-dealer and contain assumptions relating to volatility, the level of interest rates, and the value of the underlying commodity indices. We reviewed the pricing methodologies for our Level 3 investments to ensure that they are reasonable and we believe they represented an exit price for the securities at December 31, 2013 .

During the years ended December 31, 2014 , 2013 and 2012, we incurred impairment charges relating to investments that were determined to be other-than-temporarily impaired, which resulted in impairment charges of $6 million , $ 1 million, and $3 million , respectively. Impairment charges during all three years related to fixed maturity securities primarily related to our conclusion that the credit risk of these holdings was high and the ability of the issuer to pay the full amount of the principal outstanding was unlikely.

Included in our Investments as of December 31, 2014 are various holdings in Foreign securities as follows (in millions):

| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Market Value |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Available for sale securities: | | | | | |
| Australia | $ 31 | $ 32 | $ — | $ (1) | $ 31 |
| Belgium | 21 | 21 | — | — | 21 |
| Cayman Islands | 12 | 12 | — | — | 12 |
| Canada | 53 | 56 | — | (3) | 53 |
| France | 12 | 12 | — | — | 12 |
| Germany | 36 | 36 | — | — | 36 |
| Ireland | 17 | 17 | — | — | 17 |
| Japan | 50 | 50 | — | — | 50 |
| Korea | 18 | 18 | — | — | 18 |
| Netherlands | 19 | 19 | — | — | 19 |
| Norway | 17 | 17 | — | — | 17 |
| Mexico | 15 | 15 | — | — | 15 |
| Switzerland | 11 | 11 | — | — | 11 |
| United Kingdom | 56 | 55 | 1 | — | 56 |
| Total | $ 368 | $ 371 | $ 1 | $ (4) | $ 368 |

We have reviewed all of these securities as of December 31, 2014 and do not believe that there is a risk of credit loss as these securities are in a gross unrealized gain position of $1 million and a gross unrealized loss position of $4 million . We held no European sovereign debt at December 31, 2014 .

*Goodwill.* We have made acquisitions in the past that have resulted in a significant amount of goodwill. As of December 31, 2014 and 2013 , goodwill aggregated $ 4,721 million and $ 1,901 million, respectively. The majority of our goodwill as of December 31, 2014 relates to goodwill recorded in connection with the LPS acquisition on January 2, 2014, as well as the Chicago Title merger in 2000. In evaluating the recoverability of goodwill, we perform a qualitative analysis to determine whether it is more likely than not that our fair value exceeds our carrying value. Based on the results of this analysis, an annual goodwill impairment test may be completed based on an analysis of the discounted future cash flows generated by the underlying assets. The process of determining whether or not goodwill is impaired or recoverable relies on projections of future cash flows, operating results and market conditions. Future cash flow estimates are based partly on projections of market conditions such as the volume and mix of refinance and purchase transactions and interest rates, which are beyond our control and are likely to fluctuate. 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 our impairment tests. 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 in the future.We have completed our annual goodwill impairment analysis in each of the past three years and as a result, no impairment charges were recorded to goodwill in 2014 , 2013 , or 2012 . As of December 31, 2014 , we have determined that our goodwill has a fair value which substantially exceeds our carrying value.

*Other Intangible Assets.* We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts and trademarks which are generally recorded in connection with acquisitions at their fair value, and debt issuance costs relating to the issuance of our long-term notes payable. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method which takes into consideration expected customer attrition rates. Contractual relationships are generally amortized over their contractual life. Trademarks are generally considered intangible assets with indefinite lives and are reviewed for impairment at least annually. Debt issuance costs are amortized on a straight line basis over the contractual life of the related debt instrument.

We recorded an $11 million impairment expense to Tradenames in our Restaurant Group segment during the year ended December 31, 2014 . We recorded no impairment expense related to other intangible assets in the years ended December 31, 2013 , or 2012 .

*Title Revenue Recognition.* Our direct title insurance premiums and escrow, title-related and other 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. Historically, the time lag between the closing of these transactions by our agents and the reporting of these policies, or premiums, to us has been up to 15 months, with 70-80% reported within three months following closing, an additional 10-20% reported within the next three months and the remainder within seven to fifteen months. In addition to accruing these earned but unreported agency premiums, we also accrue agent commission expense, which was 75.7% of agent premiums earned in 2014 , 76.1 % of agent premiums earned in 2013 and 76.2% of agent premiums earned in 2012 .We also record provision for claim losses at our average provision rate at the time we record the accrual for the premiums, which was 6.2% for 2014 , and 7.0% for 2013 and 2012 , and accruals for premium taxes and other expenses relating to our premium accrual. The resulting impact to pretax earnings in any period is less than 10% of the accrued premium amount. The impact of the change in the accrual for agency premiums and related expenses on our pretax earnings was a decrease of $ 9 million for the year ended December 31, 2014 , a decrease of $ 7 million for the year ended 2013 and an increase of less than $ 1 million for the year ended 2012 . The amount due from our agents relating to this accrual, i.e., the agent premium less their contractual retained commission, was approximately $ 55 million and $ 74 million at December 31, 2014 and 2013 , respectively, which represents agency premiums of approximately $ 276 million and $ 364 million at December 31, 2014 and 2013 , respectively, and agent commissions of $ 221 million and $ 290 million at December 31, 2014 and 2013 , respectively. We may have changes in our accrual for agency revenue in the future if additional relevant information becomes available.

*BKFS Revenue Recognition.* Within our BKFS segment, our primary types of revenues and our revenue recognition policies as they pertain to the types of contractual arrangements we enter into with our customers to provide services, software licenses, and software-related services either individually or as part of an integrated offering of multiple services. These arrangements occasionally include offerings from more than one segment to the same customer. We recognize revenues relating to mortgage processing, outsourced business processing services, data and analytics services, along with software licensing and software-related services. In some cases, these services are offered in combination with one another, and in other cases we offer them individually. Revenues from processing services are typically volume-based depending on factors such as the number of accounts processed, transactions processed and computer resources utilized.

The majority of our revenues are from outsourced data processing and application hosting, data, analytic and valuation related services, and outsourced business processing services. Revenue is realized or realizable and earned when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the seller's price to the buyer is fixed or determinable; and (4) collectibility is reasonably assured. For hosting arrangements, revenues and costs related to implementation, conversion and programming services are deferred and subsequently recognized using the straight-line method over the term of the related services agreement. We evaluate these deferred contract costs for impairment in the event any indications of impairment exist.

In the event that our arrangements with our customers include more than one element, we determine whether the individual revenue elements can be recognized separately. In arrangements with multiple deliverables, the delivered items are considered separate units of accounting if (1) they have value on a standalone basis and (2) performance of the undelivered items is considered probable and within our control. Arrangement consideration is then allocated to the separate units of accounting based on relative selling price. If it exists, vendor-specific objective evidence is used to determine relative selling price, otherwise third-party evidence of selling price is used. If neither exists, the best estimate of selling price is used for the deliverable.

For multiple element software arrangements, we determine the appropriate units of accounting and how the arrangement consideration should be measured and allocated to the separate units. Initial license fees are recognized when a contract exists, the fee is fixed or determinable, software delivery has occurred and collection of the receivable is deemed probable, provided that vendor-specific objective evidence ("VSOE") has been established for each element or for any undelivered elements. We determine the fair value of each element or the undelivered elements in multi-element software arrangements based on VSOE. VSOE for each element is based on the price charged when the same element is sold separately, or in the case of post-contract customer support, when a stated renewal rate is provided to the customer. If evidence of fair value of all undelivered elements exists but evidence does not exist for one or more delivered elements, then revenue is recognized using the residual method. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is recognized as revenue. If evidence of fair value does not exist for one or more undelivered elements of a contract, then all revenue is deferred until all elements are delivered or fair value is determined for all remaining undelivered elements. Revenue from post-contract customer support is recognized ratably over the term of the agreement. We record deferred revenue for all billings invoiced prior to revenue recognition.

*Accounting for Income Taxes.* As part of the process of preparing the consolidated financial statements, we are required to determine income taxes in each of the jurisdictions in which we operate. This process involves estimating actual current tax expense together with assessing temporary differences resulting from differing recognition of items for income tax and accounting purposes.

These differences result in deferred income tax assets and liabilities, which are included within the Consolidated Balance Sheets. We must then assess the likelihood that deferred income tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not likely, establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must reflect this increase as expense within Income tax expense in the Consolidated Statement of Earnings. Determination of income tax expense requires estimates and can involve complex issues that may require an extended period to resolve. Further, the estimated level of annual pre-tax income can cause the overall effective income tax rate to vary from period to period. We believe that our tax positions comply with applicable tax law and that we adequately provide for any known tax contingencies. We believe the estimates and assumptions used to support our evaluation of tax benefit realization are reasonable. Final determination of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different than estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income or cash flows in the period that determination is made.

*Capitalized Software.* Capitalized software includes the fair value of software acquired in business combinations, purchased software and capitalized software development costs. Purchased software is recorded at cost and amortized using the straight-line method over its estimated useful life. Software acquired in business combinations is recorded at its fair value and amortized using straight-line or accelerated methods over its estimated useful life, ranging from 5 to 10 years. In our BKFS segment we have significant internally developed software. These costs are amortized using the straight-line or an accelerated method over the estimated useful life. Useful lives of computer software range from 3 to 10 years. For software products to be sold, leased, or otherwise marketed, all costs incurred to establish the technological feasibility are research and development costs, and are expensed as they are incurred. Costs incurred subsequent to establishing technological feasibility, such as programmers' salaries and related payroll costs and costs of independent contractors, are capitalized and amortized on a product by product basis commencing on the date of general release to customers. We do not capitalize any costs once the product is available for general release to customers. For internal-use computer software products, internal and external costs incurred during the preliminary project stage are expensed as they are incurred. Internal and external costs incurred during the application development stage are capitalized and amortized on a product by product basis commencing on the date the software is ready for its intended use. We do not capitalize any costs once the software is ready for its intended use.

We also assess the recorded value of computer software for impairment on a regular basis by comparing the carrying value to the estimated future cash flows to be generated by the underlying software asset. There is an inherent uncertainty in determining the expected useful life of or cash flows to be generated from computer software. We recorded impairment charges of $5 million in the year ended December 31, 2014, for an abandoned software development project. We did not record any impairments for software in the years ended December 31, 2013 or 2012.

**Certain Factors Affecting Comparability**

*Year ended December 31, 2014.* On January 2, 2014, we completed the purchase of LPS. As a result of this acquisition we began to consolidate the results of LPS effective January 3, 2014. On December 31, 2014, we distributed all of our shares in Remy to the holders of FNFV Group Common Stock. As a result of this distribution, the operations for Remy are presented as discontinued operations for all periods presented.

*Year ended December 31, 2012.* On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's; we have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55%. We have consolidated the results of ABRH as of May 11, 2012.

## Results of Operations

### *Consolidated Results of Operations*

*Net earnings.* The following table presents certain financial data for the years indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | | (Dollars in millions) | |
| Revenue: | | | |
| Direct title insurance premiums | $ 1,727 | $ 1,800 | $ 1,732 |
| Agency title insurance premiums | 1,944 | 2,352 | 2,101 |
| Escrow, title-related and other fees | 2,804 | 1,737 | 1,676 |
| Restaurant revenue | 1,436 | 1,408 | 908 |
| Interest and investment income | 126 | 127 | 143 |
| Realized gains and losses, net | (13) | 16 | 108 |
| Total revenue | 8,024 | 7,440 | 6,668 |
| Expenses: | | | |
| Personnel costs | 2,540 | 2,061 | 1,834 |
| Agent commissions | 1,471 | 1,789 | 1,600 |
| Other operating expenses | 1,643 | 1,273 | 1,269 |
| Cost of restaurant revenue | 1,220 | 1,204 | 773 |
| Depreciation and amortization | 403 | 133 | 103 |
| Provision for title claim losses | 228 | 291 | 279 |
| Interest expense | 127 | 73 | 64 |
| Total expenses | 7,632 | 6,824 | 5,922 |
| Earnings from continuing operations before income taxes and equity in earnings (loss) of unconsolidated affiliates | 392 | 616 | 746 |
| Income tax expense | 312 | 195 | 242 |
| Equity in earnings (loss) of unconsolidated affiliates | 432 | (26) | 10 |
| Net earnings from continuing operations | $ 512 | $ 395 | $ 514 |

*Revenues.*

Total revenue in 2014 increased $584 million compared to 2013 , primarily due to the addition of revenue from the acquisition of LPS on January 2, 2014, as well as an incr ease in the Restaurant Group segment and the FNFV Corporate and Other segment, offset by a decrease in the Title segment and FNF Core Corporate and Other segments. Total revenue in 2013 increased $772 million compared to 2012 , reflecting an incr ease in the Title, Restaurant Group segment and both the FNF and FNFV Corporate and Other segments.

Total net earnings from continuing operations increased $117 million in the year ended December 31, 2014, compared to the 2013 period. The increase consisted of a $175 million decrease at FNF Core and $292 million increase at FNFV.

FNF Core includes the results of operations of our Title segment and our recently acquired BKFS segment as well as the FNF Core Corporate and Other segment which includes the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

FNFV includes our share in the operations of certain equity investments, including Ceridian, as well as the results of operations of our portfolio companies including restaurant revenue from ABRH and J. Alexander's and within FNFV corporate and other, the results of Digital Insurance and other smaller operations which are not title related.

The change in revenue from the FNF Core segments and FNFV segments is discussed in further detail at the segment level below.

Interest and investmen t income levels are primarily a function of securities markets, interest rates and the amount of cash available for investment. Interest and investment income was $126 million , $127 million , and $143 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively. The decrease in 2013 as compared to 2012 is due to decreased bond yield and decreased total holdings. The effective return on average invested assets, excluding realized gains and losses, was 3.6% , 4.1% , and 4.4% for the years ended December 31, 2014 , 2013 , and 2012 , respectively.

Net realized gains and (losses) totaled $(13) million , $16 million , and $108 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively. The net realized loss for the year ended December 31, 2014 includes net realized gains of $9 million on the sales of various investments and gains of $11 million on consolidation of previously owned minority interests. These gains were offset by a $6 million impairment write down on bonds, asset impairments of $25 million, and $2 million in losses on other individually insignificant items. The net realized gain for the year ended December 31, 2013 includes an $11 million gain on the sale of FIS stock, a $10 million gain on individually insignificant portfolio sales, a $5 million net gain on sales of preferred stock, and a $3 million gain on the settlement of a mortgage loan at J. Alexander's. These gains were offset by a $3 million loss on the structured notes, $4 million in title plant impairments and $7 million in other individually immaterial impairments and net losses. The net realized gain for the year ended December 31, 2012 includes a $ 73 million gain on the consolidation of ABRH and O'Charley's, a $ 48 million bargain purchase gain on the acquisition of O'Charley's, and $16 million in net gains from the sale of other various investments and assets, offset by a $6 million impairment on land held at our majority-owned affiliate Cascade Timberlands, a $6 million loss on the early extinguishment of our 5.25% bonds, $3 million impairment charges on investments determined to be other-than-temporarily impaired and a $13 million impairment for title plants no longer in use.

*Expenses.*

Our operating expenses consist primarily of personnel costs and other operating expenses, which in our FNF Core businesses are incurred as orders are received and processed, and agent commissions, which are incurred as revenue is recognized, as well as cost of restaurant revenue. Title insurance premiums, escrow and title-related fees are generally recognized as income at the time the underlying transaction closes or other service is provided. Direct title operations revenue often 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 historically 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 exists in reducing variable costs and certain fixed costs are incurred regardless of revenue levels.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. Personnel costs that are directly attributable to the operations of Restaurant Group are included in Cost of restaurant revenue. The Restaurant Group results of operations are discussed in further detail at the segment level below.

Agent commissions represent the portion of premiums retained by third-party agents pursuant to the terms of their respective agency contracts. The change in agent commissions is discussed in further detail at the segment level below.

Other operating expenses consist primarily of facilities expenses, title plant maintenance, premium taxes (which insurance underwriters are required to pay on title premiums in lieu of franchise and other state taxes), appraisal fees and other cost of sales on ServiceLink product offerings and other title related products, postage and courier services, computer services, professional services, travel expenses, general insurance, and bad debt expense on our trade and notes receivable.

The provision for title claim losses includes an estimate of anticipated title and title-related claims, and escrow losses. The provision for title claim losses is discussed in further detail below at the segment level.

The change in expenses from the FNF Core segments and FNFV segments is discussed in further detail at the segment level below.

Cost of restaurant revenue includes cost of food and beverage, primarily the costs of beef, seafood, poultry, dairy and alcoholic and non-alcoholic beverages net of vendor discounts and rebates, payroll and related costs and expenses directly relating to restaurant level activities and restaurant operating costs including occupancy and other expenses at the restaurant level.

Income tax expense was $312 million , $195 million , and $242 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively. Income tax expense as a percentage of earnings from continuing operations before income taxes for the years ended December 31, 2014 , 2013 , and 2012 was 79.7% , 31.7% , and 32.4% , respectively. The increase in the effective tax rate in 2014 from 2013 is due mainly to the $495 million pre-tax gain of the Ceridian sale of Comdata to FleetCor, which was 43.2% of the effective tax rate; excluding the gain, the effective tax rate for 2014 was 36.5%. Apart from the Comdata sale gain, the fluctuation in income tax expense as a percentage of earnings from continuing operations 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 the weighting of operating income versus investment income.

Equity in (losses) earnings of unconsolidated affiliates was $ 432 million, $ (26) million, and $ 10 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively, and consisted of our equity in the net earnings (losses) of Ceridian, Remy prior to August 2012, and other investments in unconsolidated affiliates. The increase in 2014 is due mainly to our $495 million portion of the Ceridian gain on the sale of Comdata to Fleetcor. The decrease in 2013 is due mainly to our share of the larger losses at

Ceridian, which include $17 million in non-recurring costs relating to the write off of a deferred tax asset and debt extinguishment costs.

***Segment Results of Operations***

***FNF Core Operations***

Title

Beginning January 2, 2014, the Title segment includes the results of the transaction services business acquired with LPS.

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

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | | (In millions) | |
| Revenues: | | | |
| Direct title insurance premiums | $ 1,727 | $ 1,800 | $ 1,732 |
| Agency title insurance premiums | 1,944 | 2,352 | 2,101 |
| Escrow, title-related and other fees | 1,855 | 1,597 | 1,613 |
| Interest and investment income | 122 | 127 | 139 |
| Realized gains and losses, net | 4 | 18 | 1 |
| Total revenue | 5,652 | 5,894 | 5,586 |
| Expenses: | | | |
| Personnel costs | 1,896 | 1,845 | 1,738 |
| Other operating expenses | 1,370 | 1,096 | 1,128 |
| Agent commissions | 1,471 | 1,789 | 1,600 |
| Depreciation and amortization | 145 | 65 | 64 |
| Provision for title claim losses | 228 | 291 | 279 |
| Interest expense | — | — | 1 |
| Total expenses | 5,110 | 5,086 | 4,810 |
| Earnings before income taxes | $ 542 | $ 808 | $ 776 |
| Orders opened by direct title operations (in 000's) | 1,914 | 2,181 | 2,702 |
| Orders closed by direct title operations (in 000's) | 1,319 | 1,708 | 1,867 |

Total revenues in 2014 decreased $242 million or 4.1% compared to 2013 . Total revenues in 2013 in creased $308 million or 5.5% compared to 2012 . During the year ended December 31, 2014 , the results of Title contained $35 million of transaction expenses related to the LPS acquisition and $1 million for merger related litigation, which were included in other operating expenses. Included within personnel costs in the year ended December 31, 2014 were $20 million in severance expenses related to the LPS acquisition and $30 million expense to accrue for bonuses under our synergy bonus program. Depreciation and amortization for the year ended December 31, 2014 included $88 million related to assets acquired with LPS and marked to fair value in purchase accounting.

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

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2014 | | 2013 | | 2012 | |
| | Amount | % | Amount | % | Amount | % |
| | | | (Dollars in millions) | | | |
| Title premiums from direct operations | $ 1,727 | 47.0% | $ 1,800 | 43.4% | $ 1,732 | 45.2% |
| Title premiums from agency operations | 1,944 | 53.0 | 2,352 | 56.6 | 2,101 | 54.8 |
| Total title premiums | $ 3,671 | 100.0% | $ 4,152 | 100.0% | $ 3,833 | 100.0% |

Title premiums decreased 12% in the year ended December 31, 2014 as compared to the 2013 period. The decrease was made up of a decrease in premiums from direct operations of $73 million, or 4% and a decrease in premiums from agency operations of $408 million, or 17% in the year ended December 31, 2014. Title premiums increased 8% in the year ended December 31, 2013 as compared to the 2012 period. The increase was made up of a increase in premiums from direct operations of $68 million, or 4% and an increase in premiums from agency operations of $251 million, or 12% in the year ended December 31, 2013.

The following table presents the percentages of opened and closed title insurance orders generated by purchase and refinance transactions by our direct operations:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| Opened title insurance orders from purchase transactions (1) | 56.8% | 46.1% | 34.7% |
| Opened title insurance orders from refinance transactions (1) | 43.2 | 53.9 | 65.3 |
| | 100.0% | 100.0% | 100.0% |
| | | | |
| Closed title insurance orders from purchase transactions (1) | 58.1% | 42.6% | 35.9% |
| Closed title insurance orders from refinance transactions (1) | 41.9 | 57.4 | 64.1 |
| | 100.0% | 100.0% | 100.0% |

(1) Percentages exclude consideration of an immaterial number of non-purchase and non-refinance orders.

Title premiums from direct operations decreased in 2014, primarily due to a decrease in closed order volumes as compared to the prior year, partially offset by an increase of $120 million in the year ended December 31, 2014, related to the transaction services business acquired from LPS on January 2, 2014, a portion of which previously was included in our agency title premiums. Also offsetting the decline in orders was an increase in commercial revenue from the 2013 period and increase in the commercial fee per file. The decrease in order volumes was primarily related to a significant decrease in refinance transactions since the fourth quarter of 2013. In 2013, refinance transactions represented more than 60% of our total closed orders versus approximately 40% in 2014. Closed order volumes were 1,319,000 in the year ended December 31, 2014 compared with 1,708,000 in the year ended December 31, 2013. Although there was a decrease in closed order volumes in 2014, this was partially offset by a 14% increase in the fee per file in the year ended December 31, 2014. The average fee per file in our direct operations was $2,014 in the year ended December 31,2014, compared to $1,708 in the year ended December 31, 2013, with the increase reflecting a higher volume of purchase transactions, which have a higher fee per file. The fee per file tends to change as the mix of refinance and purchase transactions changes, because purchase transactions involve the issuance of both a lender’s policy and an owner’s policy, resulting in higher fees, whereas refinance transactions only require a lender’s policy, resulting in lower fees. Also, commercial transactions typically have a higher fee per file.

The decrease in title premiums from agency operations is primarily the result of the overall decline in real estate activity since the prior year. The decrease was consistent with the decrease in direct operations, except that the direct operations benefited from the addition of the transaction services business acquired from LPS on January 2, 2014, as discussed above.

Escrow, title related and other fees increased by $258 million, or 16%, in the year ended December 31, 2014 from 2013 and decreased by $16 million, or 1%, in the year ended December 31, 2013 from 2012. Escrow fees, which are more directly related to our direct operations, decreased $107 million, or 16%, in the year ended December 31, 2014 compared to the 2013 period and decreased $16 million, or 2%, in the year ended December 31, 2013 compared to the 2012 period. In both periods the decrease is consistent with the decrease in direct title premiums. The decrease in Escrow fees in 2014 was offset by the addition of $82 million related to the transaction services business acquired from LPS on January 2, 2014.

Other fees in the Title segment, excluding escrow fees, increased $364 million, or 40%, in the year ended December 31, 2014 compared to the 2013 period and increased $2 million, or 1%, in the year ended December 31, 2013 compared to the 2012 period. The increase in other fees was primarily due to the addition of $233 million year ended December 31, 2014, related to the transaction services business acquired from LPS on January 2, 2014.

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 decreased $5 million in the year ended December 31, 2014 compared to the 2013 period and decreased $12 million in the year ended December 31,2013 compared to the 2012 period. The decrease is due primarily to decreases in market interest rates and in turn lower bond yields in both periods.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. The $51 million, or 3% increase in the year ended December 31, 2014 compared to the 2013 period is due to additional expense related to the Transaction Services business acquired from LPS in January 2014, severance expense of $20 million and an accrual for bonuses to be paid on our synergy bonus program of $30 million recorded in the year. Personnel costs as a percentage of total revenues from direct title premiums and escrow, title-related and other fees was 53% and 54% for the periods ended December 31,2014 and December 31,2013. Average employee count in the Title segment was 19,470 and 18,954 in the periods ended December 31,2014 and 2013, respectively. The increase in the 2014 period includes reductions in headcount as a result of synergies realized with the merger of the LPS transaction services business with the historical title business, offset by an increase of 2,668 employees from the LPS acquisition in January 2014. The reduction in personnel during 2014 also relates to decreases in orders and revenues.

Other operating expenses consist primarily of facilities expenses, title plant maintenance, 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, travel expenses, general insurance, and bad debt expense on our trade and notes receivable. Other operating expenses increased $274 million, or 25% in the year ended December 31, 2014 from 2013. Other operating expenses increased due to the addition of the transaction services business acquired from LPS. Also affecting the period ended December 31,2014 were $35 million of transaction costs related to the LPS acquisition.

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, | | | | | |
|---|---|---|---|---|---|---|
| | 2014 | | 2013 | | 2012 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Agent title premiums | $ 1,944 | 100.0% | $ 2,352 | 100.0% | $ 2,101 | 100.0% |
| Agent commissions | 1,471 | 75.7 | 1,789 | 76.1 | 1,600 | 76.2 |
| Net retained agent premiums | $ 473 | 24.3% | $ 563 | 23.9% | $ 501 | 23.8% |

Net margin from agency title insurance premiums retained as a percentage of total agency premiums in the year ended December 31, 2014 remained consistent with 2013 and 2012.

The provision for title claim losses includes an estimate of anticipated title and title-related claims and escrow losses. T he 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. Any significant adjustments to strengthen or release loss reserves resulting from the comparison with our actuarial analysis are made in addition to this loss provision rate. After considering historical claim losses, reporting patterns and current market information, and analyzing quantitative and qualitative data provided by our legal, claims and underwriting departments, we determine a loss provision rate, which is recorded as a percentage of current title premiums. This loss provision rate is set to provide for losses on current year policies, but due to development of prior years and our long claim duration, it periodically includes amounts of estimated adverse or positive development on prior years' policies. Effective April 1, 2014, we revised our loss provision rate to 6% from 7% primarily due to favorable development on more recent policy year claims.

The claim loss provision for title insurance was $ 228 million, $ 291 million, and $ 279 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively. These amounts reflected average claim loss provision rates of 6.2% for 2014 and 7.0% of title premiums for 2013 and 2012 . The claim loss provision for 2012 also includes an $11 million impairment recorded on an asset previously recouped as part of a claim settlement. We will continue to monitor and evaluate our loss provision level, actual claims paid, and the loss reserve position each quarter.

*BKFS*

The results of this segment for the year ended December 31, 2014 , include the results of BKFS and subsidiaries, which were initially consolidated on January 2, 2014, the date on which we acquired LPS.

| | Year Ended December 31, 2014 (In millions) |
|---|---|
| Revenues: | |
| Total revenues | $ 852 |
| Expenses: | |
| Personnel costs | 449 |
| Other operating expenses | 199 |
| Depreciation and amortization | 188 |
| Interest expense | 31 |
| Total expenses | 867 |
| Loss from continuing operations before income taxes | $ (15) |

The results of the BKFS segment were negatively affected by costs related to the acquisition and integration of LPS by FNF since January 2, 2014. During the year ended December 31, 2014 , the results of BKFS contain $53 million of transaction expenses and $12 million for merger related litigation expense, which were included in other operating expenses. Included within personnel costs in the year ended December 31, 2014 were $27 million in severance expenses relating to the acquisition and $31 million expense for bonuses under our synergy bonus program. Depreciation and amortization for the year ended December 31, 2014 includes $95 million related to assets acquired with LPS and marked to fair value in purchase accounting.

Excluding these merger related costs and depreciation and amortization related the fair value adjustment of assets acquired with the LPS acquisition, earnings from continuing operations before income taxes in the year ended December 31, 2014 was $203 million for the BKFS segment.

*FNF Core Corporate and Other*

The FNF Core Corporate and Other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations. Also included in this segment are eliminations of revenues and expenses between our other core segments.

The FNF Core Corporate and Other segment generated revenues of $(14) million, $49 million and $45 million for the years ended December 31, 2014, 2013 and 2012, respectively. The decrease in the 2014 period is due to inclusion of an elimination of revenues between our BKFS segment and our Title segment, which we began eliminating upon the acquisition of LPS in 2014.

Other operating expenses in the FNF Core Corporate and Other segment were $(12) million, $93 million and $60 million for the years ended December 31, 2014, 2013 and 2012, respectively. The decrease in the 2014 period from the 2013 period is due to a $29 million allocation of transaction costs from the FNF Core Corporate segment to BKFS in 2014 and the 2013 period including a $20 million accrual related to an employment litigation matter and $3 million in transaction costs related to the LPS acquisition The decrease in both periods is also due to the elimination of revenues between our BKFS segment and our Title segment, which we began eliminating upon the acquisition of LPS in 2014.

Interest expense was $91million, $68 million and $60 million for the years ended December 31, 2014, 2013 and 2012, respectively. The increase in the 2014 period is due to additional borrowings in January 2014 to finance the acquisition of LPS.

This segment generated pretax losses of $121 million, $152 million and $157 million for the years ended December 31, 2014, 2013 and 2012, respectively, with the change in the 2014 period due to the reasons discussed above, primarily the change in Other operating expenses.

***FNFV***

*Restaurant Group*

The year ended December 31, 2013 was the first full twelve-month period for which operating results for the Restaurant Group segment have been consolidated. The results for the year ended December 31, 2012 reflect results of O'Charley's Inc. and subsidiaries as of the date of acquisition, April 9, 2012 through December 31, 2012, the results of ABRH as of the date of merger with O'Charley's, May 11, 2012 through December 31, 2012, as well as the results of J. Alexander's as of the date of acquisition, September 26, 2012 through December 31, 2012.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | | (In millions) | |
| Revenues: | | | |
| Restaurant revenue | $ 1,436 | $ 1,408 | $ 908 |
| Realized gains and losses, net | (13) | (1) | 119 |
| Total revenues | 1,423 | 1,407 | 1,027 |
| Expenses: | | | |
| Personnel costs | 69 | 65 | 43 |
| Cost of restaurant revenue | 1,220 | 1,204 | 773 |
| Other operating expenses | 61 | 65 | 71 |
| Depreciation and amortization | 52 | 53 | 35 |
| Interest expense | 8 | 8 | 3 |
| Total expenses | 1,410 | 1,395 | 925 |
| Earnings from continuing operations before income taxes | $ 13 | $ 12 | $ 102 |

Total revenues for the Restaurant group segment increased $16 million, or 1.1% in the year ended December 31, 2014, from the 2013 period mainly due to increased same store sales at ABRH and J. Alexander's. Total revenues increased $380 million, or 37.0% in the year ended December 31, 2013, from the 2012 period. The year ended December 31, 2013 is the first full twelve-month period for which operating results for the Restaurant Group segment have been consolidated.

Restaurant revenue increased $28 million or 19.9% and cost of restaurant revenue increased $16 million, or 1.3% in the year ended December 31, 2014, from the 2013 period mainly due to increased same store sales at ABRH and J. Alexander's as the expense trends with revenue.

Earnings from continuing operations before income taxes increased $1 million in the year ended December 31, 2014 from the 2013 period. Earnings from continuing operations before income taxes decreased $90 million in the year ended December 31, 2013 from the 2012 period mainly due to the results of the Restaurant group segment in 2012 including gains of $119 million on the consolidation of the Restaurant Group segment as a result of the acquisition. Prior to its consolidation on April 9, 2012, we held a $14 million investment in common stock of O'Charley's, Inc., which was included in Equity securities available for sale on the Consolidated Balance Sheet and a $37 million investment in ABRH which was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheet. As a result of the difference between our basis in these investments and the fair value at the time of consolidation, we recognized a $73 million realized gain during the year ended December 31, 2012. We also recognized a $48 million bargain purchase gain relating to the acquisition of O'Charley's. See Note B in the Notes to Consolidated Financial Statements for further discussion. Also included in the results of operations of the Restaurant Group for the year ended December 31, 2012 were $19 million of acquisition, transaction, and integration costs related to the O'Charley's acquisition.

*FNFV Corporate and Other*

The FNFV Corporate and Other segment includes our share in the operations of certain equity investments, including Ceridian, Digital Insurance, Cascade Timberlands and other smaller operations. This segment also includes our Long Term Incentive Plan ("LTIP") established during 2012 which is tied to the fair value of certain of our FNFV investments. During 2014, the LTIP was frozen and then was terminated on December 31, 2014. Also during 2014, we established our Investment Success Incentive Program ("ISIP") which is tied to monetization or liquidity events relating to our investments, and such events result in realized or realizable pre-tax gains.

The FNFV Corporate and Other segment generated revenues of $110 million, $87 million, and $15 million f or the years ended December 31, 2014 , 2013 , and 2012 , respectively. Revenues increased $23 million in 2014 compared to 2013 and increased $72 million in 2013 compared to 2012 . The increase in 2013 was mainly attributable to the addition of Digital Insurance at the end of 2012, which contributed $69 million in revenue during 2013.

Personnel costs were $101 million in 2014, $114 million in 2013 and $25 million in 2012. Personnel costs in 2014 include a $19 million accrual for our ISIP. Personnel costs in 2013 include a $54 million accrual for our LTIP. Also included in 2013 were an additional $43 million of personnel costs at Digital Insurance, which was acquired in December of 2012. Personnel costs in 2012 include an $10 million accrual for the LTIP.

This segment generated pretax losses of $27 million, $52 million, and $25 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively. The change in pretax earnings in all periods is primarily related to the additional LTIP expense. The 2014 period includes a $15 million impairment on one of the unconsolidated affiliates owned by FNFV. The 2012 period includes a $6 million impairment on land held at Cascade Timberlands.

**Liquidity and Capital Resources**

*Cash Requirements.* Our current cash requirements include personnel costs, operating expenses, claim payments, taxes, payments of interest and principal on our debt, capital expenditures, business acquisitions, stock repurchases and dividends on our common stock. We paid dividends of $ 0.73 per share during 2014 , or approximately $ 203 million. On January 27, 2015 , our Board of Directors formally declared an $0.19 per share cash dividend that is payable on March 31, 2015 to FNF Group shareholders of record as of March 17, 2015 . There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders, although there are limits on the ability of certain subsidiaries to pay dividends to us, as described below. The declaration of any future dividends is at the discretion of our Board of Directors. Additional uses of cash flow are expected to include stock repurchases, acquisitions, and debt repayments.

We continually assess our capital allocation strategy, including decisions relating to the amount of our dividend, reducing debt, repurchasing our stock, and/or conserving cash. 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, potential sales of non-strategic assets, and borrowings on 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 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 such forecasts.

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 claims 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 receive cash from our subsidiaries in the form of dividends and as reimbursement for operating and other administrative expenses we incur. The reimbursements are paid within the guidelines of management agreements 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 distributions. As of December 31, 2014 , $ 2,108 million of our net assets were restricted from dividend payments without prior approval from the relevant departments of insurance. During 2015 , our title insurance subsidiaries can pay or make distributions to us of approximately $ 236 million without prior regulatory approval. Our underwritten title companies and non-title insurance subsidiaries collect revenue and pay operating expenses. However, they are not regulated to the same extent as our insurance subsidiaries.

The maximum dividend permitted by law is not necessarily indicative of an insurer's actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer's ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in interpretation of statutory accounting requirements by regulators.

On June 30, 2014, we completed the creation of a tracking stock for our portfolio company investments, now known as FNFV. The primary FNFV investments include our equity interests in ABRH, J. Alexander's, Ceridian, and Digital Insurance. We provided $200 million in financial support to FNFV comprised of $100 million in cash and $100 million in a line of credit, upon formation of the tracking stock. The $100 million in cash and the $100 million line of credit will be used for investment purposes, repurchasing FNFV stock or other general corporate purposes. From time to time, we may also provide additional loans to FNFV to cover corporate expenses and working capital. All additional investments in existing FNFV owned companies and any new FNFV company investments will be funded and managed by FNFV.

Cash flow from FNF's core operations is expected to be used for general corporate purposes including to reinvest in core operations, repay debt, pay dividends, repurchase stock, other strategic initiatives or conserving cash.

We are focused on evaluating our FNFV assets and investments as potential vehicles for creating liquidity. Our intent is to use that liquidity for general corporate purposes, including payment of dividends as declared by the Board of Directors and potentially reducing debt, repurchasing shares of our stock, other strategic initiatives and/or conserving cash.

Our cash flows provided by operations for the years ended December 31, 2014 , 2013 , and 2012 were $567 million , $484 million and $620 million, respectively. The increase in cash provided by operations of $83 million from 2014 to 2013 is primarily due to increased earnings from operations, lower claims payments of $98 million, and a tax refund of $62 million on LPS acquisition costs. These decreases were offset by payments of $54 million in transaction costs and $47 million in severance payments both relating to the acquisition of LPS and bonus payments of $124 million relating to our LTIP, ISIP, and synergy plans. The decrease in cash provided by operations of $136 million from 2013 to 2012 is due primarily to $16 million in transaction costs related to the acquisition of LPS, a $20 million employee litigation payment, a $12 million increase in prepaid assets, a $7 million payment for an executive severance payment at Remy, a $14 million final payment on a legal settlement and the remainder is attributable to the decrease in operating earnings.

*Capital Expenditures.* Total capital expenditures for property and equipment and capitalized software were $210 million , $145 million and $79 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively. The 2014 period consists of capital expenditures of $57 million in our Title segment, $63 million in our BKFS segment, $64 million in Restaurant Group segment, $23 million in our former Remy segment, and $3 million in other FNFV Group expenditures. The increase in the 2014 period from the 2013 period is primarily due to increased expenditures on property and equipment and capitalized software at BKFS, acquired from LPS on January 2, 2014 and continued remodeling efforts in our Restaurant Group segment. The increase from 2012 to 2013 is due to increased capital expenditures of $30 million in the Title segment, $10 million of which related to building a new headquarters building for our ServiceLink division during 2013 and $11 million of software development costs at our ServiceLink division in 2013. An additional $36 million of capital expenditures were made in our Remy and Restaurant Group segment, primarily related to remodeling efforts in our Restaurant Group and Remy's expansion of a manufacturing facility in China.

*Financing.* For a description of our financing arrangements see Note K to the Consolidated Financial Statements included in Item 8 of Part II of this Report, which is incorporated by reference into this Part II, Item 7.

*Seasonality.* H istorically, real estate transactions have produced seasonal revenue levels for the real estate industry including 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 third calendar quarter has been typically the strongest in terms of revenue primarily due to a higher volume of home sales in the summer months and the fourth quarter is usually also strong due to commercial entities desiring to complete transactions by year-end. We have noted short term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates and the implementation and subsequent expiration of government programs designed to stimulate the real estate market. In 2014 and 2013, we saw seasonality trends return to historical patterns. During 2013 and 2014, we experienced a moderate increase in existing home sales and we have also seen a decline in total housing inventory. However, we have experienced significant declines in refinance activity starting in the fourth quarter of 2013.

In our Restaurant Group, average weekly sales per restaurant are typically higher in the first and fourth quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

*Contractual Obligations.* Our long term contractual obligations generally include our loss reserves, our credit agreements and other debt facilities, operating lease payments on certain of our premises and equipment and purchase obligations of the Restaurant Group.

As of December 31, 2014 , our required annual payments relating to these contractual obligations were as follows:

| | 2015 | 2016 | 2017 | 2018 | 2019 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| | | | | (In millions) | | | |
| Notes payable | $ 117 | $ 176 | $ 530 | $ 531 | $ 464 | $ 1,005 | $ 2,823 |
| Operating lease payments | 193 | 232 | 135 | 107 | 80 | 268 | 1,015 |
| Pension and other benefit payments | 17 | 17 | 16 | 15 | 60 | 80 | 205 |
| Title claim losses | 285 | 235 | 191 | 153 | 104 | 653 | 1,621 |
| Unconditional purchase obligations | 216 | 49 | 22 | 12 | 5 | 5 | 309 |
| Other | 89 | 89 | 76 | 65 | 57 | 237 | 613 |
| Total | $ 917 | $ 798 | $ 970 | $ 883 | $ 770 | $ 2,248 | $ 6,586 |

As of December 31, 2014 , we had title insurance reserves of $1,621 million. The amounts and timing of these obligations are estimated and are not set contractually. 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, escrow theft, multiple property title defects, foreclosure rates and individual large loss events that can substantially and unexpectedly cause increases in both the amount and timing of estimated title insurance loss payments; and
- 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.

Based on historical title insurance claim experience, we anticipate the above payment patterns. The uncertainty and variation in the timing and amount of claim payments could have a material impact on our cash flows from operations in a particular period.

The Restaurant Group has unconditional purchase obligations with various vendors. These purchase obligations are primarily food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. We used both historical and projected volume and pricing as of December 31, 2014 to determine the amount of the obligations.

BKFS has data processing and maintenance commitments with various vendors. We used current outstanding contracts with the vendors to determine the amount of the obligations.

We sponsor multiple pension plans and other post-retirement benefit plans. See Note P of the Notes to Consolidated Financial Statements.

Other contractual obligations include estimated future interest payments on our outstanding fixed rate debt and investment commitments entered into in 2014 for $81 million to be made in the future, of which $55 million is outstanding as of December 31, 2014.

*Capital Stock Transactions.* On February 23, 2015, we announced a tender offer to purchase up to $185 million of shares of our FNFV Group Common stock at a purchase price of no greater than $15.40 per share, nor less than $14.30 per share in cash. We are conducting this Offer through a procedure commonly called a “modified Dutch auction.” This procedure allows shareholders to select the price within a price range specified by us at which the shareholders are willing to sell their shares. The offer will expire at 12:00 Midnight, New York City time, at the end of Friday, March 20, 2015, unless we extend the offer.

On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2014 , we repurchased a total of 116,100 shares for $2 million, or an average of $14.00 per share under this program. Subsequent to year-end we repurchased a total of 423,350 shares for $5 million, or an average of $12.34 per share under this program through market close on February 27, 2015. Since the original commencement of the plan adopted November 6, 2014, we have repurchased a total of 539,450 shares for $7 million, or an average of $12.70 per share, and there are 9,460,550 shares available to be repurchased under this program.

On June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. We issued 277,462,875 shares of FNF Group common stock and 91,711,237 shares of FNFV Group common stock. See Note A for further discussion on the recapitalization of FNF common stock.

On January 2, 2014, we completed the purchase of LPS. As part of the consideration, $839 million or 25,920,078 shares of Old FNF common stock was issued to LPS shareholders. See Note B for further information on the acquisition of LPS.

On October 24, 2013, we offered 17,250,000 shares of our common stock at an offering price of $26.75 per share, pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. We granted the underwriters a 30-day option to purchase 2,587,500 additional shares at the offering price, which was subsequently exercised in full. A total of 19,837,500 shares were issued on October 30, 2013, for net proceeds of approximately $511 million. The net proceeds from this offering were used to pay a portion of the cash consideration for the LPS Acquisition on January 2, 2014.

On July 21, 2012, our Board of Directors approved a three-year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our common stock through July 31, 2015. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2014 , we did not repurchase any FNF Group shares under this program. Subsequent to year-end we did not repurchase any shares through market close on February 27, 2015. Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 2,080,000 shares for $ 50 million , or an average of $ 23.90 per share, and there are 12,920,000 shares available to be repurchased under this program.

On July 21, 2009, the Board of Directors approved a three-year stock repurchase program under which we could repurchase up to 15 million shares of our common stock through July 31, 2012. On January 27, 2011, our Board of Directors approved an additional 5 million shares that could be repurchased under the program. This program expired July 31, 2012, and we repurchased a total of 16,528,512 shares for $ 243 million, or an average of $ 14.73 per share under this program.

*Equity Security and Preferred Stock Investments.* Our equity security and preferred stock investments may be subject to significant volatility. Should the fair value of these investments fall below our cost basis and/or the financial condition or prospects of these companies deteriorate, we may determine in a future period that this decline in fair value is other-than-temporary, requiring that an impairment loss be recognized in the period such a determination is made.

*Off-Balance Sheet Arrangements.* We do not engage in off-balance sheet activities other than facility and equipment leasing arrangements. On June 29, 2004 we entered into an off-balance sheet financing arrangement (commonly referred to as a "synthetic lease"). The owner/lessor in this arrangement acquired land and various real property improvements associated with new construction of an office building in Jacksonville, Florida, at our corporate campus and headquarters. The lessor financed the acquisition of the facilities through funding provided by third-party financial institutions. On June 27, 2011, we renewed and amended the synthetic lease for the facilities. The amended synthetic lease provides for a five year term ending June 27, 2016 and had an outstanding balance as of December 31, 2014 of $ 71 million. The amended lease includes guarantees by us of up to 83.0% of the outstanding lease balance, and options to purchase the facilities at the outstanding lease balance. The guarantee becomes effective if we decline to purchase the facilities at the end of the lease and also decline to renew the lease. The lessor is a third-party company and we have no affiliation or relationship with the lessor or any of its employees, directors or affiliates, and transactions with the lessor are limited to the operating lease agreements and the associated rent expense that have been included in Other operating expenses in the Consolidated Statements of Earnings. We do not believe the lessor is a variable interest entity, as defined in the FASB standard on consolidation of variable interest entities.

**Recent Accounting Pronouncements**

For a description of recent accounting pronouncements, see Note T of Notes to Consolidated Financial Statements included elsewhere herein.

**Item 7A.** ***Quantitative and Qualitative Disclosure about Market Risk***

In the normal course of business, we are routinely subject to a variety of risks, as described in the Risk Factors section of this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission. For example, we are exposed to the risk that decreased real estate activity, which depends in part on the level of interest rates, may reduce our Core revenues.

The risks related to our business also include certain market risks that may affect our debt and other financial instruments. At present, we face the market risks associated with our marketable equity securities subject to equity price volatility and with interest rate movements on our outstanding debt and fixed income investments.

We regularly assess these market risks and have established policies and business practices designed to protect against the adverse effects of these exposures.

At December 31, 2014 , we had $2,826 million in long-term debt, of which $ 1,208 million bears interest at a floating rate. Our fixed maturity investments, certain preferred stocks and our floating rate debt are subject to an element of market risk from changes in interest rates. 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. We manage interest rate risk through a variety of measures. We monitor our interest rate risk and make investment decisions to manage the perceived risk. We do not currently use derivative financial instruments to hedge these risks.

Equity price risk is the risk that we will incur economic losses due to adverse changes in equity prices. In the past, our exposure to changes in equity prices primarily resulted from our holdings of equity securities. At December 31, 2014 , we held $ 145 million in marketable equity securities (not including our investments in preferred stock of $ 223 million at December 31, 2014 and our Investments in unconsolidated affiliates, which amounted to $ 770 million at December 31, 2014 ). 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.

Financial instruments, which potentially subject us to concentrations of credit risk, consist primarily of accounts receivable and cash investments. We require placement of cash in financial institutions evaluated as highly creditworthy.

For purposes of this Annual Report on Form 10-K, we perform a sensitivity analysis to determine the effects that market risk exposures may have on the fair values of our debt and other financial instruments.

The financial instruments that are included in the sensitivity analysis with respect to interest rate risk include fixed maturity investments, preferred stock and notes payable. The financial instruments that are included in the sensitivity analysis with respect to equity price risk include marketable equity securities. With the exception of our equity method investments, 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 were a change in market conditions, based on the nature and duration of the financial instruments involved.

To perform the sensitivity analysis, we assess the risk of loss in fair values from the effect of hypothetical changes in interest rates and equity prices on market-sensitive instruments. The changes in fair values for interest rate risks are determined by estimating the present value of future cash flows using various models, primarily duration modeling. The changes in fair values for equity price risk are determined by comparing the market price of investments against their reported values as of the balance sheet date.

Information provided by the sensitivity analysis does not necessarily represent the actual changes in fair value that we would incur under normal market conditions because, due to practical limitations, all variables other than the specific market risk factor are held constant. For example, our reserve for title claim losses (representing 22.9% of total liabilities at December 31, 2014 ) is not included in the hypothetical effects.

We have no market risk sensitive instruments entered into for trading purposes; therefore, all of our market risk sensitive instruments were entered into for purposes other than trading. The results of the sensitivity analysis at December 31, 2014 and December 31, 2013 , are as follows:

**Interest Rate Risk**

At December 31, 2014 , an increase (decrease) in the levels of interest rates of 100 basis points, with all other variables held constant, would result in a (decrease) increase in the fair value of our fixed maturity securities and certain of our investments in preferred stock which are tied to interest rates of $ 82 million as compared with a (decrease) increase of $ 89 million at December 31, 2013 .

For the years ended December 31, 2014 and 2013, a decrease of 100 basis points in the levels of interest rates, with all other variables held constant, would result in a decrease in the interest expense on our average outstanding floating rate debt of $2 million, as the current LIBOR rate is less than 1%. An increase of 100 basis points in the levels of interest rates, with all other variables held constant, would result in an increase in the interest expense on our average outstanding floating rate debt of $14 million for the year ended December 31, 2014 . The main cause of the increase from $1 million for the year ended December 31, 2013 , is the addition of the $1.1 billion term loan we obtained in connection with the acquisition of LPS on January 2, 2014. See Note B for further discussion on this acquisition.

**Equity Price Risk**

At December 31, 2014 , a 20% increase (decrease) in market prices, with all other variables held constant, would result in an increase (decrease) in the fair value of our equity securities portfolio of $ 29 million, as compared with an increase (decrease) of $ 27 million at December 31, 2013 .

**Item 8.** ***Financial Statements and Supplementary Data***

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**

**INDEX TO FINANCIAL INFORMATION**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

We have audited Fidelity National Financial, Inc.'s internal control over financial reporting as of December 31, 2014 , based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Fidelity National Financial, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Fidelity National Financial, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014 , based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2014 and 2013 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2014 , and our report dated March 2, 2015 expressed an unqualified opinion on those Consolidated Financial Statements.

/s/ KPMG LLP

Jacksonville, Florida
March 2, 2015
Certified Public Accountants

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

We have audited the accompanying Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2014 and 2013 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2014 . These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated 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 Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2014 and 2013 , and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2014 , in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Fidelity National Financial, Inc.'s internal control over financial reporting as of December 31, 2014 , based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 2, 2015 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Jacksonville, Florida
March 2, 2015
Certified Public Accountants

# FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

| | December 31, 2014 | | December 31, 2013 | |
|---|---|---|---|---|
| | (In millions, except share data) | | | |
| **ASSETS** | | | | |
| Investments: | | | | |
| Fixed maturities available for sale, at fair value, at December 31, 2014 and 2013, includes pledged fixed maturities of $499 and $261, respectively, related to secured trust deposits | $ | 3,025 | $ | 2,959 |
| Preferred stock available for sale, at fair value | | 223 | | 151 |
| Equity securities available for sale, at fair value | | 145 | | 136 |
| Investments in unconsolidated affiliates | | 770 | | 357 |
| Other long-term investments | | 172 | | 162 |
| Short-term investments | | 334 | | 26 |
| Total investments | | 4,669 | | 3,791 |
| Cash and cash equivalents, at December 31, 2014 and 2013, includes pledged cash of $136 and $339, respectively, related to secured trust deposits | | 700 | | 1,969 |
| Trade and notes receivables, net of allowance of $32 and $21 at December 31, 2014 and 2013, respectively | | 504 | | 482 |
| Goodwill | | 4,721 | | 1,901 |
| Prepaid expenses and other assets | | 484 | | 681 |
| Capitalized software, net | | 570 | | 40 |
| Other intangible assets, net | | 1,133 | | 619 |
| Title plants | | 393 | | 370 |
| Property and equipment, net | | 635 | | 645 |
| Income taxes receivable | | 59 | | 30 |
| Total assets | $ | 13,868 | $ | 10,528 |
| **LIABILITIES AND EQUITY** | | | | |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | $ | 1,308 | $ | 1,302 |
| Notes payable | | 2,826 | | 1,323 |
| Reserve for title claim losses | | 1,621 | | 1,636 |
| Secured trust deposits | | 622 | | 588 |
| Deferred tax liability | | 703 | | 144 |
| Total liabilities | | 7,080 | | 4,993 |
| Commitments and Contingencies: | | | | |
| Redeemable non-controlling interest by 33% minority holder of Black Knight Financial Services, LLC and 35% minority holder of ServiceLink Holdings, LLC | | 715 | | — |
| Equity: | | | | |
| Old FNF common stock, Class A, $0.0001 par value; authorized, 600,000,000 shares as of December 31, 2013; issued 292,289,166 shares as of December 31, 2013 | | — | | — |
| FNF Group common stock, $0.0001 par value; authorized 487,000,000 shares as of December 31, 2014; issued 279,443,239 shares as of December 31, 2014 | | — | | — |
| FNFV Group common stock, $0.0001 par value; authorized 113,000,000 shares as of December 31, 2014; issued 92,828,470 shares as of December 31, 2014 | | — | | — |
| Preferred stock, $0.0001 par value; authorized, 50,000,000 shares; issued and outstanding, none | | — | | — |
| Additional paid-in capital | | 4,855 | | 4,642 |
| Retained earnings | | 1,150 | | 1,089 |
| Accumulated other comprehensive earnings | | 2 | | 37 |
| Less: Treasury stock, 493,737 shares and 41,948,518 shares as of December 31, 2014 and 2013, respectively, at cost | | (13) | | (707) |
| Total Fidelity National Financial, Inc. shareholders' equity | | 5,994 | | 5,061 |
| Noncontrolling interests | | 79 | | 474 |
| Total equity | | 6,073 | | 5,535 |
| Total liabilities, redeemable non-controlling interest and equity | $ | 13,868 | $ | 10,528 |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF EARNINGS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | (In millions, except share data) | | |
| **Revenues:** | | | |
| Direct title insurance premiums | $ 1,727 | $ 1,800 | $ 1,732 |
| Agency title insurance premiums | 1,944 | 2,352 | 2,101 |
| Escrow, title-related and other fees | 2,804 | 1,737 | 1,676 |
| Restaurant revenue | 1,436 | 1,408 | 908 |
| Interest and investment income | 126 | 127 | 143 |
| Realized gains and losses, net | (13) | 16 | 108 |
| Total revenues | 8,024 | 7,440 | 6,668 |
| **Expenses:** | | | |
| Personnel costs | 2,540 | 2,061 | 1,834 |
| Agent commissions | 1,471 | 1,789 | 1,600 |
| Other operating expenses | 1,643 | 1,273 | 1,269 |
| Cost of restaurant revenue | 1,220 | 1,204 | 773 |
| Depreciation and amortization | 403 | 133 | 103 |
| Provision for title claim losses | 228 | 291 | 279 |
| Interest expense | 127 | 73 | 64 |
| Total expenses | 7,632 | 6,824 | 5,922 |
| Earnings from continuing operations before income taxes and equity in earnings (loss) of unconsolidated affiliates | 392 | 616 | 746 |
| Income tax expense on continuing operations | 312 | 195 | 242 |
| Earnings from continuing operations before equity in earnings (loss) of unconsolidated affiliates | 80 | 421 | 504 |
| Equity in earnings (loss) of unconsolidated affiliates | 432 | (26) | 10 |
| Net earnings from continuing operations | 512 | 395 | 514 |
| Earnings from discontinued operations, net of tax | 7 | 16 | 98 |
| Net earnings | 519 | 411 | 612 |
| Less: Net (loss) earnings attributable to non-controlling interests | (64) | 17 | 5 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 583 | $ 394 | $ 607 |
| | | | |
| **Amounts attributable to Fidelity National Financial, Inc., common shareholders:** | | | |
| Net earnings from continuing operations, attributable to Old FNF common shareholders | $ 83 | $ 388 | $ 551 |
| Net earnings from discontinued operations, attributable to Old FNF common shareholders | 6 | 6 | 56 |
| Net earnings attributable to Old FNF common shareholders | $ 89 | $ 394 | $ 607 |
| | | | |
| Net earnings attributable to FNF Group common shareholders | $ 214 | | |
| | | | |
| Net earnings from continuing operations, attributable to FNFV Group common shareholders | $ 283 | | |
| Net earnings from discontinued operations, attributable to FNFV Group common shareholders | (3) | | |
| Net earnings attributable to FNFV Group common shareholders | $ 280 | | |

See Notes to Consolidated Financial Statements.

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF EARNINGS - (continued)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| **Earnings per share** | | | |
| *Basic* | | | |
| Net earnings per share from continuing operations attributable to Old FNF common shareholders | $ 0.31 | $ 1.67 | $ 2.48 |
| Net earnings per share from discontinued operations attributable to Old FNF common shareholders | 0.02 | 0.04 | 0.27 |
| Net earnings per share attributable to Old FNF common shareholders | $ 0.33 | $ 1.71 | $ 2.75 |
| Net earnings per share attributable to FNF Group common shareholders | $ 0.77 | $ — | $ — |
| Net earnings from continuing operations attributable to FNFV Group common shareholders | $ 3.08 | | |
| Net loss from discontinued operations attributable to FNFV Group common shareholders | (0.04) | | |
| Net loss per share attributable to FNFV Group common shareholders | $ 3.04 | | |
| *Diluted* | | | |
| Net earnings per share from continuing operations attributable to Old FNF common shareholders | $ 0.30 | $ 1.64 | $ 2.42 |
| Net loss per share from discontinued operations attributable to Old FNF common shareholders | 0.02 | 0.04 | 0.27 |
| Net earnings per share attributable to Old FNF common shareholders | $ 0.32 | $ 1.68 | $ 2.69 |
| Net earnings per share attributable to FNF Group common shareholders | $ 0.75 | $ — | $ — |
| Net earnings from continuing operations attributable to FNFV Group common shareholders | 3.05 | | |
| Net loss from discontinued operations attributable to FNFV Group common shareholders | (0.04) | | |
| Net loss per share attributable to FNFV Group common shareholders | $ 3.01 | | |
| Weighted average shares outstanding Old FNF common stock, basic basis | 138 | 230 | 221 |
| Weighted average shares outstanding Old FNF common stock, diluted basis | 142 | 235 | 226 |
| Cash dividends paid per share Old FNF common stock | $ 0.36 | $ 0.66 | $ 0.58 |
| Weighted average shares outstanding FNF Group common stock, basic basis | 138 | | |
| Weighted average shares outstanding FNF Group common stock, diluted basis | 142 | | |
| Cash dividends paid per share FNF Group common stock | $ 0.37 | | |
| Weighted average shares outstanding FNFV Group common stock, basic basis | 46 | | |
| Weighted average shares outstanding FNFV Group common stock, diluted basis | 47 | | |

See Notes to Consolidated Financial Statements.

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | | (In millions) | |
| Net earnings | $ 519 | $ 411 | $ 612 |
| Other comprehensive (loss) earnings (net of tax): | | | |
| Unrealized (loss) gain on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) | (1) | (33) | 41 |
| Unrealized (loss) gain relating to investments in unconsolidated affiliates | (10) | (15) | 23 |
| Unrealized (loss) gain on foreign currency translation and cash flow hedging | (17) | (2) | 6 |
| Reclassification adjustments for change in unrealized gains and losses included in net earnings | — | 4 | (13) |
| Minimum pension liability adjustment | (12) | 24 | 8 |
| Other comprehensive (loss) earnings | (40) | (22) | 65 |
| Comprehensive earnings | 479 | 389 | 677 |
| Less: Comprehensive (loss) earnings attributable to noncontrolling interests | (64) | 17 | 5 |
| Comprehensive earnings attributable to Fidelity National Financial Inc. common shareholders | $ 543 | $ 372 | $ 672 |
| Comprehensive earnings attributable to Old FNF common shareholders | $ 111 | $ 372 | $ 672 |
| Comprehensive earnings attributable to FNF Group common shareholders | $ 184 | | |
| Comprehensive earnings attributable to FNFV Group common shareholders | $ 241 | | |

See Notes to Consolidated Financial Statements.

# FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF EQUITY

| | Fidelity National Financial, Inc. Common Shareholders | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FNF Class A Common Stock | | FNF Group Common Stock | | FNFV Group Common Stock | | | | | Treasury Stock | | | | |
| | Shares | $ | Shares | $ | Shares | $ | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Earnings (Loss) | Shares | Amount | Noncontrolling Interests | Total Equity | Redeemable Noncontrolling Interests |
| | | | | | | | | (In millions) | | | | | | |
| Balance, December 31, 2011 | 255 | $— | — | $— | — | $— | $ 3,799 | $ 373 | $ (7) | 34 | $ (532) | $ 23 | $ 3,656 | $ — |
| Acquisition of O'Charley's, Inc. | — | — | — | — | — | — | 11 | — | — | — | — | — | 11 | — |
| Exercise of stock options | 12 | — | — | — | — | — | 154 | — | — | 3 | (63) | — | 91 | — |
| Treasury stock repurchased | — | — | — | — | — | — | — | — | — | 2 | (38) | — | (38) | — |
| Tax benefit associated with the exercise of stock-based compensation | — | — | — | — | — | — | 31 | — | — | — | — | — | 31 | — |
| Issuance of restricted stock | 1 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized gain on investments and other financial instruments | — | — | — | — | — | — | — | — | 29 | — | — | — | 29 | — |
| Other comprehensive earnings — unrealized gain on investments in unconsolidated affiliates | — | — | — | — | — | — | — | — | 23 | — | — | — | 23 | — |
| Other comprehensive earnings — unrealized gain on foreign currency | — | — | — | — | — | — | — | — | 6 | — | — | 5 | 11 | — |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | — | — | — | — | 8 | — | — | 1 | 9 | — |
| Stock-based compensation | — | — | — | — | — | — | 23 | — | — | — | — | 4 | 27 | — |
| Shares withheld for taxes and in treasury | — | — | — | — | — | — | — | — | — | 1 | (25) | — | (25) | — |
| Contributions to noncontrolling interests | — | — | — | — | — | — | — | — | — | — | — | (7) | (7) | — |
| Consolidation of previous minority-owned subsidiary | — | — | — | — | — | — | — | — | — | — | — | 462 | 462 | — |
| Dividends declared | — | | — | — | — | — | — | (131) | — | — | — | — | (131) | — |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | — | — | — | — | (12) | (12) | — |
| Net earnings | — | — | — | — | — | — | — | 607 | — | — | — | 5 | 612 | — |
| Balance, December 31, 2012 | 268 | $— | — | $— | — | $— | $ 4,018 | $ 849 | $ 59 | 40 | $ (658) | $ 481 | $ 4,749 | $ — |
| Equity offering | 20 | — | — | — | — | — | 511 | — | — | — | — | — | 511 | — |
| Exercise of stock options | 3 | — | — | — | — | — | 61 | — | — | — | — | — | 61 | — |
| Treasury stock repurchased | — | — | — | — | — | — | — | — | — | 1 | (34) | — | (34) | — |
| Tax benefit associated with the exercise of stock-based compensation | — | — | — | — | — | — | 17 | — | — | — | — | — | 17 | — |
| Issuance of restricted stock | 1 | — | — | — | — | — | — — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized (loss) on investments and other financial instruments | — | — | — | — | — | — | — | — | (29) | — | — | — | (29) | — |
| Other comprehensive earnings — unrealized (loss) on investments in unconsolidated affiliates | — | — | — | — | — | — | — | — | (15) | — | — | — | (15) | — |
| Other comprehensive earnings — unrealized (loss) on foreign currency | — | — | — | — | — | — | — | — | (2) | — | — | 2 | — | — |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | — | — | — | — | 24 | — | — | 2 | 26 | — |
| Stock-based compensation | — | — | — | — | — | — | 30 | — | — | — | — | 5 | 35 | — |
| Shares withheld for taxes and in treasury | — | — | — | — | — | — | — | — | — | 1 | (15) | — | (15) | — |
| Contributions to noncontrolling interests | — | — | — | — | — | — | (4) | — | — | — | — | 7 | 3 | — |
| Consolidation of previous minority-owned subsidiary | — | — | — | — | — | — | 9 | — | — | — | — | (23) | (14) | — |
| Dividends declared | — | — | — | — | — | — | — | (154) | — | — | — | — | (154) | — |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | — | — | — | — | (17) | (17) | — |
| Net earnings | — | — | — | — | — | — | — | 394 | — | — | — | 17 | 411 | — |
| Balance, December 31, 2013 | 292 | $— | — | $— | — | $— | $ 4,642 | $ 1,089 | $ 37 | 42 | $ (707) | $ 474 | $ 5,535 | $ — |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF EQUITY - Continued

| | Fidelity National Financial, Inc. Common Shareholders | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FNF Class A Common Stock | | FNF Group Common Stock | | FNFV Group Common Stock | | | | | Treasury Stock | | | | |
| | Shares | $ | Shares | $ | Shares | $ | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Earnings (Loss) | Shares | Amount | Noncontrolling Interests | Total Equity | Redeemable Noncontrolling Interests |
| | | | | | | | (In millions) | | | | | | | |
| Balance, December 31, 2013 | 292 | $— | — | $— | — | $— | $ 4,642 | $ 1,089 | $ 37 | 42 | $ (707) | $ 474 | $ 5,535 | $ — |
| Acquisition of Lender Processing Services | 26 | — | — | — | — | — | 839 | — | — | — | — | — | 839 | — |
| Exercise of stock options | 1 | — | 1 | — | — | — | 40 | — | — | — | — | — | 40 | — |
| Recapitalization of FNF stock | (277) | — | 277 | — | 92 | — | (6) | — | — | — | — | — | (6) | — |
| Tax benefit associated with the exercise of stock-based compensation | — | — | — | — | — | — | 16 | — | — | — | — | — | 16 | — |
| Issuance of restricted stock | — | — | 1 | — | 1 | — | — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized (loss) on investments and other financial instruments | — | — | — | — | — | — | — | — | (1) | — | — | — | (1) | — |
| Other comprehensive earnings — unrealized (loss) on investments in unconsolidated affiliates | — | — | — | — | — | — | — | — | (10) | — | — | — | (10) | — |
| Other comprehensive earnings — unrealized (loss) on foreign currency and cash flow hedging | — | — | — | — | — | — | — | — | (17) | — | — | (8) | (25) | — |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | — | — | — | — | (12) | — | — | (6) | (18) | — |
| Stock-based compensation | — | — | — | — | — | — | 32 | — | — | — | — | (9) | 23 | 28 |
| Shares withheld for taxes and in treasury | — | — | — | — | — | — | — | — | — | — | (11) | — | (11) | — |
| Purchases of treasury stock | — | — | — | — | — | — | — | — | — | — | (2) | — | (2) | — |
| Contributions to noncontrolling interests | — | — | — | — | — | — | (1) | — | — | — | — | 22 | 21 | — |
| Contribution by minority owner to acquire minority interest in Black Knight Financial Services, LLC and ServiceLink Holdings, LLC | — | — | — | — | — | — | — | — | — | — | — | (1) | (1) | 687 |
| Retirement of treasury shares | (42) | | — | — | — | — | (707) | — | — | (42) | 707 | — | — | — |
| Distribution of Remy to FNFV Group Shareholders | — | — | — | — | — | — | — | (319) | 5 | — | — | (279) | (593) | — |
| Dividends declared | — | — | — | — | — | — | — | (203) | — | — | — | — | (203) | — |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | — | — | — | — | (50) | (50) | — |
| Net earnings | — | — | — | — | — | — | — | 583 | — | — | — | (64) | 519 | — |
| Balance, December 31, 2014 | — | $— | 279 | $— | 93 | $— | $ 4,855 | $ 1,150 | $ 2 | — | $ (13) | $ 79 | $ 6,073 | $ 715 |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | | (In millions) | |
| **Cash Flows From Operating Activities:** | | | |
| Net earnings | $ 519 | $ 411 | $ 612 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Depreciation and amortization | 476 | 209 | 132 |
| Equity in losses (earnings) of unconsolidated affiliates | (432) | 26 | (10) |
| Net loss (gain) on sales of investments and other assets, net | 13 | (12) | 3 |
| Gain on consolidation of O'Charley's, Inc. and American Blue Ribbon Holdings, LLC | — | — | (73) |
| Bargain purchase gain on O'Charley's, Inc. | — | — | (48) |
| Gain on consolidation of Remy International, Inc. | — | — | (79) |
| Stock-based compensation cost | 51 | 35 | 27 |
| Tax benefit associated with the exercise of stock-based compensation | (16) | (17) | (31) |
| Changes in assets and liabilities, net of effects from acquisitions: | | | |
| Net decrease in pledged cash, pledged investments and secured trust deposits | — | 2 | — |
| Net increase in trade receivables | (22) | — | (12) |
| Net (increase) decrease in prepaid expenses and other assets | (23) | (3) | 49 |
| Net (decrease) increase in accounts payable, accrued liabilities, deferred revenue and other | (130) | 7 | 63 |
| Net decrease in reserve for title claim losses | (67) | (112) | (159) |
| Net change in income taxes | 198 | (62) | 146 |
| Net cash provided by operating activities | 567 | 484 | 620 |
| **Cash Flows From Investing Activities:** | | | |
| Proceeds from sales of investment securities available for sale | 778 | 745 | 594 |
| Proceeds from calls and maturities of investment securities available for sale | 458 | 306 | 419 |
| Proceeds from sales of other assets | 5 | 1 | 2 |
| Additions to property and equipment and capitalized software | (210) | (145) | (79) |
| Purchases of investment securities available for sale | (1,196) | (882) | (1,146) |
| Purchases of other long-term investments | (71) | (97) | (9) |
| Net (purchases of) proceeds from short-term investment activities | (161) | 36 | (12) |
| Net contributions to investments in unconsolidated affiliates | — | (20) | (23) |
| Dividends from unconsolidated affiliates | 49 | 25 | — |
| Net other investing activities | (10) | (4) | 3 |
| Proceeds from the sale of flood insurance business | — | — | 75 |
| Acquisition of Lender Processing Services, Inc., net of cash acquired | (2,253) | — | — |
| Acquisition of USA Industries, Inc., net of cash acquired | (40) | — | — |
| Acquisition of O'Charley's, Inc. and American Blue Ribbon Holdings, LLC, net of cash acquired | — | — | (122) |
| Acquisition of J. Alexander's Corporation, net of cash acquired | — | — | (72) |
| Acquisition of Remy International, Inc., net of cash acquired | — | — | 64 |
| Proceeds from sale of at-risk insurance business | — | — | 120 |
| Acquisition of Digital Insurance, Inc. net of cash acquired | — | — | (98) |
| Other acquisitions/disposals of businesses, net of cash acquired | (69) | (25) | (26) |
| Net cash used in investing activities | (2,720) | (60) | (310) |
| **Cash Flows From Financing Activities:** | | | |
| Equity offering | — | 511 | — |
| Borrowings | 1,764 | 341 | 679 |
| Debt service payments | (1,073) | (359) | (557) |
| Additional investment in non-controlling interest | (1) | (14) | — |
| Proceeds from sale of 4% ownership interest of Digital Insurance | — | 3 | — |
| Make-whole call penalty on early extinguishment of debt | — | — | (6) |
| Debt & equity issuance costs | (5) | (16) | (8) |
| Proceeds from sale of 35% of Black Knight Financial Services, LLC and ServiceLink, LLC to minority interest holder | 687 | — | — |
| Cash transferred in Remy spin-off | (86) | — | — |
| Dividends paid | (203) | (153) | (128) |
| Subsidiary dividends paid to noncontrolling interest shareholders | (50) | (17) | (12) |
| Exercise of stock options | 40 | 61 | 91 |
| Tax benefit associated with the exercise of stock-based compensation | 16 | 17 | 31 |

| | | | |
|---|---|---|---|
| Purchases of treasury stock | (2) | (34) | (38) |
| Net cash provided by financing activities | 1,087 | 340 | 52 |
| Net (decrease) increase in cash and cash equivalents, excluding pledged cash related to secured trust deposits | (1,066) | 764 | 362 |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at beginning of year | 1,630 | 866 | 504 |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at end of year | $ 564 | $ 1,630 | $ 866 |

See Notes to Consolidated Financial Statements.

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note A. Summary of Significant Accounting Policies**

The following describes the significant accounting policies of Fidelity National Financial, Inc. and its subsidiaries (collectively, “we,” “us,” “our,” or “FNF”) which have been followed in preparing the accompanying Consolidated Financial Statements.

**Description of Business**

**Overview**

We have organized our business into two groups, FNF Core Operations and FNF Ventures, known as "FNFV." Through our Core operations, FNF is a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. FNF is the nation’s largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title, Alamo Title and National Title of New York Inc. - that collectively issue more title insurance policies than any other title company in the United States. FNF also provides industry-leading mortgage technology solutions and transaction services, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiaries, Black Knight Financial Services, LLC ("BKFS") and ServiceLink Holdings, LLC ("ServiceLink"). In addition, in our FNFV group, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), J. Alexander’s, LLC ("J. Alexander's"), Ceridian HCM, Inc. and Fleetcor Technologies Inc. (collectively "Ceridian") and Digital Insurance, Inc. ("Digital Insurance").

As of December 31, 2014 , we had the following reporting segments:

FNF Core Operations

- *Title.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty insurance. This segment also includes the transaction services business acquired from Lender Processing Services ("LPS"), now combined with our ServiceLink business. Transaction services include other title related services used in production and management of mortgage loans, including mortgage loans that go into default.

- *BKFS.* This segment consists of the operations of BKFS. This segment provides core technology and data and analytics services through leading software systems and information solutions that facilitate and automate many of the business processes across the life cycle of a mortgage.

- *FNF Core Corporate and Other*. This segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

FNFV

- *Restaurant Group.* This segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Bakers Square concepts. This segment also includes J. Alexander's, which includes the Stoney River Steakhouse and Grill concepts.

- *FNFV Corporate and Other.* This segment primarily consists of our share in the operations of certain equity investments, including Ceridian, as well as Digital Insurance in which we own 96% and other smaller operations which are not title related.

***Principles of Consolidation and Basis of Presentation***

The accompanying Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and include our accounts as well as our wholly-owned and majority-owned subsidiaries. All intercompany profits, transactions and balances have been eliminated. Our investments in non-majority-owned partnerships and affiliates are accounted for using the equity method until such time that they become wholly or majority-owned. Earnings attributable to noncontrolling interests are recorded on the Consolidated Statements of Earnings relating to majority-owned subsidiaries with the appropriate noncontrolling interest that represents the portion of equity not related to our ownership interest recorded on the Consolidated Balance Sheets in each period.

***Recent Developments***

In addition to the below Recent Developments, we have made several acquisitions which are discussed in more detail on Note B.

On February 23, 2015, we announced a tender offer to purchase up to $ 185 million of shares of our FNFV Group Common stock at a purchase price of no greater than $ 15.40 per share, nor less than $ 14.30 per share in cash. We are conducting this Offer through a procedure commonly called a “modified Dutch auction.” This procedure allows shareholders to select the price within a price range specified by us at which the shareholders are willing to sell their shares. The offer is set to expire at 12:00 Midnight, New York City time, at the end of Friday, March 20, 2015, unless we extend the offer.

On February 19, 2015, we announced our intention to pursue a tax-free spin-off of J. Alexander's to FNFV shareholders.

On January 16, 2015, we closed the sale of Cascade Timberlands, LLC, which grows and sells timber and in which we owned a 70.2% interest, for $ 85 million less a replanting allowance of $ 1 million and an indemnity holdback of $ 1 million. We received cash of $63 million upon the closing.

On December 31, 2014, we closed the previously announced distribution (the "Spin-off") of all of the outstanding shares of common stock of New Remy Corp. ("New Remy") to FNFV shareholders. As part of the Spin-off, FNFV combined all of the 16,342,508 shares of Remy common stock that FNFV owned and a small company called Fidelity National Technology Imaging, LLC ("Imaging") into New Remy. Immediately following the Spin-off, New Remy and Remy International, Inc. ("Old Remy") engaged in a series of stock-for-stock transactions ending with a new publicly-traded holding company, New Remy Holdco Corp. ("New Remy Holdco"). In the Spin-off, FNFV shareholders ultimately received a total of approximately 16.6 million shares of New Remy Holdco common stock, or approximately 0.17879 shares of New Remy Holdco common stock for each share of FNFV that they owned. This spin-off is expected to be tax free to FNFV shareholders.

On December 23, 2014, we filed a registration statement with the Securities and Exchange Commission (“SEC”) relating to a proposed initial public offering of Black Knight Financial Services, Inc. ("BKFSI") common stock. BKFSI is currently presented as the BKFS segment.

On November 17, 2014, Ceridian completed the exchange of its subsidiary Comdata Inc. ("Comdata") with FleetCor Technologies Inc. ("FleetCor") in a transaction valued at approximately $ 3.5 billion. FNFV owns approximately 32% of Ceridian and through this ownership has indirectly received approximately 2.4 million shares of Fleetcor common stock. Based on FleetCor's closing stock price of $ 147.66 on November 13, 2014, the 2.4 million FleetCor shares are currently valued at approximately $ 356 million. As previously disclosed, the shares of FleetCor's common stock that FNFV indirectly owns are subject to a six-month lockup from the November 14, 2014 closing date and approximately 25% of these shares have been contributed to an escrow account to meet potential indemnification claims, if any, for up to three years from closing. The stock-for-stock transaction is tax-free for Ceridian LLC and its shareholders. As of December 31, 2014, FNFV indirectly owns approximately 3 % of the outstanding shares of FleetCor. We recognized $495 million in equity in earnings of unconsolidated affiliates in the twelve months ending December 31, 2014 as a result of the transaction.

On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors.

On August 25, 2014, we acquired a 70% ownership interest in LandCastle Title ("LandCastle"), in exchange for our agreement to fund any escrow shortfalls in LandCastle's escrow accounts. At the time of the acquisition, LandCastle was a large third-party agent of FNF, operating primarily in the State of Georgia. To date, FNF's total cash contribution to LandCastle is approximately $ 22 million and based on our current understanding of the business could increase by approximately $ 0 - $ 10 million. On January 31, 2015, we acquired an additional 5 % ownership interest in LandCastle and we now have a 75 % ownership interest in LandCastle.

On August 19, 2014, ABRH completed a recapitalization whereby they entered into a new credit agreement for $ 210 million. As part of the recapitalization, ABRH's parent paid a special dividend to its members, totaling $ 75 million. Of this special dividend, FNFV received $ 41 million. ABRH's parent also distributed its 28% ownership interest in J. Alexander's to FNFV, resulting in FNFV now directly owning 87 % of J. Alexander's. See Note J for further discussion of the new credit agreement.

On June 30, 2014, we completed the recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Each share of the previously outstanding FNF Class A common stock ("Old FNF common stock") was converted into one share of FNF Group common stock, which now trades on the New York Stock Exchange under the current trading symbol "FNF," and 0.3333 of a share of FNFV Group common stock, which now trades on the New York Stock Exchange under the trading symbol "FNFV." Both FNF and FNFV began regular trading on July 1, 2014.

***Discontinued Operations***

*Remy*

On December 31, 2014, we closed the previously announced distribution (the "Spin-off") of all of the outstanding shares of common stock of New Remy Corp. ("New Remy") to FNFV shareholders. As part of the Spin-off, FNFV combined all of the 16,342,508 shares of Remy common stock that FNFV owned and a small company called Fidelity National Technology Imaging, LLC ("Imaging") into New Remy. Immediately following the Spin-off, New Remy and Remy International, Inc. ("Old Remy") engaged in a series of stock-for-stock transactions ending with a new publicly-traded holding company, New Remy Holdco Corp. ("New Remy Holdco"). In the Spin-off, FNFV shareholders ultimately received a total of approximately 16.6 million shares of New Remy Holdco common stock, or approximately 0.17879 shares of New Remy Holdco common stock for each share of FNFV that they owned. This spin-off is expected to be tax free to FNFV shareholders. Our title segment continues to utilize Imaging's services in its operations. We continue to hold $29 million in Remy bonds, which is included in Fixed maturities available for sale on the Consolidated Balance Sheet. Prior to the Spin-off these investments were eliminated in consolidation.

As a result of the Spin-off discussed above, the results from Remy are reflected in the Consolidated Statements of Earnings as discontinued operations. Total revenues included in discontinued operations were $1,173 million , $1,125 million and $497 million for the years ended December 31, 2014, 2013 and 2012, respectively. Pre-tax earnings included in discontinued operations were $6 million , $22 million , and $89 million for the years ended December 31, 2014, 2013 and 2012, respectively.

A reconciliation of the operations of Remy to the Statement of Earnings is shown below:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | | (In millions) | |
| Revenues: | | | |
| Auto parts revenues | $ 1,172 | $ 1,127 | $ 417 |
| Other revenues | 1 | (2) | 80 |
| Total | 1,173 | 1,125 | 497 |
| | | | |
| Expenses: | | | |
| Personnel costs | 81 | 86 | 29 |
| Other operating expenses | 52 | 46 | 18 |
| Cost of auto parts revenues | 1,009 | 947 | 350 |
| Depreciation & amortization | 4 | 4 | 1 |
| Interest expense | 21 | 20 | 10 |
| Total expenses | 1,167 | 1,103 | 408 |
| | | | |
| Earnings from discontinued operations before income taxes | 6 | 22 | 89 |
| Income tax (benefit) expense | (1) | 5 | 3 |
| Net earnings from discontinued operations | 7 | 17 | 86 |
| Less: Net earnings attributable to non-controlling interests | 3 | 10 | 2 |
| Net earnings from discontinued operations attributable to Fidelity National Financial, Inc. common shareholders | $ 4 | $ 7 | $ 84 |
| Cash flow from discontinued operations data: | | | |
| Net cash provided by operations | $ 39 | $ 61 | $ 36 |
| Net cash used in investing activities | (50) | (21) | (10) |

*Other Discontinued Operations*

The results from a small software company, which we acquired with LPS and which was sold during the second quarter of 2014, are included in the Consolidated Statements of Earnings as discontinued operations for all periods presented through the date of sale. Total revenues included in discontinued operations were $2 million for the year ended December 31, 2014. Pre-tax earnings included in discontinued operations are $1 million for the year ended December 31, 2014.

The results from two J. Alexander's locations closed in the second quarter of 2013 are reflected in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total net revenue included in discontinued operations was $ 3 million for the year ended December 31, 2013. Pre-tax loss included in discontinued operations was $ 3 million for the year ended December 31, 2013.

The results from a settlement services company closed in the second quarter of 2013 are reflected in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total revenues included in discontinued operations were $9 million and $36 million for the years ended December 31, 2013 and 2012, respectively. Pre-tax earnings included in discontinued operations were $2 million and $9 million for the year ended December 31, 2013 and 2012, respectively.

On May 1, 2012, we completed the sale of an 85% interest in our remaining subsidiaries that write personal lines insurance to WT Holdings, Inc. for $ 120 million . Accordingly, the results of this business through the date of sale (which we refer to as our "at-risk" insurance business) for all periods presented are reflected in the Consolidated Statements of Earnings as discontinued operations. Total revenues from the at-risk insurance business included in discontinued operations are $ 124 million , for the year ended December 31, 2012. Pre-tax earnings from the at-risk insurance business included in discontinued operations are $ 10 million for the year ended December 31, 2012.

***I nvestments***

Fixed maturity securities are purchased to support our investment strategies, which are developed based on factors including rate of return, maturity, credit risk, duration, tax considerations and regulatory requirements. Fixed maturity securities which may be sold prior to maturity to support our 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 market conditions and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly. Discount or premium is recorded for the difference between the purchase price and the principal amount. The discount or premium is amortized or accrued 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 and preferred stocks held are considered to be available for sale and carried at fair value as of the balance sheet dates. Our equity securities and certain preferred stocks are Level 1 financial assets and fair values are based on quoted prices in active markets. Other preferred stock holdings are Level 2 financial assets and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly.

Investments in unconsolidated affiliates are recorded using the equity method of accounting.

Other long-term investments consist of various cost-method investments and in 2013 included structured notes. The structured notes were carried at fair value as of the balance sheet date. The structured notes matured during the third quarter of 2014 (see Note C for further discussion). The cost-method investments are carried at historical cost.

Short-term investments, which consist primarily of 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 securities which are classified as available for sale, net of applicable deferred income tax expenses (benefits), are excluded from earnings and credited or charged directly to a separate component of equity. If any unrealized losses on available for sale securities are determined to be other-than-temporary, such unrealized losses are recognized as realized losses. Unrealized losses are considered other-than-temporary if factors exist that cause us to believe that the value will not increase to a level sufficient to recover our cost basis. Some factors considered in evaluating whether or not a decline in fair value is other-than-temporary include: (i) our need and intent to sell the investment prior to 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.

***Cash and Cash Equivalents***

Highly liquid instruments purchased as part of cash management with original maturities of three months or less are considered cash equivalents. The carrying amounts reported in the Consolidated Balance Sheets for these instruments approximate their fair value.

***Fair Value of Financial Instruments***

The fair values of financial instruments presented in the Consolidated 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. We do not necessarily intend to dispose of or liquidate such instruments prior to maturity.

***Trade and Notes Receivables***

The carrying values reported in the Consolidated 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. Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment annually or more frequently if circumstances indicate potential impairment, through a comparison of fair value to the carrying amount. In evaluating the recoverability of goodwill, we perform an annual goodwill impairment analysis based on a review of qualitative factors to determine if events and circumstances exist which will lead to a determination that the fair value of a reporting unit is greater than its carrying amount, prior to performing a full fair-value assessment.

We completed annual goodwill impairment analyses in the fourth quarter of each respective year using a September 30 measurement date and as a result no goodwill impairments have been recorded. For the years ended December 31, 2014 and 2013 , we determined there were no events or circumstances which indicated that the carrying value exceeded the fair value.

***Other Intangible Assets***

We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts and trademarks which are generally recorded in connection with acquisitions at their fair value, and debt issuance costs relating to the issuance of our long-term notes payable. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method which takes into consideration expected customer attrition rates. Contractual relationships are generally amortized over their contractual life. Trademarks are generally considered intangible assets with indefinite lives and are reviewed for impairment at least annually. Debt issuance costs are amortized on a straight line basis over the contractual life of the related debt instrument.

We recorded an $ 11 million impairment expense to Tradenames in our Restaurant Group segment during the year ended December 31, 2014 . We recorded no impairment expense related to other intangible assets in the years ended December 31, 2013 , or 2012 .

***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. Title plants are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable. We reviewed title plants for impairment in the years ended December 31, 2014 , 2013 and 2012 and identified and recorded impairment expense of $ 1 million , $ 4 million and $ 13 million , respectively.

***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: twenty to thirty years for buildings and three to twenty-five years for furniture, fixtures and 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. Equipment under capitalized leases is amortized on a straight-line basis to its expected residual value at the end of the lease term. Property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable.

In our Restaurant Group, all direct external costs associated with obtaining the land, building and equipment for each new restaurant, as well as construction period interest are capitalized. Direct external costs associated with obtaining the dining room and kitchen equipment, signage and other assets and equipment are also capitalized. In addition, for each new restaurant and re-branded restaurant, a portion of the internal direct costs of its real estate and construction department are also capitalized.

***Reserve for Title Claim Losses***

Our reserve for title claim losses includes known claims as well as losses we expect to incur, net of recoupments. Each known claim is reserved based on our review 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 also take into consideration other factors, including industry trends, claim loss history, current legal environment, geographic considerations and the type of policy written.

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

If a loss is related to a policy issued by an independent agent, we may proceed against the independent agent pursuant to the terms of the agency agreement. In any event, we 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 its own assets, pending completion of real estate transactions. Accordingly, our Consolidated Balance Sheets reflect a secured trust deposit liability of $ 622 million and $ 588 million at December 31, 2014 and 2013 , respectively, representing customers' assets held by us and corresponding assets including cash and investments pledged as security for those trust balances.

***Income Taxes***

We recognize deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of our 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, is 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, we limit our maximum loss exposure by reinsuring certain risks with other insurers. We also earn a small amount of additional income, which is reflected in our direct premiums, by assuming reinsurance for certain risks of other insurers. We cede 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***

*Title.* Our direct title insurance premiums and escrow, title-related and other 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. Historically, the time lag between the closing of these transactions by our agents and the reporting of these policies, or premiums, to us has been up to 15 months, with 70 - 80% reported within three months following closing, an additional 10 - 20% reported within the next three months and the remainder within seven to fifteen months. In addition to accruing these earned but unreported agency premiums, we also accrue agent commission expense, which was 75.7% , of agent premiums earned in 2014 , 76.1 % of agent premiums earned in 2013 and 76.2% of agent premiums earned in 2012 . We also record a provision for claim losses at our average provision rate at the time we record the accrual for the premiums, which was 6.2% for 2014 and 7.0% for 2013 and 2012 , and accruals for premium taxes and other expenses relating to our premium accrual. The resulting impact to pretax earnings in any period is approximately 10% of the accrued premium amount. The impact of the change in the accrual for agency premiums and related expenses on our pretax earnings was a decrease of $ 9 million for the year ended December 31, 2014 , $ 7 million for the year ended 2013 and less than $ 1 million for the year ended 2012 . The amount due from our agents relating to this accrual, i.e., the agent premium less their contractual retained commission, was approximately $ 55 million and $ 74 million at December 31, 2014 and 2013 , respectively, which represents agency premiums of approximately $ 276 million and $ 364 million at December 31, 2014 and 2013 , respectively, and agent commissions of $ 221 million and $ 290 million at December 31, 2014 and 2013 , respectively.

Revenues from home warranty insurance policies are recognized over the life of the policy, which is one year. The unrecognized portion is recorded as deferred revenue in Accounts payable and other accrued liabilities in the Consolidated Balance Sheets .

*BKFS* . Within our BKFS segment, our primary types of revenues and our revenue recognition policies as they pertain to the types of contractual arrangements we enter into with our customers to provide services, software licenses, and software-related services either individually or as part of an integrated offering of multiple services. These arrangements occasionally include offerings from more than one segment to the same customer. We recognize revenues relating to mortgage processing, outsourced business processing services, data and analytics services, along with software licensing and software-related services. In some cases, these services are offered in combination with one another, and in other cases we offer them individually. Revenues from processing services are typically volume-based depending on factors such as the number of accounts processed, transactions processed and computer resources utilized.

The majority of our revenues are from outsourced data processing and application hosting, data, analytic and valuation related services, and outsourced business processing services. Revenue is realized or realizable and earned when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the seller’s price to the buyer is fixed or determinable; and (4) collectibility is reasonably assured. For hosting arrangements, revenues and costs related to implementation, conversion and programming services are deferred and subsequently recognized using the straight-line method over the term of the related services agreement. We evaluate these deferred contract costs for impairment in the event any indications of impairment exist.

In the event that our arrangements with our customers include more than one element, we determine whether the individual revenue elements can be recognized separately. In arrangements with multiple deliverables, the delivered items are considered separate units of accounting if (1) they have value on a standalone basis and (2) performance of the undelivered items is considered probable and within our control. Arrangement consideration is then allocated to the separate units of accounting based on relative selling price. If it exists, vendor-specific objective evidence is used to determine relative selling price, otherwise third-party evidence of selling price is used. If neither exists, the best estimate of selling price is used for the deliverable.

For multiple element software arrangements, we determine the appropriate units of accounting and how the arrangement consideration should be measured and allocated to the separate units. Initial license fees are recognized when a contract exists, the fee is fixed or determinable, software delivery has occurred and collection of the receivable is deemed probable, provided that vendor-specific objective evidence (“VSOE”) has been established for each element or for any undelivered elements. We determine the fair value of each element or the undelivered elements in multi-element software arrangements based on VSOE. VSOE for each element is based on the price charged when the same element is sold separately, or in the case of post-contract customer support, when a stated renewal rate is provided to the customer. If evidence of fair value of all undelivered elements exists but evidence does not exist for one or more delivered elements, then revenue is recognized using the residual method. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is recognized as revenue. If evidence of fair value does not exist for one or more undelivered elements of a contract, then all revenue is deferred until all elements are delivered or fair value is determined for all remaining undelivered elements. Revenue from post-contract customer support is recognized ratably over the term of the agreement. We record deferred revenue for all billings invoiced prior to revenue recognition.

*Restaurant Group.* Restaurant revenue on the Consolidated Statements of Earnings consists of restaurant sales and, to a lesser extent, franchise revenue and other revenue. Restaurant sales include food and beverage sales and are net of applicable state and local sales taxes and discounts.

***Capitalized Software***

Capitalized software includes the fair value of software acquired in business combinations, purchased software and capitalized software development costs. Purchased software is recorded at cost and amortized using the straight-line method over its estimated useful life. Software acquired in business combinations is recorded at its fair value and amortized using straight-line or accelerated methods over its estimated useful life, ranging from 5 to 10 years. In our BKFS segment we have significant internally developed software. These costs are amortized using the straight-line method or accelerated over the estimated useful life. Useful lives of computer software range from 3 to 10 years. For software products to be sold, leased, or otherwise marketed (ASC 985-20 software), all costs incurred to establish the technological feasibility are research and development costs, and are expensed as they are incurred. Costs incurred subsequent to establishing technological feasibility, such as programmers' salaries and related payroll costs and costs of independent contractors, are capitalized and amortized on a product by product basis commencing on the date of general release to customers. We do not capitalize any costs once the product is available for general release to customers. For internal-use computer software products, internal and external costs incurred during the preliminary project stage are expensed as they are incurred. Internal and external costs incurred during the application development stage are capitalized and amortized on a product by product basis commencing on the date the software is ready for its intended use. We do not capitalize any costs once the software is ready for its intended use.

We also assess the recorded value of computer software for impairment on a regular basis by comparing the carrying value to the estimated future cash flows to be generated by the underlying software asset. There is an inherent uncertainty in determining the expected useful life of or cash flows to be generated from computer software. We recorded impairment charges of $5 million in the year ended December 31, 2014, for an abandoned software development project.

***Comprehensive Earnings (Loss)***

We report Comprehensive earnings (loss) in accordance with GAAP on the Consolidated Statements of Comprehensive Earnings. Total comprehensive earnings are defined as all changes in shareholders' equity during a period, other than those resulting from investments by and distributions to shareholders. While total comprehensive earnings is the activity in a period and is largely driven by net earnings in that period, accumulated other comprehensive earnings or loss represents the cumulative balance of other comprehensive earnings, net of tax, as of the balance sheet date. Amounts reclassified to net earnings relate to the realized gains (losses) on our investments and other financial instruments, excluding investments in unconsolidated affiliates, and are included in Realized gains and losses, net on the Consolidated Statements of Earnings.

Changes in the balance of Other comprehensive earnings by component are as follows:

| | Unrealized gain (loss) on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) | Unrealized (loss) gain relating to investments in unconsolidated affiliates | Unrealized (loss) gain on foreign currency translation and cash flow hedging | Minimum pension liability adjustment | T Ot |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Balance December 31, 2012 | $ 116 | $ (26) | $ 9 | $ (40) | $ |
| Other comprehensive (losses) earnings | (33) | (15) | (2) | 24 | |
| Reclassification adjustments for change in unrealized gains and losses included in net earnings | 4 | — | — | — | |
| Balance December 31, 2013 | 87 | (41) | 7 | (16) | |
| Other comprehensive (losses) earnings | (1) | (10) | (17) | (12) | |
| Distribution of Remy to FNFV Group Shareholders | — | — | 3 | 2 | |
| Balance December 31, 2014 | $ 86 | $ (51) | $ (7) | $ (26) | $ |

***Redeemable Non-controlling Interest***

Subsequent to the acquisition of LPS we issued 35% ownership interests in each of BKFS and ServiceLink to funds affiliated with Thomas H. Lee Partners ("THL" or "the minority interest holder"). THL has an option to put its ownership interests of either or both of BKFS and ServiceLink to us if no public offering of the corresponding business has been consummated after four years from the date of FNF's purchase of LPS. The units owned by THL ("redeemable noncontrolling interests") may be settled in cash or common stock of FNF or a combination of both at our election. The redeemable noncontrolling interests will be settled at the current fair value at the time we receive notice of THL's put election as determined by the parties or by a third party appraisal under the terms of the Unit Purchase Agreement. As of December 31, 2014, we do not believe the exercise of this put right to be probable.

As these redeemable noncontrolling interests provide for redemption features not solely within our control, we classify the redeemable noncontrolling interests outside of permanent equity. Redeemable noncontrolling interests held by third parties in subsidiaries owned or controlled by FNF is reported on the Consolidated Balance Sheet outside permanent of equity; and the Consolidated Statement of Earnings reflects the respective redeemable noncontrolling interests in Net earnings (loss) attributable to non-controlling interests, the effect of which is removed from the net earnings attributable to Fidelity National Financial, Inc. common shareholders.

***Earnings Per Share***

Basic earnings per share, as presented on the Condensed Consolidated Statement of Earnings, is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. In periods when earnings are positive, diluted earnings per share is calculated by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding plus the impact of assumed conversions of potentially dilutive securities. For periods when we recognize a net loss, diluted earnings per share is equal to basic earnings per share as the impact of assumed conversions of potentially dilutive securities is considered to be antidilutive. We have granted certain stock options, shares of restricted stock, convertible debt instruments and certain other convertible share based payments, known as profits interests, which have been treated as common share equivalents for purposes of calculating diluted earnings per share for periods in which positive earnings have been reported.

Options or other instruments which provide the ability to purchase shares of our common stock that are antidilutive are excluded from the computation of diluted earnings per share. For the years ended December 31, 2014 , 2013 , and 2012 , options to purchase 2 million shares, 1 million shares and 4 million shares, respectively, of our common stock were excluded from the computation of diluted earnings per share.

As of the close of business on June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. As a result of the recapitalization, the weighted average shares outstanding presented on the Consolidated Statements of Earnings includes shares of Old FNF common stock, FNF Group common stock and FNFV Group common stock. Earnings per share for all periods presented is attributed to the related class of common stock.

***Transactions with Related Parties***

As we no longer have any officers in common with Fidelity National Information Services, Inc. ("FIS"), effective January 1, 2014, we no longer consider FIS a related party. We have described below transactions with FIS through December 31, 2013.

*Agreements with FIS*

A summary of the agreements that were in effect with FIS through December 31, 2013 is as follows:

- Information Technology (“IT”) and data processing services from FIS. This agreement governs IT support services provided to us by FIS, primarily consisting of infrastructure support and data center management. Certain subsidiaries of FIS also provided technology consulting services to FNF during 2013.
- Administrative aviation corporate support and cost-sharing services to FIS.

A detail of net revenues and expenses between us and FIS that were included in our results of operations for the periods presented is as follows:

| | Year Ended December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| Corporate services and cost-sharing revenue | $ 7 | $ 5 |
| Data processing expense | (34) | (32) |
| Net expense | $ (27) | $ (27) |

We believe the amounts we earned or were charged under each of the foregoing arrangements are fair and reasonable. The information technology infrastructure support and data center management services provided to us 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 FNF earned or was 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. T he net amounts due to FIS as a result of these agreements were $ 3 million as of December 31, 2013 .

Included in equity securities available for sale at December 31, 2013, were 1,303,860 shares of FIS common stock, which were purchased pursuant to an investment agreement between us and FIS dated March 31, 2009. During the fourth quarter of 2013, we sold 300,000 shares for a realized gain of $ 11 million . The fair value of this investment was $ 70 million as of December 31, 2013 , and is recorded in Equity securities available for sale.

Also included in fixed maturities available for sale are FIS bonds with a fair value of $ 42 million as of December 31, 2013 .

***Stock-Based Compensation Plans***

We account for stock-based compensation plans using the fair value method. Using the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date, using the Black-Scholes Model, and recognized over the service period.

***Management Estimates***

The preparation of these Consolidated Financial Statements in conformity with GAAP requires us 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 Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Certain Reclassifications***

Certain reclassifications have been made in the 2013 and 2012 Consolidated Financial Statements to conform to classifications used in 2014 . In addition, we have corrected an immaterial prior period error to accrued personnel cost which affected the Balance Sheet, the Statement of Earnings and the Statement of Equity. We reviewed the impact of this error on the prior period financial statements and determined that the error was not material to the financial statements. A summary of the effects of the immaterial correction on our Consolidated Financial Statements for the year ended December 31, 2013 is as follows: Balance Sheet: Income taxes payable decreased by $4 million, Accounts payable and accrued expenses increased by $12 million and Retained earnings decreased by $8 million; Income Statement: Personnel costs increased by $12 million, Income tax expense decreased by $4 million, Pre-tax earnings decreased by $12 million and Net earnings decreased by $8 million impacting Basic earnings per share by $(0.04) and Diluted earnings per share by $(0.03). There was no impact on our other Condensed Consolidated Financial Statements presented.

**Note B. Acquisitions**

The results of operations and financial position of the entities acquired during any year are included in the Consolidated Financial Statements from and after the date of acquisition.

***Acquisition and Merger with Lender Processing Services***

On January 2, 2014, we completed the purchase of LPS. The purchase consideration paid was $37.14 per share of LPS common stock, of which $28.10 per share was paid in cash and the remaining $9.04 was paid in Old FNF common shares. The purchase consideration represented an exchange ratio of 0.28742 of Old FNF common shares per share of LPS common stock. Total consideration paid for LPS was $ 3.4 billion , which consisted of $ 2,535 million in cash and $ 839 million in Old FNF common stock. In order to pay the stock component of the consideration, we issued 25,920,078 Old FNF shares to the former LPS shareholders. Goodwill has been recorded based on the amount that the purchase price exceeded the fair value of the net assets acquired.

The purchase price was as follows (in millions):

| | |
|---|---|
| Cash paid for LPS outstanding shares | $ 2,535 |
| Less: cash acquired from LPS | (282) |
| Net cash paid for LPS | 2,253 |
| FNF common stock issued (25,920,078 shares) | 839 |
| Total net consideration paid | $ 3,092 |

The purchase price has been allocated to the LPS assets acquired and liabilities assumed based on our best estimates of their fair values as of the acquisition date.

The purchase price allocation was completed in 2014. The purchase price allocation is as follows (in millions):

| | |
|---|---|
| Trade and notes receivable | $ 184 |
| Investments | 77 |
| Prepaid expenses and other assets | 59 |
| Property and equipment | 149 |
| Capitalized software | 536 |
| Intangible assets including title plants | 1,010 |
| Income tax receivable | 59 |
| Goodwill | 3,011 |
| Total assets | 5,085 |
| Notes payable | 1,093 |
| Reserve for title claims | 54 |
| Deferred tax liabilities | 405 |
| Other liabilities assumed | 441 |
| Total liabilities | 1,993 |
| Net assets acquired | $ 3,092 |

The following table summarizes the intangible assets acquired (in millions, except for useful life):

| | Fair Value as of Acquisition | Weighted Average Useful Life in Years as of Consolidation | Residual Value as of December 31, 2014 |
|---|---|---|---|
| Amortizing intangible assets: | | | |
| Developed technology | $ 514 | 8 | $ 453 |
| Purchased technology | 22 | 3 | 14 |
| Trade names | 13 | 10 | 11 |
| Customer relationships | 918 | 10 | 753 |
| Non-compete agreements | 4 | 3 | 3 |
| Other intangibles | 5 | 8 | 4 |
| Non-amortizing intangible assets: | | | |
| Developed technology | 53 | | 53 |
| Title plants | 17 | | 17 |
| Total intangible assets and capitalized software | $ 1,546 | | $ 1,308 |

***Pro-forma Financial Results***

For comparative purposes, selected unaudited pro-forma consolidated results of operations of FNF for the years ended December 31, 2014, 2013 and 2012 are presented below. Pro-forma results presented assume the consolidation of LPS occurred as of the beginning of the 2012 period.

Amounts reflect our 65% ownership interest in BKFS and our 65% ownership interest in ServiceLink and were adjusted to exclude costs directly attributable to the acquisition of LPS including transaction costs, severance costs and costs related to our synergy bonus program associated with the acquisition (in millions).

| | Year Ended December 31, 2014 | 2013 | 2012 |
|---|---|---|---|
| Total revenues | $ 8,024 | $ 9,164 | $ 8,666 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 723 | 497 | 677 |

In connection with the LPS acquisition, we formed a wholly-owned subsidiary, Black Knight Financial Services, Inc. (now known as Black Knight Holdings, Inc., "Black Knight"). Black Knight has two operating businesses, ServiceLink Holdings, LLC ("ServiceLink") and Black Knight Financial Services, LLC ("BKFS"). After acquiring LPS, we retained a 65% ownership interest in each of the subsidiaries and the subsidiaries each issued 35% minority ownership interest to THL and certain related entities on January 3, 2014. BKFS and ServiceLink now own and operate the former LPS businesses and our legacy ServiceLink business.

Effective June 1, 2014, we completed an internal reorganization to contribute our subsidiary Property Insight, a company which provides information used by title insurance underwriters, title agents and closing attorneys to underwrite title insurance policies for real property sales and transfer, from our Title segment to BKFS. As a result of this transfer, our ownership percentage in BKFS increased to 67% . Our results for periods since June 1, 2014, reflect our now 67% ownership interest in BKFS.

***Acquisition of Remy International, Inc.***

During the third quarter of 2012, we acquired 1.5 million additional shares of Remy International, Inc. ("Remy"), increasing our ownership interest to 16.3 million shares or 51% of Remy's total outstanding common shares. As a result of this acquisition we began to consolidate the results of Remy effective August 14, 2012. We previously held a 47% ownership interest in Remy. Total consideration paid for the additional 1.5 million shares was $ 31 million and cash acquired upon consolidation of Remy was $ 95 million. Goodwill was recorded based on the amount that the purchase price exceeded the fair value of the net assets acquired. Our 47% equity method investment prior to consolidation of $ 179 million was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheets. A realized gain of $ 79 million was recognized in 2012 for the difference between our basis in our equity method investment of Remy prior to consolidation and the fair value of our investment in Remy at August 14, 2012, the date we acquired control and began to consolidate its operations. On December 31, 2014, we closed the previously announced distribution of all of the outstanding shares of common stock of New Remy Corp. to FNFV shareholders. See Note A for further discussion.

***Acquisition of O'Charley's Inc. and Merger with ABRH***

On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's Inc. ("O'Charley's"). We have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55% . As of December 31, 2014, there were 311 company-owned restaurants in the O'Charley's group of companies and 216 company-owned restaurants in the ABRH group of companies. Total consideration paid was $ 122 million in cash, net of cash acquired of $ 35 million. Our investment in ABRH, prior to the merger, was $ 37 million and was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheet. Our investment in O'Charley's prior to the tender offer of $ 14 million was included in Equity securities available for sale on the Consolidated Balance Sheet. We have consolidated the operations of ABRH with the O'Charley's group of companies, beginning on May 11, 2012.

A realized gain of $ 66 million, which is included in Realized gains and losses on the Consolidated Statement of Earnings, was recognized in 2012 for the difference between our basis in our equity method investment of ABRH prior to consolidation and the fair value of our investment in ABRH at the date of consolidation. The fair value of our investment in ABRH was estimated using relative market based comparable information. In regards to O'Charley's, we recognized a $ 48 million bargain purchase gain discussed further below, and a gain of $ 7 million for the difference in the basis of our holdings in O'Charley's common stock prior to consolidation and the fair value of O'Charley's common stock at the date of consolidation. As a result of the final valuation, we recognized and measured the identifiable assets acquired and liabilities assumed from the O'Charley's purchase at fair value. Upon completion of the fair value process, the net assets of O'Charley's received by FNF exceeded the purchase price resulting in a bargain purchase gain of $ 48 million, which is included in Realized gains and losses on the Consolidated Statement of Earnings for 2012. The bargain purchase gain was due to the release of a valuation allowance on O'Charley's net deferred tax assets. O'Charley's previously had recorded a valuation allowance on the deferred tax assets, due to its history of net losses and the low probability of being able to utilize these assets. We also recorded a $ 11 million increase to our Additional paid-in capital during 2012, related to the fair value of the non-controlling interest portion of our ownership in O'Charley's.

***Other Acquisitions***

On February 12, 2015, we announced the closing of the purchase of BPG Holdings, LLC ("BPG"), a recognized leader in home warranty, home inspection services and commercial inspections for $46 million .

On August 25, 2014, we acquired a 70% ownership interest in LandCastle Title ("LandCastle"), in exchange for our agreement to fund any escrow shortfalls in LandCastle's escrow accounts. At the time of the acquisition, LandCastle was a large third-party agent of FNF, operating primarily in the State of Georgia. To date, FNF's total cash contribution to LandCastle is approximately $22 million and based on our current understanding of the business could increase by approximately $0 - $10 million. On January 31, 2015, we acquired an additional 5% ownership interest in LandCastle and we now have a 75% ownership interest in LandCastle.

On January 13, 2014, Remy announced that it acquired substantially all of the assets of United Starters and Alternators Industries, Inc. ("USA Industries") pursuant to the terms and conditions of the Asset Purchase Agreement, effective as of January 13, 2014. USA Industries is a leading worldwide distributor of premium quality re-manufactured and new alternators, starters, constant velocity axles and disc brake calipers for the light-duty aftermarket. Total consideration paid was $41 million .

On December 31, 2012, we acquired Digital Insurance. Total consideration paid was $ 98 million in cash, net of cash acquired of $ 3 million. We consolidated the operations of Digital Insurance as of December 31, 2012. Digital Insurance is the nation's leading employee benefits platform specializing in health insurance distribution and benefits management for small and mid-sized businesses.

In September 2012, we successfully completed a tender offer for the outstanding common stock of J. Alexander's Corporation, which later became J. Alexander's LLC, for $ 14.50 per share. Total consideration paid was $ 72 million in cash, net of cash acquired of $ 7 million. We have consolidated the operations of J. Alexander's beginning September 26, 2012. J. Alexander's operates 30 J. Alexander's restaurants in 12 states. On February 25, 2013, we merged Stoney River Steakhouse and Grill into J. Alexander's.

**Note C. Fair Value Measurements**

The fair value hierarchy established by the accounting standards on fair value measurements includes three levels which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

*Level 1.* Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

*Level 2.* Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3.* Financial assets and liabilities whose values are based on model inputs that are unobservable.

The following table presents our fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2014 and 2013 , respectively:

| | December 31, 2014 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Assets: | | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 115 | $ — | $ 115 |
| State and political subdivisions | — | 948 | — | 948 |
| Corporate debt securities | — | 1,820 | — | 1,820 |
| Foreign government bonds | — | 37 | — | 37 |
| Mortgage-backed/asset-backed securities | — | 105 | — | 105 |
| Preferred stock available for sale | 50 | 173 | — | 223 |
| Equity securities available for sale | 145 | — | — | 145 |
| Total | $ 195 | $ 3,198 | $ — | $ 3,393 |

| | December 31, 2013 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 126 | $ — | $ 126 |
| State and political subdivisions | — | 1,075 | — | 1,075 |
| Corporate debt securities | — | 1,606 | — | 1,606 |
| Foreign government bonds | — | 43 | — | 43 |
| Mortgage-backed/asset-backed securities | — | 109 | — | 109 |
| Preferred stock available for sale | 73 | 78 | — | 151 |
| Equity securities available for sale | 136 | — | — | 136 |
| Other long-term investments | — | — | 38 | 38 |
| Foreign exchange contracts | — | 4 | — | 4 |
| Commodity contracts | — | 2 | — | 2 |
| Total | $ 209 | $ 3,043 | $ 38 | $ 3,290 |
| Liabilities: | | | | |
| Commodity contracts | $ — | $ 2 | $ — | $ 2 |
| Interest rate swap contracts | — | 1 | — | 1 |
| Total liabilities | $ — | $ 3 | $ — | $ 3 |

Our Level 2 fair value measures for fixed-maturities available for sale are provided by third-party pricing services. We utilize one firm for our taxable bond and preferred stock portfolios and another for our tax-exempt bond portfolios. These pricing services are leading global providers of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are:

- U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.
- State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.
- Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, or any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.
- Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.
- Mortgage-backed/asset-backed securities: These securities are comprised of commercial mortgage-backed securities, agency mortgage-backed securities, collaterized mortgage obligations, and asset-backed securities. They are valued based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.
- Preferred stock: Preferred stocks are valued by calculating the appropriate spread over a comparable US Treasury security. Inputs include benchmark quotes and other relevant market data.

Our Level 2 fair value measures for our interest rate swap, foreign exchange contracts, and commodity contracts are valued using the income approach. This approach uses techniques to convert future amounts to a single present value amount based upon market expectations (including present value techniques, option-pricing and excess earnings models).

Our Level 3 investments consist of structured notes that were purchased in 2009. During the third quarter of 2014, all of our outstanding structured notes matured and we received $39 million in cash upon maturity, resulting in a net realized gain of $ 1 million for the year ended December 31, 2014 . We held no structured notes at December 31, 2014 . The structured notes had a par value and a fair value of $ 38 million at December 31, 2013 . The structured notes were classified as other long-term investments and were measured in their entirety at fair value with changes in fair value recognized in earnings. The fair value of these instruments represented exit prices obtained from a broker-dealer. These exit prices were the product of a proprietary valuation model utilized by the trading desk of the broker-dealer and contain assumptions relating to volatility, the level of interest rates, and the value of the underlying commodity indices. We reviewed the pricing methodologies for our Level 3 investments to ensure that they are reasonable and we believe they represented an exit price for the securities at December 31, 2013 .

The following table presents the changes in our investments that are classified as Level 3 for the years ended December 31, 2014 and 2013 (in millions):

| | |
|---|---|
| Balance, December 31, 2012 | $ 41 |
| Realized gain (loss) | (3) |
| Balance, December 31, 2013 | 38 |
| Realized gain | 1 |
| Proceeds received upon maturity | (39) |
| Balance, December 31, 2014 | $ — |

The carrying amounts of short-term investments, accounts receivable and notes receivable approximate fair value due to their short-term nature. The fair value of our notes payable is included in Note J.

Additional information regarding the fair value of our investment portfolio is included in Note D.

**Note D. Investments**

The carrying amounts and fair values of our available for sale securities at December 31, 2014 and 2013 are as follows:

| | December 31, 2014 | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Fair Value |
| | | | (In millions) | | |
| Fixed maturity investments available for sale: | | | | | |
| U.S. government and agencies | $ 115 | $ 112 | $ 3 | $ — | $ 115 |
| States and political subdivisions | 948 | 917 | 31 | — | 948 |
| Corporate debt securities | 1,820 | 1,793 | 37 | (10) | 1,820 |
| Foreign government bonds | 37 | 40 | — | (3) | 37 |
| Mortgage-backed/asset-backed securities | 105 | 101 | 4 | — | 105 |
| Preferred stock available for sale | 223 | 223 | 3 | (3) | 223 |
| Equity securities available for sale | 145 | 72 | 79 | (6) | 145 |
| Total | $ 3,393 | $ 3,258 | $ 157 | $ (22) | $ 3,393 |

| | December 31, 2013 | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Fair Value |
| | | | (In millions) | | |
| Fixed maturity investments available for sale: | | | | | |
| U.S. government and agencies | $ 126 | $ 121 | $ 5 | $ — | $ 126 |
| States and political subdivisions | 1,075 | 1,042 | 36 | (3) | 1,075 |
| Corporate debt securities | 1,606 | 1,565 | 47 | (6) | 1,606 |
| Foreign government bonds | 43 | 44 | 1 | (2) | 43 |
| Mortgage-backed/asset-backed securities | 109 | 105 | 4 | — | 109 |
| Preferred stock available for sale | 151 | 158 | 3 | (10) | 151 |
| Equity securities available for sale | 136 | 71 | 65 | — | 136 |
| Total | $ 3,246 | $ 3,106 | $ 161 | $ (21) | $ 3,246 |

The cost basis of fixed maturity securities available for sale includes an adjustment for amortized premium or discount since the date of purchase. At December 31, 2014 all of our mortgage-backed and asset-backed securities are rated AAA by Moody's Investors Service which is the highest rating available by Moody's. The mortgage-backed and asset-backed securities are made up of $ 65 million of agency mortgage-backed securities, $ 25 million of collateralized mortgage obligations, and $ 15 million in asset-backed securities.

The change in net unrealized gains and (losses) on fixed maturities for the years ended December 31, 2014 , 2013 , and 2012 was $ (20) million , $(58) million , and $33 million , respectively.

The following table presents certain information regarding contractual maturities of our fixed maturity securities at December 31, 2014 :

| | December 31, 2014 | | | |
|---|---|---|---|---|
| **Maturity** | Amortized Cost | % of Total | Fair Value | % of Total |
| | (Dollars in millions) | | | |
| One year or less | $ 307 | 10.4% | $ 309 | 10.2% |
| After one year through five years | 2,035 | 68.7 | 2,077 | 68.7 |
| After five years through ten years | 508 | 17.1 | 521 | 17.2 |
| After ten years | 13 | 0.4 | 13 | 0.4 |
| Mortgage-backed/asset-backed securities | 101 | 3.4 | 105 | 3.5 |
| | $ 2,964 | 100.0% | $ 3,025 | 100.0% |
| Subject to call | $ 1,772 | 59.8% | $ 1,796 | 59.4% |

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. Included above in amounts subject to call are $1,450 million and $1,469 million in amortized cost and fair value, respectively, of fixed maturity securities with make-whole call provisions as of December 31, 2014 .

Fixed maturity securities valued at approximately $ 141 million and $ 129 million were on deposit with various governmental authorities at December 31, 2014 and 2013 , respectively, as required by law.

Equity securities are carried at fair value. The change in unrealized gains on equity securities for the years ended December 31, 2014 , 2013 and 2012 was a net increase of $ 8 million , $30 million , and $12 million , respectively.

Our investments at December 31, 2014 and 2013 included investments in banks at a cost basis of $ 372 million and $ 378 million, respectively, and a fair value of $ 380 million and $ 381 million, respectively. Our investments at December 31, 2014 and 2013 included investments in insurance companies at a cost basis of $52 million and $49 million , respectively, and a fair value of $53 million and $52 million , respectively.

Net 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 be en in a continuous unrealized loss position at December 31, 2014 and 2013 are as follows (in millions):

***December 31, 2014***

| | Less than 12 Months | | 12 Months or Longer | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| Corporate debt securities | 682 | (9) | 17 | (1) | 699 | (10) |
| Foreign government bonds | 21 | (1) | 16 | (2) | 37 | (3) |
| Preferred stock available for sale | 59 | (1) | 19 | (2) | 78 | (3) |
| Equity securities available for sale | 8 | (6) | — | — | 8 | (6) |
| Total temporarily impaired securities | $ 770 | $ (17) | $ 52 | $ (5) | $ 822 | $ (22) |

***December 31, 2013***

| | Less than 12 Months | | 12 Months or Longer | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| States and political subdivisions | $ 123 | $ (3) | $ — | $ — | $ 123 | $ (3) |
| Corporate debt securities | 367 | (4) | 39 | (2) | 406 | (6) |
| Preferred stock available for sale | 95 | (10) | — | — | 95 | (10) |
| Foreign government bonds and other fixed maturity securities | 17 | (1) | 14 | (1) | 31 | (2) |
| Total temporarily impaired securities | $ 602 | $ (18) | $ 53 | $ (3) | $ 655 | $ (21) |

The unrealized losses for the corporate debt securities were primarily caused by widening credit spreads that we consider to be temporary rather than changes in credit quality. We expect to recover the entire amortized cost basis of our temporarily impaired fixed maturity securities as we do not intend to sell these securities and we do not believe that we will be required to sell the fixed maturity securities before recovery of the cost basis. For these reasons, we do not consider these securities other-than-temporarily impaired at December 31, 2014. It is reasonably possible that declines in fair value below cost not considered other-than-temporary in the current period could be considered to be other-than-temporary in a future period and earnings would be reduced to the extent of the impairment.

The unrealized losses for the equity securities available for sale were primarily caused by market volatility. We expect to recover the entire amortized cost basis of our temporarily impaired equity securities available for sale as we do not intend to sell these securities and we do not believe that we will be required to sell the equity securities available for sale before recovery of the cost basis. For thes e reasons, we do not consider these securities other-than-temporarily impaired at December 31, 2014 . It is reasonably possible that declines in fair value below cost not considered other-than-temporary in the current period could be considered to be other-than-temporary in a future period and earnings would be reduced to the extent of the impairment.

During the years ended December 31, 2014 , 2013 and 2012 we incurred impairment charges relating to investments that were determined to be other-than-temporarily impaired, which resulted in impairment charges of $6 million , $ 1 million and $3 million , respectively. Impairment charges during all three years were for fixed maturity securities that we determined the credit risk of these holdings was high and the ability of the issuer to pay the full amount of the principal outstanding was unlikely.

As of December 31, 2014 , we held $5 million in securities for which other-than-temporary impairments had been previously recognized. In 2013 , we held no investments for which an other-than-temporary impairment had been previously recognized. It is possible that future events may lead us to recognize potential future impairment losses related to our investment portfolio and that unanticipated future events may lead us to dispose of certain investment holdings and recognize the effects of any market movements in our condensed consolidated financial statements.

The following table presents realized gains and losses on investments and other assets and proceeds from the sale or maturity of investments and other assets for the years ended December 31, 2014 , 2013 , and 2012 , respectively:

| | Year ended December 31, 2014 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 6 | $ (6) | $ — | $ 1,152 |
| Preferred stock available for sale | — | (2) | (2) | 73 |
| Equity securities available for sale | 4 | — | 4 | 11 |
| Other long-term investments | | | — | — |
| Other assets | | | (15) | 5 |
| Total | | | $ (13) | $ 1,241 |

| | Year ended December 31, 2013 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 10 | $ (4) | $ 6 | $ 887 |
| Preferred stock available for sale | 7 | (2) | 5 | 121 |
| Equity securities available for sale | 15 | (1) | 14 | 43 |
| Other long-term investments | | | (3) | — |
| Other assets | | | (6) | 1 |
| Total | | | $ 16 | $ 1,052 |

| | Year ended December 31, 2012 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 16 | $ (5) | $ 11 | $ 976 |
| Preferred stock available for sale | — | — | — | 29 |
| Equity securities available for sale | 3 | — | 3 | 8 |
| Gain on consolidation of O'Charley's and ABRH | | | 73 | — |
| Bargain purchase gain on O'Charley's | | | 48 | — |
| Loss on early extinguishment of 5.25% bonds | | | (6) | — |
| Other assets | | | (21) | 2 |
| Total | | | $ 108 | $ 1,015 |

Interest and investment income consists of the following:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | | (In millions) | |
| Cash and cash equivalents | $ — | $ 1 | $ — |
| Fixed maturity securities available for sale | 89 | 99 | 117 |
| Equity securities and preferred stock available for sale | 14 | 16 | 14 |
| Other | 23 | 11 | 12 |
| Total | $ 126 | $ 127 | $ 143 |

Included in our other long-term investments were fixed-maturity structured notes. The structured notes were carried at fair value (see Note C) and changes in the fair value of these structured notes are recorded as Realized gains and losses in the Consolidated Statements of Earnings. During the third quarter of 2014, all of our outstanding structured notes matured and we received $39 million in cash upon maturity. We held no structured notes at December 31, 2014 . The carrying value of the structured notes was $38 million as of December 31, 2013 . We recorded a gain of $ 1 million related to the structured notes in the year ended December 31, 2014 , a loss of $3 million related to the structured notes in 2013, and no gain or losses related to the structured notes in 2012 .

Investments in unconsolidated affiliates are recorded using the equity method of accounting and as of December 31, 2014 and 2013 consisted of the following (in millions):

| | Ownership at December 31, 2014 | 2014 | 2013 |
|---|---|---|---|
| Ceridian | 32% | $ 725 | $ 295 |
| Other | various | 45 | 62 |
| Total | | $ 770 | $ 357 |

On November 17, 2014, Ceridian completed the exchange of its subsidiary Comdata to FleetCor in a transaction valued at approximately $3.5 billion . We recognized $495 million in equity in earnings of unconsolidated affiliates in the twelve months ending December 31, 2014 as a result of the transaction.

During the year ended December 31, 2013, we purchased $31 million in Ceridian bonds which are included in Fixed maturity securities available for sale on the Consolidated Balance Sheets, and had a fair value of $ 36 million as of December 31, 2013. During the year ended December 31, 2014, we sold $2 million of the Ceridian bonds. Our remaining investment in Ceridian bonds had a fair value of $32 million as of December 31, 2014.

We have historically accounted for our equity in Ceridian on a three-month lag. However, during the first quarter of 2014, we began to account for our equity in Ceridian on a real-time basis. The year ended December 31, 2014 includes results for the 15 months ended December 31, 2014. The Ceridian results from October 1, 2013 to December 31, 2013 resulted in recording $4 million in equity in losses of unconsolidated affiliates. The year ended December 31, 2013 includes Ceridian's results for the 12 months ended September 30, 2013 and the year ended December 31, 2012 includes Ceridian's results for the 12 months ended September 30, 2012.

During the fourth quarter of 2013, Ceridian entered into a memorandum of understanding to resolve claims brought by a putative class of U.S. Fueling Merchants. Under the terms of the memorandum of understanding, which will need to be finalized in a definitive settlement agreement and approved by the Court, Ceridian has agreed to make a one-time cash payment of $ 100 million as part of a $ 130 million global settlement with other defendants in the lawsuit, and to provide certain prospective relief with respect to specific provisions in its merchant agreements. This settlement will provide Ceridian and affiliated companies with a broad release of claims and will limit their exposure to legal claims by merchants. Our portion of the settlement of $ 32 million was recorded by us in the first quarter of 2014, as at that time we reported the results Ceridian on a three-month lag.

Summarized financial information for the periods included in our Consolidated Financial Statements for Ceridian is presented below:

| | December 31, 2014 | September 30, 2013 |
|---|---|---|
| | (In millions) | |
| Total current assets before customer funds | $ 1,417 | $ 1,106 |
| Customer funds | 4,957 | 3,000 |
| Goodwill and other intangible assets, net | 2,509 | 4,484 |
| Other assets | 92 | 119 |
| Total assets | $ 8,975 | $ 8,709 |
| Current liabilities before customer customer obligations | $ 205 | $ 836 |
| Customer obligations | 4,931 | 2,986 |
| Long-term obligations, less current portion | 1,168 | 3,449 |
| Other long-term liabilities | 391 | 496 |
| Total liabilities | 6,695 | 7,767 |
| Equity | 2,280 | 942 |
| Total liabilities and equity | $ 8,975 | $ 8,709 |

| | 15 Months Ending December 31, 2014 | 12 Months Ending September 30, 2013 |
|---|---|---|
| | (In millions) | |
| Total revenues | $ 1,786 | $ 1,511 |
| Loss before income taxes | (155) | (88) |
| Gain on sale of Comdata | 1,526 | — |
| Net earnings (loss) | 1,361 | (111) |

## Note E. Property and Equipment

Property and equipment consists of the following:

| | Year Ended December 31, | |
|---|---|---|
| | 2014 | 2013 |
| | (In millions) | |
| Land | $ 132 | $ 133 |
| Buildings | 158 | 125 |
| Leasehold improvements | 244 | 223 |
| Data processing equipment | 315 | 236 |
| Furniture, fixtures and equipment | 389 | 515 |
| | 1,238 | 1,232 |
| Accumulated depreciation and amortization | (603) | (587) |
| | $ 635 | $ 645 |

Depreciation expense on property and equipment was $ 122 million, $ 97 million, and $ 74 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively.

**Note F. Goodwill**

Goo dwill consists of the following:

| | Title | BKFS | FNF Core Corporate and Other | Remy | Restaurant Group | FNFV Corporate and Other | Total |
|---|---|---|---|---|---|---|---|
| | | | | (In millions) | | | |
| Balance, December 31, 2012 | $ 1,434 | $ — | $ 3 | $ 246 | $ 119 | $ 105 | $ 1,907 |
| Goodwill acquired during the year | 2 | — | — | — | — | 17 | 19 |
| Adjustments to prior year acquisitions (1) | (1) | — | 1 | 2 | — | (27) | (25) |
| Balance, December 31, 2013 | $ 1,435 | $ — | $ 4 | $ 248 | $ 119 | $ 95 | $ 1,901 |
| Goodwill acquired during the year (2) | 854 | 2,223 | — | 14 | — | 6 | 3,097 |
| Adjustments to prior year acquisitions | — | — | — | — | — | — | — |
| Spin-off of Remy and Imaging | — | — | | (262) | — | (15) | (277) |
| Balance, December 31, 2014 | $ 2,289 | $ 2,223 | $ 3 | $ — | $ 119 | $ 87 | $ 4,721 |

(1) During 2013, we completed the final purchase price allocation for Digital Insurance, resulting in an adjustment to our purchased goodwill.
(2) During 2014, we acquired LPS and subsequently completed an internal reorganization in which the assets of LPS were divided between the Title and BKFS segments and Property Insight was contributed from the Title segment to BKFS.

**Note G. Capitalized Software**

Capitalized software consists of the following:

| | Year Ended December 31, 2014 | Year Ended December 31, 2013 |
|---|---|---|
| | (In millions) | |
| Capitalized software | $ 841 | $ 215 |
| Accumulated amortization | (271) | (175) |
| | $ 570 | $ 40 |

Amortization expense on software was $ 84 million , $ 14 million , and $ 14 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively.

**Note H. Other Intangible Assets**

Other intangible assets consist of the following:

| | December 31, 2014 | December 31, 2013 |
|---|---|---|
| | (In millions) | |
| Customer relationships and contracts | $ 1,200 | $ 516 |
| Trademarks and tradenames | 154 | 238 |
| Other | 99 | 60 |
| | 1,453 | 814 |
| Accumulated amortization | (320) | (195) |
| | $ 1,133 | $ 619 |

Amortization expense for amortizable intangible assets, which consist primarily of customer relationships, was $ 193 million, $ 23 million, and $ 15 million for the years ended December 31, 2014 , 2013 and 2012 , respectively. Other intangible assets primarily represent non-amortizable intangible assets such as trademarks and licenses. Estimated amortization expense for the next five years for assets owned at December 31, 2014 , is $ 196 million in 2015 , $ 193 million in 2016 , $ 189 million in 2017 , $ 186 million in 2018 and $ 121 million in 2019 .

**Note I. Accounts Payable and Other Accrued Liabilities**

Accounts payable and other accrued liabilities consist of the following:

| | December 31, 2014 | December 31, 2013 |
|---|---|---|
| | (In millions) | |
| Accrued benefits | $ 264 | $ 239 |
| Salaries and incentives | 292 | 254 |
| Accrued rent | 36 | 29 |
| Trade accounts payable | 81 | 236 |
| Accrued recording fees and transfer taxes | 50 | 25 |
| Accrued premium taxes | 11 | 43 |
| Deferred revenue | 164 | 90 |
| Other accrued liabilities | 410 | 386 |
| | $ 1,308 | $ 1,302 |

**Note J. Notes Payable**

Notes payable consists of the following:

| | December 31, 2014 | December 31, 2013 |
|---|---|---|
| | (In millions) | |
| Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022 | $ 398 | $ 398 |
| Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018 | 288 | 285 |
| Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017 | 300 | 300 |
| FNF Term Loan, interest payable monthly at LIBOR + 1.63% (1.86% at December 31, 2014), due January 2019 | 1,100 | — |
| Unsecured Black Knight Infoserv notes, including premium, interest payable semi-annually at 5.75%, due April 2023 | 616 | — |
| Remy Amended and Restated Term B Loan, interest payable quarterly at LIBOR (floor of 1.25%) + 3.00% (4.25% at December 31, 2013), due March 2020 | — | 266 |
| ABRH Term Loan, interest payable monthly at LIBOR + 3.50% | — | 53 |
| ABRH Term Loan, interest payable monthly at LIBOR + 2.75% (2.92% at December 31, 2014), due August 2019 | 108 | — |
| ABRH Revolving Credit Facility, unused portion of $83 at December 31, 2014, due August 2019 with interest payable monthly at LIBOR + 2.75% | — | — |
| J. Alexander's Revolving Credit Facility, unused portion of $15 at December 31, 2014, due December 2019, interest payable monthly at LIBOR + 2.25% | — | — |
| Other | 16 | 21 |
| Revolving Credit Facility, unsecured, unused portion of $800 at December 31, 2014, due July 2018 with interest payable monthly at LIBOR + 1.45% | — | — |
| | $ 2,826 | $ 1,323 |

At December 31, 2014 , the estimated fair value of our long-term debt was approximately $ 3,143 million or $ 317 million higher than its carrying value. The fair value of our FNF Term loan was $ 1,173 at December 31, 2014. The fair value of our FNF Term loan was based on discounted cash flows and is considered a level 2 financial liability. The fair value of our unsecured notes payable was $1,954 million as of December 31, 2014 . The fair values of our unsecured notes payable are based on established market prices for the securities on December 31, 2014 and are considered Level 2 financial liabilities. The carrying value of our ABRH Term Loan was $108 million , and approximates fair value as the loan was entered into in the third quarter of 2014 and is considered a Level 2 financial liability.

On September 3, 2013, J. Alexander’s entered into a loan agreement with Pinnacle Bank which provided for a general purpose $ 1 million revolving line of credit with a maturity date of September 3, 2016, and a $ 15 million term loan with monthly installment principal payments plus interest through September 3, 2020 at which point the remaining unpaid principal and any accrued interest becomes due. On December 9, 2014, J. Alexander’s, LLC executed an amended and restated loan agreement (“the J. Alexander’s Loan Agreement”) which encompasses the two existing promissory notes discussed above dated September 3, 2013 and also includes a $ 15 million development line of credit with a maturity date of December 3, 2019. The J. Alexander’s Loan Agreement is secured by liens on certain personal property of J. Alexander’s Holdings, LLC and its subsidiaries, subsidiary guaranties, and a mortgage lien on certain real property. In addition, the lender is entitled to a first priority security interest in three additional restaurants in the event the $ 15 million term loan remains outstanding as of June 9, 2015. As of December 31, 2014, there were no borrowings outstanding under either the $ 1 million revolving line of credit or the $ 15 million development line of credit. The principal amount of the term loan outstanding as of December 31, 2014 was $ 13 million, and is included in "other" in the table above. Any amount borrowed under the $1 million revolving credit facility bears interest at an annual rate of 30−day LIBOR plus a margin equal to 2.50 %, with a minimum interest rate of 3.25 % per annum. The $ 15 million term loan bears interest at an annual rate of 30−day LIBOR plus a margin equal to 2.50 %, with a minimum and maximum interest rate of 3.25 % and 6.25 % per annum, respectively. Any amount borrowed under the $15 million development line of credit bears interest at an annual rate of 30-day LIBOR plus a margin equal to 2.20 %. A non-use fee of 0.25 % per annum of the unused portion of the $ 1 million line of credit and the $ 15 million development line of credit is also payable quarterly during the term of the loans. The J. Alexander’s Loan Agreement, among other things, requires compliance with certain financial covenants, permits payments of tax dividends to members, limits capital expenditures, asset sales and liens and encumbrances, prohibits dividends, and contains certain other provisions customarily included in such agreements. In addition, dividends may be paid under a formula consisting of a $6 million base, which amount will be increased annually by $ 3 million plus 25 % of consolidated net income for the immediately preceding year, beginning with the year which ended December 31, 2014, and reduced by the aggregate amount of such dividends previously paid, if any, from the J. Alexander’s Loan Agreement’s inception through the measurement date. If an event of default shall occur and be continuing under the J. Alexander’s Loan Agreement, the commitment under the J. Alexander’s Loan Agreement may be terminated and any principal amount outstanding, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable. J. Alexander’s, LLC was in compliance with these financial covenants as of December 31, 2014 and for all reporting periods during the year then ended.

On August 19, 2014, ABRH entered into a credit agreement (the “ABRH Credit Facility”) with Wells Fargo Bank, National Association as Administrative Agent, Swingline Lender and Issuing Lender (the “ABRH Administrative Agent”), Bank of America, N.A. as Syndication Agent and the other financial institutions party thereto. The ABRH Credit Facility provides for a maximum revolving loan of $ 100 million (the “ABRH Revolver") with a maturity date of August 19, 2019. As of December 31, 2014, ABRH has nothing outstanding on this revolver. Additionally, the ABRH Credit Facility provides for a maximum term loan (the "ABRH Term Loan") of $ 110 million with quarterly installment repayments through June 30, 2019 and a maturity date of August 19, 2019 for the outstanding unpaid principal balance and all accrued and unpaid interest. ABRH has borrowed the entire $ 110 million under this term loan. Pricing for the ABRH Credit Facility is based on an applicable margin between 225 basis points to 300 basis points over LIBOR and between 125 basis points and 200 basis points over the Base Rate (which is the highest of (a) 50 basis points in excess of the federal funds rate, (b) the ABRH Administrative Agent “prime rate,” or (c) the sum of 100 basis points plus one-month LIBOR). A commitment fee amount is also due at a rate per annum equal to between 325 and 400 basis points on the average daily unused portion of the commitments under the ABRH Revolver. The ABRH Credit Facility also allows for ABRH to request up to $ 40 million of letters of credit commitments and $ 20 million in swingline debt from the ABRH Administrative Agent. The ABRH Credit Facility allows for ABRH to elect to enter into incremental term loans or request incremental revolving commitments (the “ABRH Incremental Loans”) under this facility so long as, (i) the total outstanding balance of the ABRH Revolver, the ABRH Term Loan and any ABRH Incremental Loans does not exceed $ 250 million , (ii) ABRH is in compliance with its financial covenants, (iii) no default or event of default exists under the ABRH Credit Facility on the day of such request either before or after giving effect to the request, (iv) the representations and warranties made under the ABRH Credit Facility are correct and (v) certain other conditions are satisfied. The ABRH Credit Facility is subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on ABRH 's creation of liens, sales of assets, incurrence of indebtedness, restricted payments and transactions with affiliates. The covenants addressing restricted payments include certain limitations on the declaration or payment of dividends by ABRH to its parent, Fidelity Newport Holdings, LLC (“FNH”), and by FNH to its members. One such limitation restricts the amount of dividends that ABRH can pay to its parent (and that FNH can in turn pay to its members) up to $ 2 million in the aggregate (outside of certain other permitted dividend payments) in a fiscal year (with some carryover rights for undeclared dividends for subsequent years). Another limitation allows that, so long as ABRH satisfies certain leverage and liquidity requirements to the satisfaction of the ABRH Administrative Agent, ABRH may declare a special one-time dividend to Newport Global Opportunities Fund LP, and Fidelity National Financial Ventures, LLC or one of the entities under their control (other than portfolio companies) in an amount up to $ 75 million if such dividend occurs on or before November 17, 2014, or up to $ 1.5 million if such dividend occurs on or before June 15, 2016. The ABRH Credit Facility includes customary events of default for facilities of this type (with customary grace periods, as applicable), which include a cross-default provision whereby an event of default will be deemed to have occurred if ABRH or any of its guarantors, which consists of FNH and certain of its subsidiaries (together, the "Loan Parties") or any of their subsidiaries default on any agreement with a third party of $ 10 million or more related to their indebtedness and such default results in a right by such third party to accelerate such Loan Party's or its subsidiary's obligations. The ABRH Credit Facility provides that, upon the occurrence of an event of default, the ABRH Administrative Lender may (i) declare the principal of, and any and all accrued and unpaid interest and all other amounts owed in respect of, the loans immediately due and payable, (ii) terminate loan commitments and (iii) exercise all other rights and remedies available to the ABRH Administrative Lender or the lenders under the loan documents. ABRH had $17 million of outstanding letters of credit and $83 million of remaining borrowing capacity under its revolving credit facility as of December 31, 2014. ABRH repaid $2 million on the term loan during the year ended December 31, 2014.

On January 2, 2014, as a result of the LPS acquisition, FNF acquired $ 600 million aggregate principal amount of 5.75 % Senior Notes due 2023, initially issued by Black Knight Infoserv, LLC (formerly LPS, "Black Knight Infoserv") on October 12, 2012 (the "Black Knight Senior Notes"). The Black Knight Senior Notes were registered under the Securities Act of 1933, as amended, carry an interest rate of 5.75 % and will mature on April 15, 2023. Interest is payable semi-annually on the 15th day of April and October. The Black Knight Senior Notes are senior unsecured obligations and were guaranteed by us as of January 2, 2014. At any time and from time to time, prior to October 15, 2015, Black Knight Infoserv may redeem up to a maximum of 35 % of the original aggregate principal amount of the Black Knight Senior Notes with the proceeds of one or more equity offerings, at a redemption price equal to 105.75% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). Prior to October 15, 2017, Black Knight Infoserv may redeem some or all of the Black Knight Senior Notes by paying a "make-whole" premium based on U.S. Treasury rates. On or after October 15, 2017, Black Knight Infoserv may redeem some or all of the Black Knight Senior Notes at the redemption prices described in the Black Knight Senior Notes indenture, plus accrued and unpaid interest. In addition, if a change of control occurs, Black Knight Infoserv is required to offer to purchase all outstanding Black Knight Senior Notes at a price equal to 101 % of the principal amount plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).The Black Knight Senior Notes contain covenants that, among other things, limit Black Knight Infoserv's ability and the ability of certain of its subsidiaries (a) to incur or guarantee additional indebtedness or issue preferred stock, (b) to make certain restricted payments, including dividends or distributions on equity interests held by persons other than Black Knight Infoserv or certain subsidiaries, in excess of an amount generally equal to 50% of consolidated net income generated since July 1, 2008, (c) to create or incur certain liens, (d) to engage in sale and leaseback transactions, (e) to create restrictions that would prevent or limit the ability of certain subsidiaries to (i) pay dividends or other distributions to Black Knight Infoserv or certain other subsidiaries, (ii) repay any debt or make any loans or advances to Black Knight Infoserv or certain other subsidiaries or (iii) transfer any property or assets to Black Knight Infoserv or certain other subsidiaries, (f) to sell or dispose of assets of Black Knight Infoserv or any restricted subsidiary or enter into merger or consolidation transactions and (g) to engage in certain transactions with affiliates. As a result of our guarantee of the Black Knight Senior Notes on January 2, 2014, the notes became rated investment grade. The indenture provides that certain covenants are suspended while the Black Knight Senior Notes are rated investment grade. Currently covenants (a), (b), (e), certain provisions of (f) and (g) outlined above are suspended. These covenants will continue to be suspended as long as the notes are rated investment grade, as defined in the indenture. These covenants are subject to a number of exceptions, limitations and qualifications in the Black Knight Senior Notes indenture. The Black Knight Senior Notes contain customary events of default, including failure of Black Knight Infoserv (i) to pay principal and interest when due and payable and breach of certain other covenants and (ii) to make an offer to purchase and pay for the Black Knight Senior Notes tendered as required by the Black Knight Senior Notes. Events of default also include defaults with respect to any other debt of Black Knight Infoserv or debt of certain subsidiaries having an outstanding principal amount of $ 80 million or more in the aggregate for all such debt, arising from (i) failure to make a principal payment when due and such defaulted payment is not made, waived or extended within the applicable grace period or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity. Upon the occurrence of an event of default (other than a bankruptcy default with respect to Black Knight Infoserv or certain subsidiaries), the trustee or holders of at least 25 % of the Black Knight Senior Notes then outstanding may accelerate the Black Knight Senior Notes by giving us appropriate notice. If, however, a bankruptcy default occurs with respect to Black Knight Infoserv or certain subsidiaries, then the principal of and accrued interest on the Black Knight Senior Notes then outstanding will accelerate immediately without any declaration or other act on the part of the trustee or any holder. On January 16, 2014, we issued an offer to purchase the Black Knight Senior Notes pursuant to the change of control provisions above at a purchase price of 101 % of the principal amount plus accrued interest to the purchase date. The offer expired on February 18, 2014. As a result of the offer, bondholders tendered $ 5 million in principal of the Black Knight Senior Notes, which were purchased by us on February 24, 2014.

On October 24, 2013, we entered into a bridge loan commitment letter (the "Bridge Loan Commitment Letter") with Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bank of America, N.A. ("Bank of America"), J.P. Morgan Securities LLC and JP

Morgan Chase Bank, N.A. The Bridge Loan Commitment Letter provides for up to an $ 800 million short-term loan facility (the “Bridge Facility”). The proceeds of the loans under the Bridge Facility were used to fund, in part, the cash consideration for the acquisition of LPS and pay certain costs, fees and expenses in connection with the LPS merger. Pursuant to the Bridge Loan Commitment Letter, we executed a promissory note in favor of the Bridge Facility lenders on the closing date of the Merger that evidenced the terms of the Bridge Facility. The Bridge Facility matured on the second business day following the funding thereof and required scheduled amortization payments. Borrowings under the Bridge Facility bear interest at a rate equal to the highest of (i) the Bank of America prime rate, (ii) the federal fund effective rate from time to time plus 0.5% and (iii) the one month adjusted London interbank offered rate ("LIBOR") plus 1.0 %. Other than as set forth in this paragraph, the terms of the Bridge Facility are substantially the same as the terms of the Amended Term Loan Agreement discussed below. As part of the acquisition of LPS on January 2, 2014, the Bridge Facility was funded and subsequently repaid the following day.

On July 11, 2013, FNF entered into a term loan credit agreement with Bank of America, N.A., as administrative agent (in such capacity, the “TL Administrative Agent”), the lenders party thereto and the other agents party thereto (the “Term Loan Agreement”). The Term Loan Agreement permits us to borrow up to $ 1.1 billion to fund the acquisition of LPS. The term loans under the Term Loan Agreement mature on the date that is five years from the funding date of the term loans under the Term Loan Agreement. Term loans under the Term Loan Agreement generally bear interest at a variable rate based on either (i) the base rate (which is the highest of (a) 0.5% in excess of the federal funds rate, (b) the TL Administrative Agent’s “prime rate”, or (c) the sum of 1.0% plus one-month LIBOR) plus a margin of between 50 basis points and 100 basis points depending on the senior unsecured long-term debt ratings of FNF or (ii) LIBOR plus a margin of between 150 basis points and 200 basis points depending on the senior unsecured long-term debt ratings of FNF. Based on our current Moody’s and Standard & Poor’s senior unsecured long-term debt ratings of Baa3/BBB-, respectively, the applicable margin for term loans subject to LIBOR is 175 basis points over LIBOR. In addition, we will pay an unused commitment fee of 25 basis points on the entire term loan facility until the earlier of the termination of the term loan commitments or the funding of the term loans. Under the Term Loan Agreement, we are subject to customary affirmative, negative and financial covenants, including, among other things, limits on the creation of liens, limits on the incurrence of indebtedness, restrictions on investments, dispositions and transactions with affiliates, limitations on dividends and other restricted payments, a minimum net worth and a maximum debt to capitalization ratio. The Term Loan Agreement also includes customary events of default for facilities of this type (with customary grace periods, as applicable) and provides that, if an event of default occurs and is continuing, the interest rate on all outstanding obligations may be increased, payments of all outstanding term loans may be accelerated and/or the lenders’ commitments may be terminated. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Term Loan Agreement shall automatically become immediately due and payable, and the lenders’ commitments will automatically terminate. Under the Term Loan Agreement the financial covenants are the same as under the Restated Credit Agreement. On October 27, 2013, we amended the Term Loan Agreement to permit us to incur the indebtedness in respect of the Bridge Facility and incorporate other technical changes to describe the structure of the LPS merger. As part of the acquisition of LPS on January 2, 2014, the Term Loan Agreement was fully funded. No payments have been made through December 31, 2014.

On June 25, 2013, we entered into an agreement to amend and restate our existing $ 800 million second amended and restated credit agreement (the “Old Credit Agreement”), dated as of April 16, 2012 with Bank of America, N.A., as administrative agent (in such capacity, the “Administrative Agent”) and the other agents party thereto (the “Revolving Credit Facility”). Among other changes, the Revolving Credit Facility amends the Old Credit Agreement to permit us to make a borrowing under the Revolving Credit Facility to finance a portion of the acquisition of LPS on a “limited conditionality” basis, incorporates other technical changes to permit us to enter into the Acquisition and extends the maturity of the Existing Credit Agreement. The lenders under the Old Credit Agreement have agreed to extend the maturity date of their commitments under the credit facility from April 16, 2016 to July 15, 2018 under the Revolving Credit Facility. Revolving loans under the credit facility generally bear interest at a variable rate based on either (i) the base rate (which is the highest of (a) one-half of one percent in excess of the federal funds rate, (b) the Administrative Agent's “prime rate”, or (c) the sum of one percent plus one-month LIBOR) plus a margin of between 32.5 and 60 basis points depending on the senior unsecured long-term debt ratings of FNF or (ii) LIBOR plus a margin of between 132.5 and 160 basis points depending on the senior unsecured long-term debt ratings of FNF. Based on our current Moody’s and Standard & Poor’s senior unsecured long-term debt ratings of Baa3/BBB-, respectively, the applicable margin for revolving loans subject to LIBOR is 145 basis points. In addition, we will pay an unused commitment fee of between 17.5 and 40 basis points on the entire facility, also depending on our senior unsecured long-term debt ratings. Under the Revolving Credit Facility, we are subject to customary affirmative, negative and financial covenants, including, among other things, limits on the creation of liens, limits on the incurrence of indebtedness, restrictions on investments, dispositions and transactions with affiliates, limitations on dividends and other restricted payments, a minimum net worth and a maximum debt to capitalization ratio. The Revolving Credit Facility also includes customary events of default for facilities of this type (with customary grace periods, as applicable) and provides that, if an event of default occurs and is continuing, the interest rate on all outstanding obligations may be increased, payments of all outstanding loans may be accelerated and/or the lenders' commitments may be terminated. These events of default include a cross-default provision that, subject to limited exceptions, permits the lenders to declare the Revolving Credit Facility in default if: (i) (a) we fail to make any payment after the applicable grace period under any indebtedness with a principal amount (including undrawn committed amounts) in excess of 3.0% of our net worth, as defined in the Revolving Credit Facility, or (b) we fail to perform any other term under any such indebtedness, or any other event occurs, as a result of which the holders thereof may cause it to become due and payable prior to its maturity; or (ii) certain termination events occur under significant interest rate, equity or other swap contracts. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Revolving Credit Facility shall automatically become immediately due and payable, and the lenders' commitments will automatically terminate. Under the Revolving Credit Facility the financial covenants remain essentially the same as under the Old Credit Agreement, except that the total debt to total capitalization ratio limit of 35% increased to 37.5% for a period of one year after the closing of the LPS acquisition and the net worth test was reset. Also on October 24, 2013, we entered into amendments to amend the revolving credit facility to permit us to incur the indebtedness in respect of the Bridge Facility and incorporate other technical changes to describe the structure of the LPS merger. As part of the acquisition of LPS on January 2, 2014, we borrowed $300 million under the Revolving Credit Facility, which we repaid during the year ended December 31, 2014.

On August 28, 2012, we completed an offering of $400 million in aggregate principal amount of 5.50% notes due September 2022 (the "5.50% notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The notes were priced at 99.513% of par to yield 5.564% annual interest. As such we recorded a discount of $2 million , which is netted against the $400 million aggregate principal amount of the 5.50% notes. The discount is amortized to September 2022 when the 5.50% notes mature. The 5.50% notes will pay interest semi-annually on the 1st of March and September, beginning March 1, 2013. We received net proceeds of $396 million , after expenses, which were used to repay the $237 million aggregate principal amount outstanding of our 5.25% unsecured notes maturing in March 2013, the $50 million outstanding on our revolving credit facility, and the remainder is being held for general corporate purposes. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of the Company in an aggregate amount exceeding $100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

On May 31, 2012, ABRH entered into a credit agreement (the “Old ABRH Credit Facility”) with Wells Fargo Capital Finance, LLC as administrative agent and swing lender (the “ABRH Administrative Lender”) and the other financial institutions party thereto. The ABRH Credit Facility provides for a maximum revolving loan of $80 million with a maturity date of May 31, 2017. Additionally, the ABRH Credit Facility provides for a maximum term loan ("Restaurant Group Term Loan") of $85 million with quarterly installment repayments through December 25, 2016 and a maturity date of May 31, 2017 for the outstanding unpaid principal balance and all accrued and unpaid interest. On May 31, 2012, ABRH borrowed the entire $85 million under such term loan. Pricing for the ABRH Credit Facility is based on an applicable margin between 300 basis points to 375 basis points over LIBOR. The Old ABRH Credit Facility has been terminated and replaced by the ABRH Credit Facility. The $53 million balance on the old ABRH Credit Facility was paid during the year ended December 31, 2014.

On August 2, 2011, we completed an offering of $300 million in aggregate principal amount of 4.25% convertible senior notes due August 2018 (the "Notes") in an offering conducted in accordance with Rule 144A under the Securities Act of 1933, as amended. The Notes contain customary event-of-default provisions which, subject to certain notice and cure-period conditions, can result in the acceleration of the principal amount of, and accrued interest on, all outstanding Notes if we breach the terms of the Notes or the indenture pursuant to which the Notes were issued. The Notes are unsecured and unsubordinated obligations and (i) rank senior in right of payment to any of our existing or future unsecured indebtedness that is expressly subordinated in right of payment to the Notes; (ii) rank equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; (iii) are effectively subordinated in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) are structurally subordinated to all existing and future indebtedness and liabilities of our subsidiaries. Interest is payable on the principal amount of the Notes, semi-annually in arrears in cash on February 15 and August 15 of each year, commencing February 15, 2012. The Notes mature on August 15, 2018, unless earlier purchased by us or converted. The Notes were issued for cash at 100% of their principal amount. However, for financial reporting purposes, the notes were deemed to have been issued at 92.818% of par value, and as such we recorded a discount of $22 million to be amortized to August 2018, when the Notes mature. The Notes will be convertible into cash, shares of common stock, or a combination of cash and shares of common stock, at our election, based on an initial conversion rate, subject to adjustment, of 46.387 shares per $1,000 principal amount of the Notes (which represents an initial conversion price of approximately $ 21.56 per share), only in the following circumstances and to the following extent: (i) during any calendar quarter commencing after December 31, 2011, if, for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter, the last reported sale price per share of our common stock on such trading day is greater than or equal to 130% of the applicable conversion price on such trading day; (ii) during the five consecutive business day period immediately following any ten consecutive trading day period (the “measurement period”) in which, for each trading day of the measurement period, the trading price per $1,000 principal amount of notes was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the applicable conversion rate on such trading day; (iii) upon the occurrence of specified corporate transactions; or (iv) at any time on and after May 15, 2018. However, in all cases, the Notes will cease to be convertible at the close of business on the second scheduled trading day immediately preceding the maturity date. It is our intent and policy to settle conversions through “net-share settlement”. Generally, under “net-share settlement,” the conversion value is settled in cash, up to the principal amount being converted, and the conversion value in excess of the principal amount is settled in shares of our common stock. As of October 1, 2013, these notes were convertible under the 130% Sale Price Condition described above. On March 28, 2014, $ 42 thousand in principal of these bonds were converted at the election of the bondholder. These bonds had a fair value of $ 65 thousand. The conversion was completed in the second quarter of 2014.

On May 5, 2010, we completed an offering of $ 300 million in aggregate principal amount of our 6.60% notes due May 2017 (the "6.60% Notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The 6.60% Notes were priced at 99.897% of par to yield 6.61% annual interest. We received net proceeds of $ 297 million , after expenses, which were used to repay outstanding borrowings under our credit agreement. Interest is payable semi-annually. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of FNF in an aggregate amount exceeding $ 100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

Gross principal maturities of notes payable at December 31, 2014 are as follows (in millions):

| | | |
|---|---|---|
| 2015 | $ | 117 |
| 2016 | | 176 |
| 2017 | | 530 |
| 2018 | | 531 |
| 2019 | | 464 |
| Thereafter | | 1,005 |
| | $ | 2,823 |

**Note K. Income Taxes**

Income tax expense on continuing operations consists of the following:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | | (In millions) | |
| Current | $ 113 | $ 128 | $ 216 |
| Deferred | 199 | 67 | 26 |
| | $ 312 | $ 195 | $ 242 |

Total income tax expense (benefit) was allocated as follows (in millions):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| Net earnings from continuing operations | $ 312 | $ 195 | $ 242 |
| Tax expense (benefit) attributable to net earnings from discontinued operations | (1) | 4 | 6 |
| Other comprehensive earnings (loss): | | | |
| Unrealized gains (loss) on investments and other financial instruments | (6) | (30) | 39 |
| Unrealized gain (loss) on foreign currency translation and cash flow hedging | (3) | (2) | 1 |
| Reclassification adjustment for change in unrealized gains and losses included in net earnings | — | 3 | (8) |
| Minimum pension liability adjustment | (6) | 13 | 4 |
| Total income tax expense (benefit) allocated to other comprehensive earnings | (15) | (16) | 36 |
| Additional paid-in capital, stock-based compensation | (16) | (17) | (31) |
| Total income taxes | $ 280 | $ 166 | $ 253 |

A reconciliation of the federal statutory rate to our effective tax rate is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| Federal statutory rate | 35.0 % | 35.0 % | 35.0 % |
| State income taxes, net of federal benefit | 3.5 | 2.9 | 2.0 |
| Deductible dividends paid to FNF 401(k) plan | (0.4) | (0.2) | (0.1) |
| Tax exempt interest income | (2.0) | (1.4) | (1.3) |
| Release of valuation allowance | — | — | (0.2) |
| Nontaxable investment gains | — | — | (2.0) |
| Tax Credits | (2.5) | (1.4) | (0.5) |
| Consolidated Partnerships | 5.8 | (0.4) | (0.2) |
| Non-deductible expenses and other, net | (2.9) | (1.0) | 0.7 |
| Effective tax rate excluding equity investments | 36.5 % | 33.5 % | 33.4 % |
| Equity Investments | 43.2 | (1.8) | (1.0) |
| Effective tax rate | 79.7 % | 31.7 % | 32.4 % |

The significant components of deferred tax assets and liabilities at December 31, 2014 and 2013 consist of the following:

| | December 31, 2014 | December 31, 2013 |
|---|---|---|
| | (In millions) | |
| Deferred Tax Assets: | | |
| Employee benefit accruals | $ 35 | $ 46 |
| Other investments | — | 80 |
| Net operating loss carryforwards | 29 | 89 |
| Insurance reserve discounting | 17 | 11 |
| Accrued liabilities | 11 | 30 |
| Pension plan | 7 | — |
| Tax credits | 44 | 62 |
| State income taxes | 7 | 9 |
| Other | — | — |
| Total gross deferred tax asset | 150 | 327 |
| Less: valuation allowance | 11 | 26 |
| Total deferred tax asset | $ 139 | $ 301 |
| Deferred Tax Liabilities: | | |
| Title plant | $ (83) | $ (83) |
| Amortization of goodwill and intangible assets | (108) | (273) |
| Other investments | (83) | — |
| Other | (29) | (14) |
| Investment securities | (53) | (53) |
| Depreciation | (5) | (14) |
| Partnerships | (474) | (1) |
| Allowance for uncollectible accounts received | (7) | (6) |
| Pension Plan | — | (1) |
| Total deferred tax liability | $ (842) | $ (445) |
| Net deferred tax liability | $ (703) | $ (144) |

Our net deferred tax liability was $703 million and $144 million at December 31, 2014 , and 2013 , respectively. The significant changes in the deferred taxes are as follows: The deferred tax asset related to Other Investments decreased by $163 million due to a book gain recorded on our investment in Ceridian. The deferred tax liability relating to partnerships increased by $473 million primarily due to purchase accounting for the LPS acquisition. The deferred tax asset on our pension plan increased by $8 million due to minimum pension liability adjustments through our comprehensive earnings. Total net deferred tax liabilities decreased by $31 million due to the deconsolidation of Remy. The deferred tax liability on amortization decreased by $165 million . The decrease was primarily due to the deconsolidation of Remy which resulted in a decrease of $115 million and the transfer of certain intangibles to ServiceLink, an entity which is taxed as a partnership and resulted in a decrease of $40 million . The deferred tax asset relating to net operating loss carryovers was reduced by $60 million . The reduction was primarily due to the deconsolidation of Remy which resulted in a decrease of $56 million .

As of December 31, 2014 and 2013 we had a valuation allowance of $ 11 million and $ 26 million, respectively. The decrease was primarily due to the deconsolidation of Remy which had a valuation allowance of $12 million and foreign tax credit utilization of $3 million .

At December 31, 2014 , we have net operating losses on a pretax basis of $ 75 million available to carryforward and offset future federal taxable income. The net operating losses are US federal net operating losses arising from LandAmerica, Digital Insurance, NextAce, and LPS acquisitions made since 2008 and are subject to an annual Internal Revenue Code Section 382 limitation. These losses will begin to expire in year 2025 and we fully anticipate utilizing these losses prior to expiration and thus, no valuation allowance has been established. Digital Insurance has a deferred tax asset for state net operating losses; however, it is largely offset by a $1 million valuation allowance.

At December 31, 2014 and 2013, we had $ 44 million and $ 62 million of tax credits, respectively. Total credits decreased by $ 18 million primarily due to the deconsolidation of Remy ($ 16 million). Remaining credits consist of general business credits from the O'Charley's and J. Alexander's acquisitions in 2012. We anticipate that these credits will be utilized prior to expiration after a valuation allowance of $ 10 million on the general business credits.

Tax benefits of $ 16 million , $ 17 million , and $ 31 million associated with the exercise of employee stock options and the vesting of restricted stock grants were allocated to equity for the years ended December 31, 2014 , 2013, and 2012, respectively.

Prior to the distribution of Remy common stock on December 31, 2014, income taxes were not presented for the difference between the tax basis and the financial statement carrying amount for our investment in Remy because the reported amount of the investment could be recovered tax-free.

As of December 31, 2014 and 2013 , we had approximately $5 million (including interest of less than $1 million ) and $ 15 million (including interest of $ 3 million ), respectively, of total gross unrecognized tax benefits that, if recognized, would favorably affect our income tax rate. The decrease of $ 10 million is due to the deconsolidation of Remy in 2014. These amounts are reported on a gross basis and do not reflect a federal tax benefit on state income taxes. We record interest and penalties related to income taxes as a component of income tax expense.

The Internal Revenue Service ("IRS") has selected us to participate in the Compliance Assurance Program that is a real-time audit. We are currently under audit by the Internal Revenue Service for the 2013, 2014 and 2015 tax years. We file income tax returns in various foreign and US state jurisdictions.

**Note L. Summary of Reserve for Claim Losses**

A summary of the reserve for claim losses follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | | (Dollars in millions) | |
| Beginning balance | $ 1,636 | $ 1,748 | $ 1,913 |
| Reserve assumed, net (1) | 52 | — | — |
| Reinsurance recoverable | 7 | — | — |
| Claim loss provision related to: | | | |
| Current year | 202 | 220 | 210 |
| Prior years | 26 | 71 | 58 |
| Total title claim loss provision (2) | 228 | 291 | 268 |
| Claims paid, net of recoupments related to: | | | |
| Current year | (5) | (9) | (4) |
| Prior years | (297) | (394) | (429) |
| Total title claims paid, net of recoupments | (302) | (403) | (433) |
| Ending balance of claim loss reserve for title insurance | $ 1,621 | $ 1,636 | $ 1,748 |
| Provision for title insurance claim losses as a percentage of title insurance premiums | 6.2% | 7.0% | 7.0% |

(1) Reserves of $ 54 million were acquired in the acquisition of LPS on January 2, 2014, and a reserve of $ 2 million was released due to the sale of a small title operation in 2014.

(2) Included in the provision for title claim losses in the 2012 period is a $ 11 million impairment recorded on an asset previously recouped as part of a claim settlement.

We continually update loss reserve estimates as new information becomes known, new loss patterns emerge, or as other contributing factors are considered and incorporated into the analysis of reserve for claim losses. 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. Due to the uncertainty inherent in the process and to the judgment used by management, the ultimate liability may be greater or less than our current reserves. As a result of continued volatility experienced in claim development on policy years 2005 - 2008, we believe there is an increased level of uncertainty attributable to these policy years. I f actual claims loss development is worse than currently expected and is not offset by other positive factors, it is reasonably possible that we may record additional reserve strengthening in future periods.

## Note M. Commitments and Contingencies

*Legal and Regulatory Contingencies*

In the ordinary course of business, we are involved in various pending and threatened litigation matters related to our title operations, some of which include claims for punitive or exemplary damages. This customary litigation includes but is not limited to a wide variety of cases arising out of or related to title and escrow claims, for which we make provisions through our loss reserves. Additionally, like other insurance companies, our ordinary course litigation includes a number of class action and purported class action lawsuits, which make allegations related to aspects of our insurance operations. We believe that no actions, other than the matters discussed below, depart from customary litigation incidental to our insurance business.

Our Restaurant Group companies are a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to injury or wrongful death under “dram shop” laws that allow a person to sue us based on any injury caused by an intoxicated person who was wrongfully served alcoholic beverages at one of the restaurants, individual and purported class action claims alleging violation of federal and state wage and hour and other employment laws, and claims from guests or employees alleging illness, injury or other food quality, health or operational concerns. These companies are also subject to compliance with extensive government laws and regulations related to employment practices and policies and the manufacture, preparation, and sale of food and alcohol.

We review lawsuits and other legal and regulatory matters (collectively “legal proceedings”) on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings where it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts and which represents our best estimate has been recorded. Our accrual for legal and regulatory matters was $ 95 million as of December 31, 2014 and $ 9 million as of December 31, 2013. Of this accrual, $ 84 million relates to historical LPS matters. As discussed elsewhere, LPS was acquired on January 2, 2014. None of the amounts we have currently recorded are considered to be individually or in the aggregate material to our financial condition. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending cases is generally not yet determinable. While some of these matters could be material to our operating results or cash flows for any particular period if an unfavorable outcome results, at present we do not believe that the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our financial condition.

Following a review by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and the Office of Thrift Supervision (collectively, the “banking agencies”), LPS entered into a consent order (the “Order”) dated April 13, 2011 with the banking agencies. The banking agencies' review of LPS' services included the services provided by its default operations to mortgage servicers regulated by the banking agencies, including document execution services. The Order does not make any findings of fact or conclusions of wrongdoing, nor does LPS admit any fault or liability. Under the Order, LPS agreed to further study the issues identified in the review and to enhance its compliance, internal audit, risk management and board oversight plans with respect to those businesses. LPS also agreed to engage an independent third party to conduct a risk assessment and review of its default management businesses and the document execution services we provided to servicers from January 1, 2008 through December 31, 2010.

The document execution review by the independent third party has been on indefinite hold since June 30, 2013 while the Banking Agencies consider what, if any, additional review work they would like the independent third party to undertake. Accordingly, the document execution review has taken, and is likely to continue to take longer to complete than previously anticipated. In addition, the LPS default operations that were subject to the Consent Order were contributed to ServiceLink in connection with the Internal Reorganization. To the extent such third party review, once completed, requires additional remediation of mortgage documents, ServiceLink has agreed to implement an appropriate plan to address the issues. The Consent Order contains various deadlines to accomplish the undertakings set forth therein, including the preparation of a remediation plan following the completion of the document execution review. We or the LPS default operations contributed to ServiceLink will continue to make periodic reports to the Banking Agencies on the progress with respect to each of the undertakings in the Consent Order. The Consent Order does not include any fine or other monetary penalty, although the Banking Agencies have not yet concluded their assessment of whether any civil monetary penalties should be imposed. ServiceLink has accrued for estimated losses expected to be paid for this matter in our legal and regulatory accrual.

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations.

From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

*Escrow Balances*

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 accompanying Consolidated Balance Sheets. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to $ 12.7 billion at December 31, 2014 . 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, 2014 and 2013 related to these arrangements.

*Operating Leases*

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

| | |
|---|---|
| 2015 | $ 193 |
| 2016 | 232 |
| 2017 | 135 |
| 2018 | 107 |
| 2019 | 80 |
| Thereafter | 268 |
| Total future minimum operating lease payments | $ 1,015 |

Rent expense incurred under operating leases during the years ended December 31, 2014 , 2013 and 2012 was $ 130 million, $ 194 million, and $ 159 million, respectively. Rent expense in 2014 , 2013 , and 2012 includes abandoned lease charges related to office closures of $ 4 million, $ 1 million, and $ 2 million, respectively.

On June 29, 2004 we entered into an off-balance sheet financing arrangement (commonly referred to as a "synthetic lease"). The owner/lessor in this arrangement acquired land and various real property improvements associated with new construction of an office building in Jacksonville, Florida, that are part of FNF's corporate campus and headquarters. The lessor financed the acquisition of the facilities through funding provided by third-party financial institutions. On June 27, 2011, we renewed and amended the synthetic lease for the facilities. The amended lease provides for a five year term ending June 27, 2016 and had an outstanding balance as of December 31, 2014 of $71 million . The amended lease includes guarantees by us of up to 83.0% of the outstanding lease balance, and options to purchase the facilities at the outstanding lease balance. The guarantee becomes effective if we decline to purchase the facilities at the end of the lease and also decline to renew the lease. The lessor is a third-party company and we have no affiliation or relationship with the lessor or any of its employees, directors or affiliates, and transactions with the lessor are limited to the operating lease agreements and the associated rent expense that have been included in Other operating expenses in the Consolidated Statements of Earnings. We do not believe the lessor is a variable interest entity, as defined in the FASB standard on consolidation of variable interest entities.

*Unconditional Purchase Obligations*

The Restaurant Group has unconditional purchase obligations with various vendors. These purchase obligations are primarily food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. We used both historical and projected volume and pricing as of December 31, 2014 to determine the amount of the obligations. BKFS has data processing and maintenance commitments with various vendors. We used current outstanding contracts with the vendors to determine the amount of the obligations.

Purchase obligations as of December 31, 2014 are as follows (in millions):

| | |
|---|---|
| 2015 | $ 216 |
| 2016 | 49 |
| 2017 | 22 |
| 2018 | 12 |
| 2019 | 5 |
| Thereafter | 5 |
| Total purchase commitments | $ 309 |

**Note N. Regulation and Equity**

Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, 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 enter into transactions with affiliates. 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. The process of state regulation of changes in rates ranges from states which set rates, to states where individual companies or associations of companies prepare rate filings which are submitted for approval, to a few states in which rate changes do not need to be filed for approval.

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

Pursuant to statutory accounting requirements of the various states in which our insurers are domiciled, these insurers 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, 2014 , the combined statutory unearned premium reserve required and reported for our title insurers was $ 1,736 million. In addition to statutory unearned premium reserves, each of our insurers maintains reserves for known claims and surplus funds for policyholder protection and business operations.

Each of our insurance subsidiaries is regulated by the insurance regulatory authority in its respective state of domicile, as well as that of each state in which it is licensed. The insurance commissioners of their respective states of domicile are the primary regulators of our title insurance subsidiaries. Each of the insurers is subject to periodic regulatory financial examination by regulatory authorities.

Our 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, 2014 , $ 2,108 million of our net assets are restricted from dividend payments without prior approval from the Departments of Insurance. During 2015 , our title insurers can pay or make distributions to us of approximately $ 236 million, without prior approval.

The combined statutory capital and surplus of our title insurers was approximately $ 1,472 million and $ 1,409 million as of December 31, 2014 and 2013 , respectively. The combined statutory net earnings (losses) of our title insurance subsidiaries were $ 276 million, $ 352 million, and $ 281 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively.

Statutory-basis financial statements are prepared in accordance with accounting practices prescribed or permitted by the various state insurance regulatory authorities. The National Association of Insurance Commissioners' ("NAIC" ) *Accounting Practices and Procedures* manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by each of the states that regulate us. Each of our states of domicile for our title insurance underwriter subsidiaries have adopted a material prescribed accounting practice that differs from that found in NAIC SAP. Specifically, in both years the timing of amounts released from the statutory unearned premium reserve under NAIC SAP differs from the states' required practice. Statutory surplus at December 31, 2014 and 2013 , respectively, was lower by approximately $ 212 million and $ 205 million than if we had reported such amounts in accordance with NAIC SAP.

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

Pursuant to statutory requirements of the various states in which our insurers are domiciled, such insurers must maintain certain levels of minimum capital and surplus. Required levels of minimum capital and surplus are not significant to the insurers individually or in the aggregate. Each of our insurers has complied with the minimum statutory requirements as of December 31, 2014 .

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 requirements for each underwritten title company is less than $ 1 million . These companies were in compliance with their respective minimum net worth requirements at December 31, 2014 .

There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders although there are limits on the ability of certain subsidiaries to pay dividends to us, as described above.

On February 23, 2015, we announced a tender offer to purchase up to $185 million of shares of our FNFV Group Common stock at a purchase price of no greater than $15.40 per share, nor less than $14.30 per share in cash. We are conducting this Offer through a procedure commonly called a "modified Dutch auction." This procedure allows shareholders to select the price within a price range specified by us at which the shareholders are willing to sell their shares. The offer is set to expire at 12:00 Midnight, New York City time, at the end of Friday, March 20, 2015, unless we extend the offer.

On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2014 , we repurchased a total of 116,100 shares for $2 million , or an average of $14.00 per share under this program. Subsequent to year-end we repurchased a total of 423,350 shares for $5 million , or an average of $12.34 per share under this program through market close on February 27, 2015. Since the original commencement of the plan adopted November 6, 2014, we have repurchased a total of 539,450 shares for $7 million , or an average of $12.70 per share, and there are 9,460,550 shares available to be repurchased under this program.

On June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. We issued 277,462,875 shares of FNF Group common stock and 91,711,237 shares of FNFV Group common stock. See Note A for further discussion on the recapitalization of FNF common stock.

On January 2, 2014 we completed the LPS Acquisition, 25,920,078 shares of Old FNF common stock were issued as consideration for the LPS Acquisition to the former shareholders of LPS.

On October 24, 2013, we offered 17,250,000 shares of our common stock at an offering price of $ 26.75 per share, pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. We granted the underwriters a 30-day option to purchase 2,587,500 additional shares at the offering price, which was exercised in full. A total of 19,837,500 shares were issued on October 30, 2013, for net proceeds of approximately $511 million. The net proceeds from this offering were used to pay a portion of the cash consideration for the LPS Acquisition on January 2, 2014.

On July 21, 2012, our Board of Directors approved a three-year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our common stock through July 31, 2015. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2014 we did not purchased any total shares under this program. Subsequent to year-end we did not repurchase any shares through market close on February 27, 2015. Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 2,080,000 shares for $ 50 million, or an average of $ 23.90 per share, and there are 12,920,000 shares available to be repurchased under this program.

On July 21, 2009, the Board of Directors approved a three-year stock repurchase program under which we could repurchase up to 15 million shares of our common stock through July 31, 2012. On January 27, 2011, our Board of Directors approved an additional 5 million shares that could have been repurchased under the program. This program expired July 31, 2012, and we repurchased a total of 16,528,512 shares for $ 243 million, or an average of $ 14.73 per share under this program.

## Note O. Employee Benefit Plans

### *Stock Purchase Plan*

During the three-year period ended December 31, 2014 , our eligible employees could voluntarily participate in employee stock purchase plans ("ESPPs") sponsored by us and our subsidiaries. Pursuant to the ESPPs, employees may contribute an amount between 3% and 15% of their base salary and certain commissions. We contribute varying amounts as specified in the ESPPs.

We contributed $ 18 million, $ 17 million, and $ 14 million to the ESPPs in the years ended December 31, 2014 , 2013 , and 2012 , respectively, in accordance with the employer's matching contribution.

***401(k) Profit Sharing Plan***

During the three-year period ended December 31, 2014 , we have offered our employees the opportunity to participate in our 401(k) profit sharing plans (the "401(k) Plan"), qualified voluntary contributory savings plans which are available to substantially all of our employees. Eligible employees may contribute up to 40 % of their pretax annual compensation, up to the amount allowed pursuant to the Internal Revenue Code. Beginning in 2012, we initiated an employer match on the 401(k) Plan whereby we matched $0.25 on each $1.00 contributed up to the first 6 % of eligible earnings contributed to the 401(k) Plan. Effective April 1, 2013, we increased the employer match from $0.25 to $0.375 on each $1.00 contributed up to the first 6 % of eligible earnings contributed to the 401 (k) Plan. On June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Participants in the FNF 401(k) Plan received one share of FNF Group Common Stock and 0.3333 of a share of FNFV Group Common Stock for each share of Old FNF common stock that they held at the close of business on June 30, 2014. The employer match for the years ended December 31, 2014 , 2013 and 2012 was $ 25 million , $17 million and $ 11 million, respectively, that was credited to the FNF Stock Fund in the FNF 401(k) Plan, through July 1, 2014. Subsequent to July 1, 2014, the employer match will be credited based on the participants individual investment elections.

***Stock Option Plans***

In 2005, we established the FNT 2005 Omnibus Incentive Plan (the "Omnibus Plan") authorizing the issuance of up to 8 million shares of common stock, subject to the terms of the Omnibus Plan. On October 23, 2006, the shareholders of FNF approved an amendment to increase the number of shares available for issuance under the Omnibus Plan by 16 million shares. The increase was in part to provide capacity for options and restricted stock to be issued to replace Old FNF options and restricted stock. On May 29, 2008, May 25, 2011 and May 22, 2013, the shareholders of FNF approved an amendment to increase the number of shares for issuance under the Omnibus Plan by 11 million shares and 6 million shares and 6 million shares, respectively. The primary purpose of the increase was to assure that we had adequate means to provide equity incentive compensation to our employees on a going-forward basis. The Omnibus Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units and performance shares, performance units, other cash and stock-based awards and dividend equivalents. As of December 31, 2014 , there were 1,770,781 shares of restricted stock and 9,393,211 stock options outstanding under this plan. Awards granted are approved by the Compensation Committee of the Board of Directors. Options vest over a 3 year period, and the exercise price for options granted equals the market price of the underlying stock on the grant date. Stock option grants vest according to certain time based and operating performance criteria.

On June 30, 2014, we completed the recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Each share of the previously outstanding FNF Class A common stock ("Old FNF common stock") was converted into one share of FNF Group common stock, which now trades on the New York Stock Exchange under the current trading symbol "FNF," and 0.3333 of a share of FNFV Group common stock. All participants in the stock option and restricted stock plans at the time of the recapitalization were granted a one-time grant of additional FNF Group options and restricted shares. The grant was made in order for each participant to maintain their current intrinsic value in the plan. This one-time grant did not result in any additional compensation for the employees participating in the plan. Awards granted are determined and approved by the Compensation Committee of the Board of Directors.

FNF Group stock option transactions under the Omnibus Plan for 2012 , 2013 , and 2014 are as follows:

| | Options | Weighted Average Exercise Price | Exercisable |
|---|---|---|---|
| Balance, December 31, 2011 | 20,632,021 | $ 13.79 | 18,704,618 |
| Granted | 769,693 | 22.59 | |
| Exercised | (12,358,474) | 12.49 | |
| Canceled | (76,166) | 22.69 | |
| Balance, December 31, 2012 | 8,967,074 | $ 16.27 | 8,147,381 |
| Granted | 3,712,416 | 27.90 | |
| Exercised | (3,267,937) | 18.28 | |
| Canceled | (52,813) | 22.59 | |
| Balance, December 31, 2013 | 9,358,740 | $ 20.15 | 5,180,504 |
| Granted | 1,112,133 | 29.80 | |
| Options granted for FNFV recapitalization | 1,346,302 | 17.86 | |
| Exercised | (2,418,713) | 15.80 | |
| Canceled | (5,251) | 23.85 | |
| Balance, December 31, 2014 | 9,393,211 | $ 19.43 | 5,173,802 |

FNF Group restricted stock transactions under the Omnibus Plan in 2012 , 2013 , and 2014 are as follows:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Balance, December 31, 2011 | 3,012,656 | $ 14.78 |
| Granted | 1,332,222 | 22.59 |
| Canceled | (17,840) | 14.78 |
| Vested | (1,402,300) | 14.55 |
| Balance, December 31, 2012 | 2,924,738 | $ 18.46 |
| Granted | 650,728 | 27.90 |
| Canceled | (8,116) | 17.44 |
| Vested | (1,654,278) | 17.30 |
| Balance, December 31, 2013 | 1,913,072 | $ 22.68 |
| Granted | 785,705 | 29.80 |
| Restricted shares granted for FNFV recapitalization | 363,392 | 28.46 |
| Canceled | (4,656) | 21.29 |
| Vested | (1,286,732) | 17.33 |
| Balance, December 31, 2014 | 1,770,781 | $ 25.08 |

FNFV restricted stock transactions under the Omnibus Plan in 2014 are as follows:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Balance, December 31, 2013 | — | $ — |
| Granted | 1,233,333 | 14.69 |
| Canceled | — | — |
| Vested | — | — |
| Balance, December 31, 2014 | 1,233,333 | $ 14.69 |

The following table summarizes information related to stock options outstanding and exercisable as of December 31, 2014 :

| | Options Outstanding | | | | Options Exercisable | | | |
|---|---|---|---|---|---|---|---|---|
| Range of Exercise Prices | Number of Options | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Intrinsic Value | Number of Options | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Intrinsic Value |
| | | | | (In millions) | | | | (In millions) |
| $0.00 — $6.16 | 1,315,499 | 1.83 | $ 6.16 | $ 37 | 1,315,499 | 1.83 | $ 6.16 | $ 37 |
| $6.17 — $11.85 | 1,370,947 | 0.85 | 11.85 | 31 | 1,370,947 | 0.85 | 11.85 | 31 |
| $11.86 — $12.22 | 539,131 | 1.90 | 12.22 | 12 | 539,131 | 1.90 | 12.22 | 12 |
| $12.23 — $15.76 | 38,133 | 1.86 | 15.21 | 1 | 38,133 | 1.86 | 15.21 | 1 |
| $15.77 — $19.62 | 796,722 | 4.73 | 19.57 | 12 | 534,395 | 4.67 | 19.54 | 8 |
| $19.63 — $24.24 | 4,220,646 | 5.89 | 24.24 | 43 | 1,375,697 | 5.89 | 24.24 | 14 |
| $24.25 — $29.80 | 1,112,133 | 6.85 | 29.80 | 5 | — | — | — | — |
| | 9,393,211 | | | $ 141 | 5,173,802 | | | $ 103 |

We account for stock-based compensation plans in accordance with GAAP on share-based payments, which requires that compensation cost relating to share-based payments be recognized in the consolidated financial statements based on the fair value of each award. Using 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. Net earnings attributable to FNF Shareholders reflects stock-based compensation expense amounts of $ 51 million for the year ended December 31, 2014 and $ 35 million for the year ended December 31, 2013 , and $27 million for the year ended December 31, 2012 , which are included in personnel costs in the reported financial results of each period.

The risk free interest rates used in the calculation of compensation cost on stock options are the rates that correspond to the weighted average expected life of an option. The volatility was estimated based on the historical volatility of FNF's stock price over a term equal to the weighted average expected life of the options. For options granted in the years ended December 31, 2014 , 2013 , and 2012 , we used risk free interest rates of 1.5% , 1.1% , and 0.6% , respectively; volatility factors for the expected market price of the common stock of 24% , 26% , and 50% , respectively; expected dividend yields of 2.6% , 2.6% , and 2.8% , respectively; and weighted average expected lives of 4.6 years, 4.4 years, and 4.6 years, respectively. The weighted average fair value of each option granted in the years ended December 31, 2014 , 2013 , and 2012 , were $ 4.81 , $ 4.67 , and $ 7.58 , respectively.

At December 31, 2014 , the total unrecognized compensation cost related to non-vested stock option grants and restricted stock grants is $ 75 million , which is expected to be recognized in pre-tax income over a weighted average period of 1.68 years.

***Profits Interests Plan***

During the year ended December 31, 2014, there were 11 million profits interests outstanding in each of BKFS and ServiceLink, which were issued to certain members of management, directors, and certain employees, which vest over 3 years, with 50 % vesting after the second year and 50 % vesting after the third year. The terms of the profits interest grants provide for the grantees to participate in any incremental value of BKFS and ServiceLink in excess of its fair value at the date of grant in proportion to the Class A member unit holders participation in the same. The fair values of BKFS and ServiceLink at the date of grant is otherwise known as the hurdle amount. Profits interests granted are determined and approved by the Compensation Committee of the Board of Directors. Once vested, Class B units are not subject to expiration. The Class B units may be settled under various scenarios. According to the terms of the Profits Interest Plan (or the “Plan”) and depending on the scenario, the Class B units may be settled in shares of FNF Group common stock or cash at our election.

The profits interest holders have an option to put their profits interests to us if no public offering of the corresponding businesses has been consummated after four years from the date of grant. The units may be settled in cash or FNF Group common stock or a combination of both at our election and will be settled at the current fair value at the time we receive notice of the put election. The fair value will be determined by the parties or by a third party appraisal under the terms of the Plan. As the profits interests provide for redemption features not solely within our control, we classify the redemption value outside of permanent equity in redeemable noncontrolling interests. The redemption value is equal to the difference in the per unit fair value of the underlying member units and the hurdle amount, based upon the proportionate required service period rendered to date.

We account for the profits interests granted to employees and directors in accordance with GAAP on share-based payments, which requires that compensation cost relating to share-based payments made to employees and directors be recognized in the consolidated financial statements based on the fair value of each award. Using 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. We utilized the Black-Scholes model to calculate the fair value of the profits interests’ awards on the date of grant (“Calculation”).

The hurdle rate as of the date of grant was used to determine the per unit strike price for the Calculation. The risk free interest rates used in the calculation of the fair value of profits interests are the rates that correspond to the weighted average expected life of the profits interests. The volatility was estimated based on the historical volatility of BKFS and ServiceLink peers and of the historical LPS stock price over a term equal to the weighted average expected life of the profits interests. We used a weighted average risk free interest rate of 1.06% , a volatility factor for the expected market price of the member units of 33.3% and a weighted average expected life of 3.5 years with a discount of 22.0 % for lack of marketability, resulting in a weighted average fair value of $ 2.04 per profits interests unit granted. The total redemption value of the outstanding profits interests as of December 31, 2014 was $ 88 million.

Profits interest expense is included in Personnel costs in the Consolidated Statements of Earnings and Non-controlling interest in the Consolidated Statements of Equity. Net earnings from continuing operations reflect profits interest expense of $ 14 million for the year ended December 31, 2014. The redemption value of the profits interests granted is reclassified from Non-controlling interest to Redeemable non-controlling interest and was $ 28 million at December 31, 2014.

As of December 31, 2014, the total unrecognized compensation cost related to non-vested profits interests grants is $ 30 million which is expected to be recognized in pre-tax income over a weighted average period of 2.08 years.

***Pension Plans***

In 2000, FNF merged with Chicago Title Corporation ("Chicago Title"). In connection with the merger, we assumed Chicago Title’s noncontributory defined contribution plan and noncontributory defined benefit pension plan (the “Pension Plan”). The Pension Plan covers certain Chicago Title employees. The 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 accumulated benefit obligation is the same as the projected benefit obligation due to the pension plan being frozen as of December 31, 2000. Pursuant to GAAP on employers’ accounting for defined benefit pension and other post retirement plans, the measurement date is December 31.

The net pension asset (liability) included in Prepaid expenses and other assets and Accounts payable and other accrued liabilities as of December 31, 2014 , and 2013 was $ 14 million and $ (6) million, respectively. The discount rate used to determine the benefit obligation as of the years ended December 31, 2014 and 2013 was 3.37% and 4.12% , respectively. As of the years ended December 31, 2014 and 2013 the projected benefit obligation was $ 185 million and $ 167 million, respectively, and the fair value of plan assets was $ 171 million and $ 173 million, respectively. The net periodic expense included in the results of operations relating to these plans was $6 million, $9 million, and $10 million for the years ended December 31, 2014 , 2013 , and 2012 , respectively.

***Postretirement and Other Nonqualified Employee Benefit Plans***

We assumed certain health care and life insurance benefits for retired Chicago Title employees in connection with the FNF merger with Chicago Title. Beginning on January 1, 2001, these benefits were offered to all employees who met specific eligibility requirements. Additionally, in connection with the acquisition of LandAmerica Financial Group's two principal title insurance underwriters, Commonwealth Land Title Insurance Company and Lawyers Title Insurance Corporation , as well as United Capital

Title Insurance Company (collectively, the "LFG Underwriters"), we assumed certain of the LFG Underwriters nonqualified benefit plans, which provide various postretirement benefits to certain executives and retirees. The costs of these benefit plans are accrued during the periods the employees render service. We are both self-insured and fully insured for 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 primarily contributory, with coverage amounts declining with increases in a retiree’s age. The aggregate benefit obligation for these plans was $ 20 million at December 31, 2014 and 2013 . The net costs relating to these plans were immaterial for the years ended December 31, 2014 , 2013 , and 2012 .

**Note P. 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, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | | (In millions) | |
| Cash paid during the year: | | | |
| Interest | $ 140 | $ 87 | $ 65 |
| Income taxes | 75 | 242 | 109 |
| Non-cash investing and financing activities: | | | |
| Liabilities assumed in connection with acquisitions: | | | |
| Fair value of net assets acquired | $ 5,250 | $ 30 | $ 1,116 |
| Less: Total purchase price | 2,363 | 25 | 254 |
| Liabilities assumed | $ 2,887 | $ 5 | $ 862 |

**Note Q. Financial Instruments with Off-Balance Sheet Risk and Concentration of Risk**

*Title*

In the normal course of business we and certain of our subsidiaries enter into off-balance sheet credit arrangements associated with certain aspects of the title insurance business and other activities.

We generate a significant amount of title insurance premiums in California, Texas, New York and Florida. Title insurance premiums as a percentage of the total title insurance premiums written from those four states are detailed as follows:

| | 2014 | 2013 | 2012 |
|---|---|---|---|
| Texas | 15.4% | 14.4% | 12.9% |
| California | 15.0% | 15.2% | 17.2% |
| New York | 7.9% | 7.4% | 7.4% |
| Florida | 7.8% | 7.6% | 6.6% |

BKFS generates a significant amount of revenue from large customers, including one customer that accounted for 13.5% of total revenue and another customer that accounted for 11.8% of total revenue, in the year ended December 31, 2014.

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents, short-term investments, and trade receivables.

We place cash equivalents and short-term investments with high credit quality financial institutions and, by policy, limit 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 our customer base, thus spreading the trade receivables credit risk. We control credit risk through monitoring procedures.

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents and trade receivables.

**Note R. Segment Information**

Summarized financial information concerning our reportable segments is shown in the following tables. During the fourth quarter of 2013, we determined that the Corporate and Other segment would be split in order to differentiate operations and costs related to our FNF Core businesses from those associated with FNFV. As a result, we reorganized our reporting segments to reflect this change. On January 2, 2014, we acquired LPS. As a result we have a new segment, BKFS, which contains the technology, data and analytics operations of the former LPS company. We have combined the acquired transaction services business of LPS with our existing ServiceLink operations which reside in the Title segment. There are several intercompany corporate related arrangements between our various FNF Core businesses. The effects of these arrangements including intercompany notes and related interest and any other non-operational intercompany revenues and expenses have been eliminated in the segment presentations below.

As of and for the year ended December 31, 2014 :

| | Title | BKFS | FNF Core Corporate and Other | **Total FNF Core** | Restaurant Group | FNFV Corporate and Other | **Total FNFV** | **Total** |
|---|---|---|---|---|---|---|---|---|
| | | | | **(In millions)** | | | | |
| Title premiums | $ 3,671 | $ — | $ — | **$ 3,671** | $ — | $ — | **$ —** | **$ 3,671** |
| Other revenues | 1,855 | 852 | (13) | **2,694** | — | 110 | **110** | **2,804** |
| Restaurant revenues | — | — | — | **—** | 1,436 | — | **1,436** | **1,436** |
| Revenues from external customers | 5,526 | 852 | (13) | **6,365** | 1,436 | 110 | **1,546** | **7,911** |
| Interest and investment income (loss), including realized gains and losses | 126 | — | (1) | **125** | (13) | 1 | **(12)** | **113** |
| Total revenues | 5,652 | 852 | (14) | **6,490** | 1,423 | 111 | **1,534** | **8,024** |
| Depreciation and amortization | 145 | 188 | 3 | **336** | 52 | 15 | **67** | **403** |
| Interest expense | — | 31 | 91 | **122** | 8 | (3) | **5** | **127** |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings of unconsolidated affiliates | 542 | (15) | (121) | **406** | 13 | (27) | **(14)** | **392** |
| Income tax expense (benefit) | 196 | (7) | (27) | **162** | 1 | 149 | **150** | **312** |
| Earnings (loss) from continuing operations, before equity in earnings of unconsolidated affiliates | 346 | (8) | (94) | **244** | 12 | (176) | **(164)** | **80** |
| Equity in earnings of unconsolidated affiliates | 4 | — | — | **4** | — | 428 | **428** | **432** |
| Earnings (loss) from continuing operations | $ 350 | $ (8) | $ (94) | **$ 248** | $ 12 | $ 252 | **$ 264** | **$ 512** |
| Assets | $ 8,280 | $ 3,598 | $ 67 | **$ 11,945** | $ 662 | $ 1,261 | **$ 1,923** | **$ 13,868** |
| Goodwill | 2,289 | 2,223 | 3 | **4,515** | 119 | 87 | **206** | **4,721** |

As of and for the year ended December 31, 2013 :

| | Title | FNF Core Corporate and Other | **Total FNF Core** | Restaurant Group | FNFV Corporate and Other (1), (2) | **Total FNFV** | **Total** |
|---|---|---|---|---|---|---|---|
| | | | | **(In millions)** | | | |
| Title premiums | $ 4,152 | $ — | **$ 4,152** | $ — | $ — | **$ —** | **$ 4,152** |
| Other revenues | 1,597 | 53 | **1,650** | — | 87 | **87** | **1,737** |
| Restaurant revenues | — | — | **—** | 1,408 | — | **1,408** | **1,408** |
| Revenues from external customers | 5,749 | 53 | **5,802** | 1,408 | 87 | **1,495** | **7,297** |
| Interest and investment income (loss), including realized gains and losses | 145 | (4) | **141** | (1) | 3 | **2** | **143** |
| Total revenues | 5,894 | 49 | **5,943** | 1,407 | 90 | **1,497** | **7,440** |
| Depreciation and amortization | 65 | 3 | **68** | 53 | 12 | **65** | **133** |
| Interest expense | — | 68 | **68** | 8 | (3) | **5** | **73** |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates | 808 | (152) | **656** | 12 | (52) | **(40)** | **616** |
| Income tax expense (benefit) | 297 | (60) | **237** | (4) | (38) | **(42)** | **195** |
| Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates | 511 | (92) | **419** | 16 | (14) | **2** | **421** |
| Equity in earnings (loss) of unconsolidated affiliates | 5 | (1) | **4** | — | (30) | **(30)** | **(26)** |
| Earnings (loss) from continuing operations | $ 516 | $ (93) | **$ 423** | $ 16 | $ (44) | **$ (28)** | **$ 395** |
| Assets | $ 6,762 | $ 1,150 | **$ 7,912** | $ 670 | $ 1,946 | **$ 2,616** | **$ 10,528** |
| Goodwill | 1,435 | 4 | **1,439** | 119 | 343 | **462** | **1,901** |

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(1) Assets in 2013 includes $ 1,255 million for Remy, which is now presented as discontinued operations.
(2) Goodwill in 2013 includes $ 248 million or Remy, which is now presented as discontinued operations.

As of and for the year ended December 31, 2012 :

| | Title | FNF Core Corporate and Other | **Total FNF Core** | Restaurant Group | FNFV Corporate and Other (1), (2) | **Total FNFV** | **Total** |
|---|---|---|---|---|---|---|---|
| | | | | (In millions) | | | |
| Title premiums | $ 3,833 | $ — | **$ 3,833** | $ — | $ — | **$ —** | **$ 3,833** |
| Other revenues | 1,613 | 48 | **1,661** | — | 15 | **15** | **1,676** |
| Restaurant revenues | — | — | **—** | 908 | — | **908** | **908** |
| Revenues from external customers | 5,446 | 48 | **5,494** | 908 | 15 | **923** | **6,417** |
| Interest and investment income (loss), including realized gains and losses | 140 | (3) | **137** | 119 | (5) | **114** | **251** |
| Total revenues | 5,586 | 45 | **5,631** | 1,027 | 10 | **1,037** | **6,668** |
| Depreciation and amortization | 64 | 4 | **68** | 35 | — | **35** | **103** |
| Interest expense | 1 | 60 | **61** | 3 | — | **3** | **64** |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings of unconsolidated affiliates | 776 | (107) | **669** | 102 | (25) | **77** | **746** |
| Income tax expense (benefit) | 282 | (52) | **230** | 18 | (6) | **12** | **242** |
| Earnings (loss) from continuing operations, before equity in earnings of unconsolidated affiliates | 494 | (55) | **439** | 84 | (19) | **65** | **504** |
| Equity in earnings (loss) of unconsolidated affiliates | 5 | — | **5** | — | 5 | **5** | **10** |
| Earnings (loss) from continuing operations | $ 499 | $ (55) | **$ 444** | $ 84 | $ (14) | **$ 70** | **$ 514** |
| Assets | $ 6,929 | $ 337 | **$ 7,266** | $ 689 | $ 1,948 | **$ 2,637** | **$ 9,903** |
| Goodwill | 1,434 | 3 | **1,437** | 119 | 351 | **470** | **1,907** |

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(1) Assets in 2012 also included $ 1,270 million for Remy, which is now presented as discontinued operations.

(2) Goodwill in 2012 also included $ 246 million or Remy, which is now presented as discontinued operations.

The activities in our segments include the following:

**FNF Core Operations**

*Title*

This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty insurance. This segment also includes the transaction services business acquired from LPS, now combined with our ServiceLink business. Transaction services include other title related services used in production and management of mortgage loans, including mortgage loans that go into default.

*BKFS*

This segment consists of the operations of BKFS. This segment provides core technology and data and analytics services through leading software systems and information solutions that facilitate and automate many of the business processes across the life cycle of a mortgage.

*FNF Core Corporate and Other*

The FNF Core Corporate and Other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

**FNFV**

*Restaurant Group*

The Restaurant Group segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Bakers Square concepts. This segment also includes J. Alexander's, which also includes the Stoney River Steakhouse and Grill concept.

*FNFV Corporate and Other*

The FNFV Corporate and Other segment primarily consists of our share in the operations of certain equity investments, including Ceridian, Digital Insurance and other smaller operations which are not title related.

**Note S. Recent Accounting Pronouncements**

In April 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. This ASU raises the threshold for a disposal to qualify as a discontinued operation and requires new disclosures of both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. This ASU is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning on or after December 15, 2015, with early adoption permitted. We early adopted this ASU in the third quarter of 2014.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU provides a new comprehensive revenue recognition model that requires companies to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This update also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. This update permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting. This update is effective for annual and interim periods beginning on or after December 15, 2016, with early application not permitted.

In November 2014, the FASB issued ASU No. 2014-17, Business Combinations (Topic 805). This ASU provides an acquired entity with an option to apply pushdown accounting in its separate financial statements upon occurrence of an event in which an acquirer obtains control of the acquired entity. An acquired entity may elect the option to apply pushdown accounting in the reporting period in which the change-in-control event occurs. An acquired entity should determine whether to elect to apply pushdown accounting for each individual change-in-control event in which an acquirer obtains control of the acquired entity. If pushdown accounting is not applied in the reporting period in which the change-in-control event occurs, an acquired entity will have the option to elect to apply pushdown accounting in a subsequent reporting period to the acquired entity's most recent change-in-control event.The amendments in this Update are effective on November 18, 2014. After the effective date, an acquired entity can make an election to apply the guidance to future change-in-control events or to its most recent change-in-control event. However, if the financial statements for the period in which the most recent change-in-control event occurred already have been issued or made available to be issued, the application of this guidance would be a change in accounting principle. We plan to adopt this ASU for the annual period beginning January 1, 2015 and do not expect this update to have a material impact on our financial statements.

**Item 9.** ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

**Item 9A.** ***Controls and Procedures***

As of the end of the year covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Act is: (a) recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms; and (b) accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) or 15d-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting. Management has adopted the framework in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission 2013 framework (COSO). Based on our evaluation under this framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2014 . The effectiveness of our internal control over financial reporting as of December 31, 2014 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein.

**Item 9B.** ***Other Information***

None.

**PART III**

**Items 10-14.**

Within 120 days after the close of our fiscal year, we intend to file with the Securities and Exchange Commission the matters required by these items.

## PART IV

**Item 15.** ***Exhibits, Financial Statement Schedules and Reports on Form 8-K***

(a) (1) *Financial Statements.* The following is a list of the Consolidated Financial Statements of Fidelity National Financial, Inc. and its subsidiaries included in Item 8 of Part II:



(a) (2) *Financial Statement Schedules.* The following is a list of financial statement schedules filed as part of this annual report on Form 10-K:



All other schedules are omitted because they are not applicable or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

(a) (3) The following exhibits are incorporated by reference or are set forth on pages to this Form 10-K:

| Exhibit Number | Description |
|---|---|
| 2.1 | Securities Exchange and Distribution Agreement between Old FNF and the Registrant, dated as of June 25, 2006, as amended and restated as of September 18, 2006 (incorporated by reference to Annex A to the Registrant’s Schedule 14C filed on September 19, 2006 (the “Information Statement”)) |
| 2.2 | Agreement and Plan of Merger, dated as of May 28, 2013, among Fidelity National Financial, Inc., Lion Merger Sub, Inc. and Lender Processing Services, Inc. (incorporated by reference to Exhibit 2.1 to Fidelity National Financial, Inc.’s Current Report on Form 8-K, filed on May 28, 2013) |
| 3.1 | Form of Fourth Amended and Restated Certificate of Incorporation (incorporated by reference to Annex C to the Registrant’s Schedule 14A filed on May 9, 2014) |
| 3.2 | Second Amended and Restated Bylaws of Fidelity National Financial, Inc., as adopted on July 22, 2013 (incorporated by reference to Exhibit 3.1 to Fidelity National Financial, Inc.’s Current Report on Form 8-K, dated July 25, 2013) |
| 4.1 | Supplemental Indenture, dated as of January 2, 2014, among Lender Processing Services, Inc., Fidelity National Financial, Inc., Black Knight Lending Solutions, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 3.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013) |
| 4.2 | Indenture between the Registrant and The Bank of New York Trust Company, N.A., dated December 8, 2005, relating to the 5.25% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2005) |
| 4.3 | First Supplemental Indenture between the Registrant and the Bank of New York Trust Company, N.A., dated as of January 6, 2006 (incorporated by reference to Exhibit 4.1 to the Registrant’s Current Report on Form 8-K filed on January 24, 2006) |
| 4.4 | Second Supplemental Indenture, dated May 5, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A., dated as of May 5, 2010, relating to the 6.60% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.5 | Form of Subordinated Indenture between the Registrant and the Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.2 (A) to the Registrant’s Registration Statement on Form S-3 filed on November 14, 2007) |
| 4.6 | Form of 6.60% Note due 2017 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.7 | Form of 4.25% Convertible Note due August 2018 (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed on August 2, 2011) |
| 4.8 | Specimen certificate for shares of the Registrant’s FNF Group common stock, par value $0.0001 per Share (incorporated by reference to Exhibit 4.1 to the Registrant’s Registration Statement on Form S-4/A filed on May 5, 2014) |
| 10.1 | Amendment and Restatement Agreement dated as of April 16, 2012 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto, dated as of September 12, 2006 (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on April 19, 2012) |
| 10.2 | Amendment and Restatement Agreement dated as of March 5, 2010 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on March 10, 2010) |
| 10.3 | Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan, effective as of September 26, 2005 (incorporated by reference to Appendix A to the Registrant’s Schedule 14A filed on April 12, 2013) (1) |
| 10.4 | Bridge Loan Commitment Letter (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on October 24, 2014) |
| 10.5 | Amended Revolving Credit Facility (incorporated by reference to Exhibit 10.2 to the Registrant’s Current Report on Form 8-K filed on October 24, 2014) |
| 10.6 | Amended Term Loan Agreement (incorporated by reference to Exhibit 10.3 to the Registrant’s Current Report on Form 8-K filed on October 24, 2014) |
| 10.7 | Amendment, dated as of June 25, 2013, to the Second Amended and Restated Credit Agreement, dated as of April 16, 2012, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Registrant’s Current Report on Form 8-K filed on July 12, 2013) |
| 10.8 | Term Loan Credit Agreement, dated as of July 11, 2013, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Registrant’s Current Report on Form 8-K filed on July 12, 2013) |
| 10.9 | Fidelity National Financial, Inc. 2013 Employee Stock Purchase Plan (incorporated by reference to Annex D to the Registrant’s Schedule 14A filed on May 9, 2014)(1) |

| Exhibit Number | Description |
|---|---|
| 10.10 | Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2014 Awards (1) |
| 10.11 | Form of Notice of FNF Group Stock Option Award and FNF Group Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2014 Awards (1) |
| 10.12 | Form of Notice of FNFV Group Restricted Stock Grant and FNFV Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for September 2014 Awards (incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014) (1) |
| 10.13 | Form of Notice of Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.11 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.14 | Form of Notice of Stock Option Award and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.12 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.15 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2012 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.16 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2011 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011) (1) |
| 10.17 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2010 awards (incorporated by reference to Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2010) (1) |
| 10.18 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2009 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.19 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.20 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
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| 10.43 | Black Knight Financial Services, LLC Incentive Plan (incorporated by reference to Exhibit 10.5 to the to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
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| Exhibit Number | Description |
| --- | --- |
| 21.1 | Subsidiaries of the Registrant |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(c) of Form 10-K

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Fidelity National Financial, Inc.

By: */s/ Raymond R. Quirk*

Raymond R. Quirk
Chief Executive Officer

Date: March 2, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| */s/ Raymond R. Quirk*<br>Raymond R. Quirk | Chief Executive Officer<br>(Principal Executive Officer) | March 2, 2015 |
| */s/ Anthony J. Park*<br>Anthony J. Park | Chief Financial Officer<br>(Principal Financial and Accounting Officer) | March 2, 2015 |
| */s/ William P. Foley, II*<br>William P. Foley, II | Director and Executive Chairman of the Board | March 2, 2015 |
| */s/ Douglas K. Ammerman*<br>Douglas K. Ammerman | Director | March 2, 2015 |
| */s/ Willie D. Davis*<br>Willie D. Davis | Director | March 2, 2015 |
| */s/ Thomas M. Hagerty*<br>Thomas M. Hagerty | Director | March 2, 2015 |
| */s/ Daniel D. (Ron) Lane*<br>Daniel D. (Ron) Lane | Director | March 2, 2015 |
| */s/ Richard N. Massey*<br>Richard N. Massey | Director | March 2, 2015 |
| */s/ John D. Rood*<br>John D. Rood | Director | March 2, 2015 |
| */s/ Peter O. Shea, Jr.*<br>Peter O. Shea, Jr. | Director | March 2, 2015 |
| */s/ Cary H. Thompson*<br>Cary H. Thompson | Director | March 2, 2015 |
| */s/ Frank P. Willey*<br>Frank P. Willey | Director | March 2, 2015 |

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

Under date of March 2, 2015 , we reported on the Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2014 and 2013 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2014 , as contained in the Annual Report on Form 10-K for the year 2014 . In connection with our audits of the aforementioned Consolidated Financial Statements, we also audited the related financial statement schedules as listed under Item 15(a)(2). These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic Consolidated Financial Statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

Jacksonville, Florida
March 2, 2015
Certified Public Accountants

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**BALANCE SHEETS**

| | December 31, 2014 | December 31, 2013 |
|---|---|---|
| | (In millions, except share data) | |
| **ASSETS** | | |
| Cash | $ 151 | $ 1,105 |
| Investment in unconsolidated affiliates | — | 320 |
| Notes receivable | 2,635 | 124 |
| Investments in and amounts due from subsidiaries | 5,964 | 4,664 |
| Property and equipment, net | 6 | 7 |
| Prepaid expenses and other assets | — | 20 |
| Other intangibles, net | 19 | 47 |
| Income taxes receivable | 60 | 26 |
| Total assets | $ 8,835 | $ 6,313 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 52 | $ 125 |
| Deferred tax liability | 703 | 144 |
| Notes payable | 2,086 | 983 |
| Total liabilities | 2,841 | 1,252 |
| Equity: | | |
| Old FNF common stock, Class A, $0.0001 par value; authorized, 600,000,000 shares as of December 31, 2013; issued 292,289,166 shares as of December 31, 2013 | — | — |
| FNF Group common stock, $0.0001 par value; authorized 487,000,000 shares as of December 31, 2014; issued 279,443,239 shares as of December 31, 2014 | — | — |
| FNFV Group common stock, $0.0001 par value; authorized 113,000,000 shares as of December 31, 2014; issued 92,828,470 shares as of December 31, 2014 | — | — |
| Preferred stock, $0.0001 par value; authorized 50,000,000 shares, issued and outstanding, none | — | — |
| Additional paid-in capital | 4,855 | 4,642 |
| Retained earnings | 1,150 | 1,089 |
| Accumulated other comprehensive earnings | 2 | 37 |
| Less: Treasury stock, 493,737 shares and 41,948,518 shares as of December 31, 2014 and 2013, respectively, at cost | (13) | (707) |
| Total equity of Fidelity National Financial, Inc. common shareholders | 5,994 | 5,061 |
| Total liabilities and equity | $ 8,835 | $ 6,313 |

See Notes to Financial Statements and
Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

## STATEMENTS OF EARNINGS AND RETAINED EARNINGS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | (In millions, except per share data) | | |
| **Revenues:** | | | |
| Other fees and revenue | $ 1 | $ 3 | $ 5 |
| Interest and investment income and realized gains | 168 | 15 | 2 |
| Total revenues | 169 | 18 | 7 |
| **Expenses:** | | | |
| Personnel expenses | 35 | 93 | 39 |
| Other operating expenses | (20) | 50 | 21 |
| Interest expense | 93 | 70 | 61 |
| Total expenses | 108 | 213 | 121 |
| Earnings (losses) before income tax (benefit) expense and equity in earnings of subsidiaries | 61 | (195) | (114) |
| Income tax (benefit) expense | 22 | (61) | (34) |
| Earnings (losses) before equity in earnings of subsidiaries | 39 | (134) | (80) |
| Equity in earnings of subsidiaries | 544 | 528 | 687 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 583 | $ 394 | $ 607 |
| Basic earnings per share Old FNF common shareholders | $ 0.33 | $ 1.71 | $ 2.75 |
| Weighted average shares outstanding Old FNF common shareholders, basic basis | 138 | 230 | 221 |
| Diluted earnings per share Old FNF Common shareholders | $ 0.32 | $ 1.68 | $ 2.69 |
| Weighted average shares outstanding Old FNF common shareholders, diluted basis | 142 | 235 | 226 |
| Basic earnings per share FNF Group common shareholders | $ 0.77 | | |
| Weighted average shares outstanding FNF Group common shareholders, basic basis | 138 | | |
| Diluted earnings per share FNF Group Common shareholders | $ 0.75 | | |
| Weighted average shares outstanding FNF Group common shareholders, diluted basis | 142 | | |
| Basic earnings per share FNFV Group common shareholders | $ 3.04 | | |
| Weighted average shares outstanding FNFV Group common shareholders, basic basis | 46 | | |
| Diluted earnings per share FNFV Group Common shareholders | $ 3.01 | | |
| Weighted average shares outstanding FNFV Group common shareholders, diluted basis | 47 | | |
| Retained earnings, beginning of year | $ 1,089 | $ 849 | $ 373 |
| Dividends declared | (203) | (154) | (131) |
| Distribution of Remy to FNFV Group common shareholders | (319) | — | — |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 583 | 394 | 607 |
| Retained earnings, end of year | $ 1,150 | $ 1,089 | $ 849 |

See Notes to Financial Statements and
Accompanying Report of Independent Registered Public Accounting Firm

**SCHEDULE II**

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**
**STATEMENTS OF CASH FLOWS**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | | (In millions) | |
| **Cash Flows From Operating Activities:** | | | |
| Net earnings | $ 583 | $ 394 | $ 607 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Equity in earnings of subsidiaries | (544) | (528) | (687) |
| Depreciation and amortization | 2 | 1 | 6 |
| Stock-based compensation | 32 | 30 | 23 |
| Tax benefit associated with the exercise of stock-based compensation | (16) | (17) | (31) |
| Net change in income taxes | 540 | (96) | 172 |
| Net (increase) decrease in prepaid expenses and other assets | 62 | (29) | 4 |
| Net increase (decrease) in accounts payable and other accrued liabilities | (91) | 101 | 25 |
| Net cash provided by (used in) operating activities | 568 | (144) | 119 |
| **Cash Flows From Investing Activities:** | | | |
| Net proceeds (purchases) of investments available for sale | — | — | 7 |
| Additions to notes receivable | (3,025) | (30) | (93) |
| Collection of notes receivable | 390 | — | — |
| Net additions to investments in subsidiaries | — | 8 | (116) |
| Net cash used in investing activities | (2,635) | (22) | (202) |
| **Cash Flows From Financing Activities:** | | | |
| Equity offering | — | 511 | — |
| Borrowings | 1,500 | — | 548 |
| Debt service payments | (400) | (7) | (494) |
| Make-whole call penalty on early extinguishment of debt | — | — | (6) |
| Debt issuance costs | — | (16) | (8) |
| Dividends paid | (203) | (153) | (128) |
| Purchases of treasury stock | — | (34) | (38) |
| Exercise of stock options | 40 | 60 | 91 |
| Tax benefit associated with the exercise of stock-based compensation | 16 | 17 | 31 |
| Distribution to FNFV | (100) | — | — |
| Other financing activity | (8) | — | — |
| Net dividends from subsidiaries | 268 | 571 | 294 |
| Net cash (used in) provided by financing activities | 1,113 | 949 | 290 |
| Net change in cash and cash equivalents | (954) | 783 | 207 |
| Cash at beginning of year | 1,105 | 322 | 115 |
| Cash at end of year | $ 151 | $ 1,105 | $ 322 |

See Notes to Financial Statements and
See Accompanying Report of Independent Registered Public Accounting Firm

**SCHEDULE II**

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**NOTES TO FINANCIAL STATEMENTS**

**A. Summary of Significant Accounting Policies**

Fidelity National Financial, Inc. transacts substantially all of its business through its subsidiaries. The Parent Company Financial Statements should be read in connection with the aforementioned Consolidated Financial Statements and Notes thereto included elsewhere herein. Certain reclassifications have been made in the 2013 presentation to conform to the classifications used in 2014 .

In 2014 we began reporting our Investments in subsidiaries net of non-controlling interest on the Balance Sheets and similarly on the Statement of earnings, we report Equity in earnings of subsidiaries net of (Loss) earnings attributable to non-controlling interest. The amount of Non-controlling interest reflected in Investments in subsidiaries was $79 million and $474 million as of December 31, 2014 and 2013, respectively. The amount of (Loss) earnings attributable to non-controlling interest reflected in Equity in earnings of subsidiaries on the Statements of Earnings was $(64) million , $17 million and $5 million for the years ending December 31, 2014, 2013 and 2012, respectively.

**B. Notes Payable**

Notes payable consist of the following:

| | December 31, 2014 | December 31, 2013 |
|---|---|---|
| | (In millions) | |
| FNF Term Loan, interest payable monthly at LIBOR + 1.63% (1.86% at December 31, 2014), due January 2019 | $ 1,100 | $ — |
| Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022 | 398 | 398 |
| Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018 | 288 | 285 |
| Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017 | 300 | 300 |
| Revolving Credit Facility, unsecured, unused portion of $800 at December 31, 2013, due April 2016 with interest payable monthly at LIBOR + 1.45% | — | — |
| | $ 2,086 | $ 983 |

**C. Supplemental Cash Flow Information**

| | Year Ended December 31, 2014 | 2013 | 2012 |
|---|---|---|---|
| | | (In millions) | |
| Cash paid (received) during the year: | | | |
| Interest paid | $ 103 | $ 61 | $ 65 |
| Income tax payments | 75 | 242 | 109 |

**D. Cash Dividends Received**

We have received cash dividends from subsidiaries and affiliates of $ 0.4 billion , $ 0.1 billion , and $ 0.2 billion during the years ended December 31, 2014 , 2013 , and 2012 , respectively.

See Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE V

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**
**VALUATION AND QUALIFYING ACCOUNTS**

**Years Ended December 31, 2014 , 2013 and 2012**

| | Column B | Column C Additions | | Column D | Column E |
|---|---|---|---|---|---|
| Column A Description | Balance at Beginning of Period | Charge to Costs and Expenses | Other (Described) | Deduction (Described) | Balance at End of Period |
| | | | (In millions) | | |
| Year ended December 31, 2014: | | | | | |
| Reserve for claim losses | $ 1,636 | $ 228 | $ 59 (2) | $ 302 (1) | $ 1,621 |
| Year ended December 31, 2013: | | | | | |
| Reserve for claim losses | $ 1,748 | $ 291 | $ — | $ 403 (1) | $ 1,636 |
| Year ended December 31, 2012: | | | | | |
| Reserve for claim losses | $ 1,913 | $ 268 | $ — | $ 433 (1) | $ 1,748 |

(1) Represents payments of claim losses, net of recoupments.

(2) Represents an increase of $54 million to the reserve for claim losses as a result of the acquisition of LPS (See Note B), a $2 million decrease to the reserve due to the sale of a small title operation and recording $7 million increase to the claims reserve for a reinsurance recoverable.

See Accompanying Report of Independent Registered Public Accounting Firm

## EXHIBIT INDEX

| Exhibit Number | Description |
|---|---|
| 10.10 | Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2014 Awards (1) |
| 10.11 | Form of Notice of FNF Group Stock Option Award and FNF Group Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2014 Awards (1) |
| 10.12 | Form of Notice of FNFV Group Restricted Stock Grant and FNFV Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for September 2014 Awards (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014) (1) |
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| 10.40 | ServiceLink Holdings, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.2 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.41 | Form of Black Knight Financial Services, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.42 | Form of ServiceLink Holdings, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.43 | Black Knight Financial Services, LLC Incentive Plan (incorporated by reference to Exhibit 10.5 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.44 | ServiceLink Holdings, LLC Incentive Plan (incorporated by reference to Exhibit 10.6 to the to the Registrant’s Current Report on Form 8-K filed on January 9, 2014)(1) |

| Exhibit Number | Description |
|---|---|
| 21.1 | Subsidiaries of the Registrant |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(c) of Form 10-K

**Exhibit 10.11**

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**

**Notice of Restricted Stock Grant**

You (the "Grantee") have been granted the following award of restricted Shares of FNF Group Common Stock (the "Restricted Stock"), par value $0.0001 per share (the "Shares"), by Fidelity National Financial, Inc. (the "Company"), pursuant to the Fidelity National Financial, Inc. Amended and Restated 2005 Omnibus Incentive Plan (the "Plan") and the terms set forth in the attached Restricted Stock Award Agreement:

| | |
|---|---|
| Name of Grantee: | |
| Number of Shares of Restricted Stock Granted: | |
| Effective Date of Grant: | November 3, 2014 |
| Vesting and Period of Restriction: | Subject to the terms of the Plan and the Restricted Stock Award Agreement attached hereto, the Period of Restriction shall lapse, and the Shares shall vest and become free of the forfeiture provisions contained in the Restricted Stock Award Agreement, with respect to one third of the shares on each anniversary of the Effective Date of Grant and satisfaction of the Performance Restriction as set forth on Exhibit A of the Restricted Stock Award Agreement, attached hereto. |

By your electronic acceptance/signature below, you agree and acknowledge that the Restricted Stock is granted under and governed by the terms and conditions of the Plan and the attached Restricted Stock Award Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Restricted Stock Award Agreement.

**Fidelity National Financial, Inc.**
**Amended and Restated 2005 Omnibus Incentive Plan**

**Restricted Stock Award Agreement**

Section 1. **GRANT OF RESTRICTED STOCK**

(a) **Restricted Stock** . On the terms and conditions set forth in the Notice of Restricted Stock Grant and this Restricted Stock Award Agreement (the "Agreement"), the Company grants to the Grantee on the Effective Date of Grant the Shares of Restricted Stock (the "Restricted Stock") set forth in the Notice of Restricted Stock Grant.

(b) **Plan and Defined Terms** . The Restricted Stock is granted pursuant to the Plan. All terms, provisions, and conditions applicable to the Restricted Stock set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice of Restricted Stock Grant or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

Section 2. **FORFEITURE AND TRANSFER RESTRICTIONS**

(a) **Forfeiture** . Except as otherwise provided in Grantee's employment, director services or similar agreement in effect at the time of the employment termination:

(i) If the Grantee's employment or service as a Director or Consultant is terminated for any reason other than death, or Disability (as defined below), the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination.

(ii) If the Grantee's employment or service as a Director or Consultant is terminated due to the Grantee's death or Disability, a portion of the Shares which on the date of termination of employment remain subject to a Time-Based Restriction and/or the Performance Restriction (as defined in Exhibit A) shall vest and become free of the forfeiture and transfer restrictions contained in the Agreement (except as otherwise provided in Section 2(b) of this Agreement). The portion which shall vest shall be determined by the following formula (rounded to the nearest whole Share):

(A x B) - C, where

A = the total number of Shares granted under this Agreement,

B = the number of completed months to the date of termination of employment since the Effective Date of Grant divided by 36, and

C = the number of Shares granted under this Agreement which vested on or prior to the date of termination of employment.

All Shares that are subject to a Period of Restriction on the date of termination of employment or service as a Director or Consultant and which will not be vested pursuant to Section 2(a)(ii) above, shall be forfeited to the Company, for no consideration.

(iii) The term "Disability" shall have the meaning ascribed to such term in the Grantee's employment, director services or similar agreement with the Company. If the Grantee's employment, director services or similar agreement does not define the term "Disability," or if the Grantee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term "Disability" shall mean the Grantee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

(iv) If the Performance Restriction is not satisfied during the Measurement Period, all of the Shares that do not satisfy the performance criteria for the applicable Performance Period, shall be forfeited to the Company, for no consideration.

(b) **Transfer Restrictions** . During the Period of Restriction, the Restricted Stock may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, to the extent such Shares are subject to a Period of Restriction.

(c) **Holding Period** . If and when (i) the Grantee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President - Eastern Operations, President - Western Operations, President - Agency Operations, or Chief Legal Officer, and (ii) Grantee does not hold Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, then Grantee must retain 50% of the Shares acquired by Grantee as a result of the lapse of a Period of Restriction (excluding from the calculation any Shares withheld for purposes of satisfying Grantee's tax obligations in connection with such lapse of a Period of Restriction) until such time as the value of the Shares of FNF Group Common Stock remaining in Grantee's possession following any sale, assignment, pledge, exchange, gift or other transfer of the Shares shall be sufficient to meet any applicable stock ownership guidelines of the Company in place at that time. For the avoidance of doubt, at any time when Grantee holds, in the aggregate, Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, Grantee may enter into a transaction with respect to any Shares acquired by Grantee as a result of the lapse of a Period of Restriction without regard to the holding period requirement contained in this Section 2(b) so long as Grantee shall continue to satisfy such stock ownership guidelines following such transaction.

(d) **Lapse of Restrictions** . The Period of Restriction shall lapse as to the Restricted Stock in accordance with the Notice of Restricted Stock Grant and the terms of this Agreement. Subject to the terms of the Plan and Section 6(a) hereof, upon lapse of the Period of Restriction, the Grantee shall own the Shares that are subject to this Agreement free of all restrictions other than the holding period described in Section 2(c) above. 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 Period of Restriction or other restriction imposed on the Restricted Stock that has not previously lapsed, including the holding period described in Section 2(c) above, shall lapse.

Section 3. **STOCK CERTIFICATES**

As soon as practicable following the grant of Restricted Stock, the Shares of Restricted Stock shall be registered in the Grantee's name in certificate or book-entry form. If a certificate is issued, it shall bear an appropriate legend referring to the restrictions and it shall be held by the Company, or its agent, on behalf of the Grantee until the Period of Restriction has lapsed. If the Shares are registered in book-entry form, the restrictions shall be placed on the book-entry registration. The Grantee may be required to execute and return to the Company a blank stock power for each Restricted Stock certificate (or instruction letter, with respect to Shares registered in book-entry form), which will permit transfer to the Company, without further action, of all or any portion of the Restricted Stock that is forfeited in accordance with this Agreement.

Section 4. **SHAREHOLDER RIGHTS**

Except for the transfer and dividend restrictions, and subject to such other restrictions, if any, as determined by the Committee, the Grantee shall have all other rights of a holder of Shares, including the right to vote (or to execute proxies for voting) such Shares. Unless otherwise determined by the Committee, if all or part of a dividend in respect of the Restricted Stock is paid in Shares or any other security issued by the Company, such Shares or other securities shall be held by the Company subject to the same restrictions as the Restricted Stock in respect of which the dividend was paid.

Section 5. **DIVIDENDS**

(a) Any dividends paid with respect to Shares which remain subject to a Period of Restriction shall not be paid to the Grantee but shall be held by the Company.

(b) Such held dividends shall be subject to the same Period of Restriction as the Shares to which they relate.

(c) Any dividends held pursuant to this Section 5 which are attributable to Shares which vest pursuant to this Agreement shall be paid to the Grantee within 30 days of the applicable vesting date.

(d) Dividends attributable to Shares forfeited pursuant to Section 2 of this Agreement shall be forfeited to the Company on the date such Shares are forfeited.

Section 6. **MISCELLANEOUS PROVISIONS**

(a) **Tax Withholding** . Pursuant to Article 20 of the Plan, the Committee shall have the power and right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Grantee's FICA obligations) required by law to be withheld with respect to this Award. The Committee may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including payroll taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(b) **Ratification of Actions** . By accepting this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated the Grantee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice of Restricted Stock Grant by the Company, the Board or the Committee.

(c) **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

(d) **Choice of Law** . This Agreement and the Notice of Restricted Stock Grant shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice of Restricted Stock Grant to be governed by or construed in accordance with the substantive law of another jurisdiction.

(e) **Arbitration** . Subject to, and in accordance with the provisions of Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice of Restricted Stock Grant shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice of Restricted Stock Grant, provided that all substantive questions of law shall be determined in accordance with the state and federal laws applicable in Indiana, without regard to internal principles relating to conflict of laws.

(f) **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(g) **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(h) **References to Plan** . All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

(i) **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**

**Notice of Stock Option Grant**

You (the "Optionee") have been granted the following option to purchase Shares of FNF Group Common Stock, par value $0.0001 per share ("Share"), by Fidelity National Financial, Inc. (the "Company"), pursuant to the Fidelity National Financial, Inc. Amended and Restated 2005 Omnibus Incentive Plan (the "Plan"):

| | |
|---|---|
| Name of Optionee: | |
| Total Number of Shares Subject to Option: | |
| Type of Option: | Nonqualified |
| Exercise Price Per Share: | $29.80 |
| Effective Date of Grant: | November 3, 2014 |
| Vesting Schedule: | Subject to the terms of the Plan and the Stock Option Agreement attached hereto, the right to exercise this Option shall vest with respect to one-third of the total number of Shares subject to this Option on each anniversary of the Effective Date of Grant. |
| Expiration Date: | $7^{th}$ Anniversary of Effective Date of Grant<br><br>The Option is subject to earlier expiration, as provided in Section 3(b) of the attached Stock Option Agreement. |

By your electronic acceptance/signature below, you agree and acknowledge that this Option is granted under and governed by the terms and conditions of the Plan and the attached Stock Option Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Stock Option Agreement.

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**

**Stock Option Agreement**

SECTION 1. **GRANT OF OPTION.**

(a) **Option .** On the terms and conditions set forth in the Notice of Stock Option Grant, which is incorporated by reference, and this Stock Option Agreement (the "Agreement"), the Company grants to the Optionee on the Effective Date of Grant the Option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant.

(b) **Plan and Defined Terms .** The Option is granted pursuant to the Plan. All terms, provisions, and conditions applicable to the Option set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice of Stock Option Grant or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

SECTION 2. **RIGHT TO EXERCISE** .

The Option hereby granted shall be exercised by written notice to the Committee, specifying the number of Shares the Optionee desires to purchase together with provision for payment of the Exercise Price. Subject to such limitations as the Committee may impose (including prohibition of one more of the following payment methods), payment of the Exercise Price may be made by (a) check payable to the order of the Company, for an amount in United States dollars equal to the aggregate Exercise Price of such Shares, (b) by tendering to the Company Shares having an aggregate Fair Market Value (as of the trading date immediately preceding the date of exercise) equal to such Exercise Price, (c) by broker-assisted exercise, or (d) by a combination of such methods. The Company may require the Optionee to furnish or execute such other documents as the Company shall reasonably deem necessary (i) to evidence such exercise and (ii) to comply with or satisfy the requirements of the Securities Act of 1933, as amended, the Exchange Act, applicable state or non-U.S. securities laws or any other law.

SECTION 3. **TERM AND EXPIRATION.**

(a) **Basic Term.** Subject to earlier termination pursuant to the terms hereof, the Option shall expire on the expiration date set forth in the Notice of Stock Option Grant.

(b) **Termination of Employment or Service.** If the Optionee's employment or service as a Director or Consultant, as the case may be, is terminated, except as otherwise provided in the Optionee's employment, director services or similar agreement in effect at the time of the termination, the Option shall expire on the earliest of the following occasions:

(i) The expiration date set forth in the Notice of Stock Option Grant;

(ii) The date three months following the termination of the Optionee's employment or service for any reason other than Cause, death, or Disability;

(iii) The date one year following the termination of the Optionee's employment or service due to death or Disability; or

(iv) The date of termination of the Optionee's employment or service for Cause.

The Optionee may exercise all or part of this Option at any time before its expiration under the preceding sentence, but, subject to the following sentence, only to the extent that the Option had become vested before the Optionee's employment or service terminated. When the Optionee's employment or service terminates, this Option shall expire immediately with respect to the number of Shares for which the Option is not yet vested. If the Optionee dies after termination of employment or service, but before the expiration of the Option, all or part of this Option may be exercised (prior to expiration) by the personal representative of the Optionee or by any person who has acquired this Option directly from the Optionee by will, bequest or inheritance, but only to the extent that the Option was vested and exercisable upon termination of the Optionee's employment or service.

(c) **Definition of "Cause ."** The term "Cause" shall have the meaning ascribed to such term in the Optionee's employment, director services or similar agreement with the Company or any Subsidiary. If the Optionee's employment, director services or similar agreement does not define the term “Cause,” or if the Optionee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term “Cause” shall mean (i) the willful engaging by the Optionee in misconduct that is demonstrably injurious to the Company or any Parent or Subsidiary (monetarily or otherwise), (ii) the Optionee’s conviction of, or pleading guilty or nolo contendere to, a felony involving moral turpitude, or (iii) the Optionee’s violation of any confidentiality, non-solicitation, or non-competition covenant to which the Optionee is subject.

(d) **Definition of “Disability .”** The term “Disability” shall have the meaning ascribed to such term in the Optionee’s employment, director services or similar agreement with the Company or any Subsidiary. If the Optionee’s employment, director services or similar agreement does not define the term “Disability,” or if the Optionee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term “Disability” shall mean the Optionee’s entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company’s employees participate.

SECTION 4. **TRANSFERABILITY OF OPTION.**

(a) **Generally.** Except as provided in Section 4(b) herein, the Option shall not be transferable by the Optionee other than by will or the laws of descent and distribution, and the Option shall be exercisable during the Optionee’s lifetime only by the Optionee or on his or her behalf by the Optionee's guardian or legal representative.

(b) **Transfers to Family Members.** Notwithstanding Section 4(a) herein, if the Option is a Nonqualified Stock Option, the Optionee may transfer the Option for no consideration to or for the benefit of a Family Member, subject to such limits as the Committee may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Option.

(c) **Definition of** “ **Family Member.”** For purposes of this Agreement, the term “Family Member” shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Optionee (including adoptive relationships), any person sharing the same household as the Optionee (other than a tenant or employee), a trust in which the above persons have more than fifty percent of the beneficial interests, a foundation in which the Optionee or the above persons control the management of assets, and any other entity in which the Optionee or the above persons own more than fifty percent of the voting interests.

SECTION 5. **MISCELLANEOUS PROVISIONS.**

(a) **Acknowledgements .** The Optionee hereby acknowledges that he or she has read and understands the terms of the Plan and this Agreement, and agrees to be bound by their respective terms and conditions. The Optionee acknowledges that there may be tax consequences upon the exercise or transfer of the Option and that the Optionee should consult an independent tax advisor prior to any exercise or transfer of the Option.

(b) **Tax Withholding .** Pursuant to Article 20 of the Plan, the Committee shall have the power and the right to deduct or withhold, or require the Optionee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Optionee’s FICA obligations) required by law to be withheld with respect to this Option. The Committee may condition the delivery of Shares upon the Optionee’s satisfaction of such withholding obligations. The Optionee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including the Optionee’s FICA taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing and signed by the Optionee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(c) **Holding Period .** If and when (i) the Optionee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President - Eastern Operations, President - Western Operations, President - Agency Operations, or Chief Legal Officer, and (ii) Optionee does not hold Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, then Optionee must retain at least 50% of the Shares acquired by Optionee as a result of any exercise of this Option (excluding from the calculation any Shares withheld, sold, cancelled, or otherwise forfeited by Optionee for purposes of satisfying the exercise price and tax obligations in connection with the exercise of the Option) until such time as the value of the Shares of FNF Group Common Stock remaining in Grantee's possession following any sale, assignment, pledge, exchange, gift or other transfer of the Shares acquired by Optionee as a result of the exercise of this Option shall be sufficient to meet any applicable stock ownership guidelines of the Company in place at that time. For the avoidance of doubt, at any time when Optionee holds, in the aggregate, Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, Optionee may enter into a transaction with respect to any Shares acquired by Optionee as a result of the exercise of the Option without regard to the holding period requirement contained in this Section 5(c) so long as Optionee shall continue to satisfy such stock ownership guidelines following such transaction.

(d) **Notice Concerning Disqualifying Dispositions .** If the Option is an Incentive Stock Option, the Optionee shall notify the Committee of any disposition of Shares issued pursuant to the exercise of the Option if the disposition constitutes a "disqualifying disposition" within the meaning of Sections 421 and 422 of the Code (or any successor provision of the Code then in effect relating to disqualifying dispositions). Such notice shall be provided by the Optionee to the Committee in writing within 10 days of any such disqualifying disposition.

(e) **Rights as a Stockholder .** Neither the Optionee nor the Optionee's transferee or representative shall have any rights as a stockholder with respect to any Shares subject to this Option until the Option has been exercised and Share certificates have been issued to the Optionee, transferee or representative, as the case may be.

(f) **Ratification of Actions .** By accepting this Agreement, the Optionee and each person claiming under or through the Optionee shall be conclusively deemed to have indicated the Optionee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice of Stock Option Grant by the Company, the Board, or the Committee.

(g) **Notice .** Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided in writing to the Company.

(h) **Choice of Law .** This Agreement and the Notice of Stock Option Grant shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice of Stock Option Grant to be governed by or construed in accordance with the substantive law of another jurisdiction.

(i) **Arbitration .** Subject to Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice of Stock Option Grant shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice of Stock Option Grant, provided that all substantive questions of law shall be determined in accordance with the state and Federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

(j) **Modification or Amendment .** This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(k) **Severability .** In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(l) **References to Plan .** All references to the Plan (or to a Section or Article of the Plan) shall be deemed references to the Plan (or the Section or Article) as may be amended from time to time.

(m) **Section 409A Compliance .** To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

# EXHIBIT A

## Vesting and Restrictions

This grant is subject to both a Performance Restriction and a Time-Based Restriction, as described below (collectively, the "Period of Restriction").

### Performance Restriction

In order for the Restricted Stock to vest, the Compensation Committee of the Board of Directors of the Company (the "Committee") must determine that the Company has achieved 8.5% or greater Title Operating Margin (as defined below) in at least two calendar quarters of any of the next five calendar quarters starting October 1, 2014 (the "Performance Restriction"). The five calendar quarters starting October 1, 2014 and ending December 31, 2015 are referred to as the "Measurement Period." "Title Operating Margin" shall mean the Title Pre-Tax Margin as used for the annual bonus plan. Calculation of Title Operating Margin will exclude claim loss reserve adjustments (positive or negative) for prior period loss development, extraordinary events or accounting adjustments, acquisitions, divestitures, major restructuring charges, and non-budgeted discontinued operations. The Committee will evaluate whether the Title Operating Margin has been achieved following the completion of each calendar quarter during the Measurement Period.

### Time-Based Restrictions

| Anniversary Date | % of Restricted Stock |
|---|---|
| First (1 st) anniversary of the Effective Date of Grant | 33.33% |
| Second (2 nd) anniversary of the Effective Date of Grant | 33.33% |
| Third (3 rd) anniversary of the Effective Date of Grant | 33.34% |

### Vesting

If the Performance Restriction has been achieved as of an Anniversary Date, the percentage of the Restricted Stock indicated next to such Anniversary Date shall vest on such indicated Anniversary Date (such three year vesting schedule referred to as the "Time-Based Restrictions"). If the Performance Restriction is not achieved during the Measurement Period, none of the Restricted Stock granted hereunder shall vest and, for no consideration, will be automatically forfeited to the Company.

**EXHIBIT 21.1**

**FIDELITY NATIONAL FINANCIAL, INC.**
**List of Subsidiaries December 31, 2014**
**Eight Significant Subsidiaries**

| COMPANY | INCORPORATION |
|---|---|
| FNTG Holdings, Inc. | Delaware |
| Chicago Title Insurance Company | Nebraska |
| Fidelity National Title Group, Inc. | Delaware |
| Fidelity National Title Insurance Company | California |
| Black Knight Financial Services, LLC | Delaware |
| Black Knight Holdings, Inc. | Delaware |
| Black Knight Mortgage Processing Solutions | Delaware |
| Black Knight Portfolio Solutions, LLC | Delaware |

**Exhibit 23.1**

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors
Fidelity National Financial, Inc.:

We consent to the incorporation by reference in the Registration Statements (Nos. 333-198187, 333-197249, 333-197124, 333-193825, 333-190527, 333-157643, 333-132843, 333-138254, 333-129886, 333-129016 and 333-176395) on Form S-8, Registration Statements (Nos. 333-157123, 333-147391, and 333-174650) on Form S-3, and Registration Statements (Nos. 333-194938 and 333-190902) on Form S-4 of Fidelity National Financial, Inc. of our reports dated March 2, 2015 , with respect to the Consolidated Balance Sheets of Fidelity National Financial, Inc. as of December 31, 2014 and 2013 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity, and Cash Flows for each of the years in the three-year period ended December 31, 2014 , and all related financial statement schedules, and the effectiveness of internal control over financial reporting as of December 31, 2014 , which reports appear in the December 31, 2014 annual report on Form 10-K of Fidelity National Financial, Inc.

/s/ KPMG LLP

Jacksonville, Florida
March 2, 2015
Certified Public Accountants

**Exhibit 31.1**

## CERTIFICATIONS

I, Raymond R. Quirk, certify that:

1. I have reviewed this annual report on Form 10-K of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2015

By: /s/ Raymond R. Quirk

Raymond R. Quirk

Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATIONS**

I, Anthony J. Park, certify that:

1. I have reviewed this annual report on Form 10-K of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2015

By: /s/ Anthony J. Park
Anthony J. Park
Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Executive Officer of Fidelity National Financial, Inc., a Delaware corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: March 2, 2015

By: /s/ Raymond R. Quirk
Raymond R. Quirk
Chief Executive Officer

**Exhibit 32.2**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Financial Officer of Fidelity National Financial, Inc., a Delaware corporation (the “Company”), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: March 2, 2015

By: /s/ Anthony J. Park
Anthony J. Park
Chief Financial Officer

# FIDELITY NATIONAL FINANCIAL, INC.

## FORM 10-K/A
(Amended Annual Report)

## Filed 04/30/15 for the Period Ending 12/31/14

| | |
|---|---|
| Address | 601 RIVERSIDE AVENUE<br>,<br>JACKSONVILLE, FL 32204 |
| Telephone | 904-854-8100 |
| CIK | 0001331875 |
| Symbol | FNF |
| SIC Code | 6361 - Title Insurance |
| Industry | Insurance (Prop. & Casualty) |
| Sector | Financial |
| Fiscal Year | 12/31 |

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

# Form 10-K/A

**(Mark One)**

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2014**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File No. 1-32630**

# Fidelity National Financial, Inc.
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware**<br>**(State or other jurisdiction of incorporation or organization)** | **16-1725106**<br>**(I.R.S. Employer Identification No.)** |
| **601 Riverside Avenue**<br>**Jacksonville, Florida 32204**<br>**(Address of principal executive offices, including zip code)** | **(904) 854-8100**<br>**(Registrant's telephone number, including area code)** |

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|
| **FNF Group Common Stock, $0.0001 par value** | **New York Stock Exchange** |
| **FNFV Group Common Stock, $0.0001 par value** | **New York Stock Exchange** |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive

Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

| | | | | |
|---|---|---|---|---|
| Large accelerated filer | ☑ | | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | (Do not check if a smaller reporting company) | Smaller reporting company | ☐ |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the shares of the Old FNF common stock held by non-affiliates of the registrant as of June 30, 2014 was $8,712,752,860 based on the closing price of $32.76 as reported by the New York Stock Exchange.

As of April 27, 2015, there were 280,452,717 shares of FNF Group common stock outstanding and 80,071,787 shares of FNFV Group common stock outstanding.

## EXPLANATORY NOTE

This Amendment No. 1 (the “Amendment”) on Form 10-K/A is being filed with respect to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 filed with the Securities and Exchange Commission on March 2, 2015 (the “Form 10-K”). This Amendment updates Part III in its entirety to contain the information required therein.

Except for the changes to Part III and the filing of related certifications added to the list of Exhibits in Part IV, this Amendment makes no changes to the Form 10-K. This Amendment does not reflect events occurring after the filing of the Form 10-K or modify disclosures affected by subsequent events.

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**FIDELITY NATIONAL FINANCIAL, INC.**
**FORM 10-K/A**
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## GENERAL INFORMATION ABOUT THE COMPANY

Prior to October 17, 2005, the Company was known as Fidelity National Title Group, Inc. and was a wholly-owned subsidiary of another publicly traded company, also called Fidelity National Financial, Inc. ("old FNF"). On October 17, 2005, old FNF distributed to its stockholders a minority interest in the Company, making it a majority-owned, publicly traded company (the "Partial Spin-Off"). On October 24, 2006, old FNF transferred certain assets to the Company in return for the issuance of shares of Company common stock to old FNF. Old FNF then distributed to its stockholders all of its shares of Company common stock, making the Company a stand-alone public company (the "Full Spin-Off"). In November 2006, old FNF was then merged with and into another of its subsidiaries, Fidelity National Information Services, Inc. ("FIS"), after which the Company changed its name to Fidelity National Financial, Inc. On January 2, 2014, we completed the purchase of Lender Processing Services, Inc. ("LPS"). In connection with the LPS acquisition, we formed a wholly-owned subsidiary, Black Knight Financial Services, Inc. (now known as Black Knight Holdings, Inc., "Black Knight"). Black Knight has two operating businesses, ServiceLink Holdings, LLC ("ServiceLink") and Black Knight Financial Services, LLC ("BKFS"). As of December 31, 2014, we retained a 67% ownership interest in BKFS and a 65% ownership interest in ServiceLink, with the remaining 33% and 35% ownership interests, respectively, held by funds affiliated with Thomas H. Lee Partners. On June 30, 2014, we completed the recapitalization of FNF common stock into two tracking stocks: our FNF Group common stock (the "FNF Group stock"), which tracks the performance of our core operations, and our FNFV Group common stock (the "FNFV Group stock"), which tracks the performance of the other companies and investments that we actively manage through FNF Ventures. Unless stated otherwise or the context otherwise requires, all references in this proxy statement to "us," "we," "our," the "Company" or "FNF" are to Fidelity National Financial, Inc., and all references to the "common stock" refer to shares of our FNF Group stock and our FNFV Group stock taken together. For purposes of the biographical descriptions of our directors and executive officers, service with FNF includes service with old FNF prior to the Full Spin-Off.

## PART III

### Item 10. DIRECTORS AND OFFICERS OF THE REGISTRANT

***Directors***

Certain biographical information for our directors is below.

***Class I Directors —Term Expiring 2015***

| Name | Position with FNF | Age (1) | Director Since |
|---|---|---|---|
| Frank P. Willey | Vice Chairman of the board | 61 | 1984(2) |
| Willie D. Davis | Director<br>Member of the Audit Committee | 80 | 2003(2) |
| John D. Rood | Director<br>Member of the Audit Committee | 59 | 2013 |

(1) As of April 1, 2015.
(2) Includes the period of time during which the director served as a director of old FNF.

*Frank P. Willey.* Mr. Willey is the Vice Chairman of the FNF board of directors and has been a director since 1984. Mr. Willey is a partner with the law firm of Hennelly & Grossfeld, LLP. He 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 until December 31, 1994. Mr. Willey also serves as a director of PennyMac Mortgage Investment Trust, and within the last five years, served as a director of CKE Restaurants, Inc. and Fisher Communications, Inc.

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Mr. Willey's qualifications to serve on the FNF board of directors include his 31 years as a director and/or executive officer of FNF and his experience and knowledge of the real estate and title industry.

*Willie D. Davis.* Willie D. Davis has served as a director of FNF since 2003. Mr. Davis has served as the President and as a director of All-Pro Broadcasting, Inc., a holding company that operates several radio stations, since 1976. Mr. Davis also serves on the board of directors of MGM Mirage, Inc., and, within the past five years, has served as a director of Sara Lee Corporation, Dow Chemical Company, Alliance Bank, Johnson Controls, Inc., Manpower, Inc., and Checkers Drive-In Restaurants, Inc. Mr. Davis formerly served on the board of directors of MGM Resorts, Inc.

Mr. Davis's qualifications to serve on the FNF board of directors include his years of business experience as an executive officer and/or board member of public and private companies, his experience in financial and accounting matters and his knowledge of corporate governance matters.

*John D. Rood* . John D. Rood has served as a director of FNF since 2013. Mr. Rood is the founder and Chairman of The Vestcor Companies, Inc., a real estate firm with 31 years of experience in multifamily development and investment. Mr. Rood also serves on the boards of BKFS and ServiceLink. From 2004 through 2007, Mr. Rood served as the United States Ambassador to the Commonwealth of the Bahamas. Mr. Rood serves on several private boards, and formerly served on the board of directors of Alico, Inc. He was appointed by Governor Jeb Bush to serve on the Florida Fish and Wildlife Conservation Commission, where he served until 2004. He was appointed by Governor Charlie Crist to the Florida Board of Governors which oversees the State of Florida University System, where he served until 2013.

Mr. Rood's qualifications to serve on the FNF board of directors include his experience in the real estate industry, his leadership experience as a United States Ambassador, his financial literacy and his experience as a director on boards of both public and private companies.

***Class II Directors—Term Expiring 2016***

| Name | Position with FNF | Age (1) | Director Since |
|---|---|---|---|
| Daniel D. (Ron) Lane | Director<br>Chairman of the Compensation Committee | 80 | 1989(2) |
| Richard N. Massey | Lead Director<br>Chairman of the Corporate Governance and Nominating Committee<br>Member of the Compensation Committee and the Executive Committee | 59 | 2006(2) |
| Cary H. Thompson | Director<br>Member of the Compensation Committee and the Executive Committee | 58 | 1992(2) |

(1) As of April 1, 2015.
(2) Includes the period of time during which the director served as a director of old FNF.

*Daniel D. (Ron) Lane.* Daniel D. (Ron) Lane has served as a director of FNF since 1989. Since February 1983, Mr. Lane has been a principal, Chairman and Chief Executive Officer of Lane/Kuhn Pacific, Inc., a corporation that comprises several community development and home building partnerships, all of which are headquartered in Newport Beach, California. Mr. Lane also served as a director of FIS from February 2006 to July 2008, of LPS from July 2008 to March 2009, and of CKE Restaurants, Inc. from 1993 through 2010.

Mr. Lane's qualifications to serve on the FNF board of directors include his extensive experience in and knowledge of the real estate industry, particularly as Chairman and Chief Executive Officer of Lane/Kuhn Pacific, Inc., his financial literacy and his experience as a member of the boards of directors of other companies.

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*Richard N. Massey*. Richard N. Massey has served as a director of FNF since February 2006. Mr. Massey has been a partner of Westrock Capital, LLC, a private investment partnership, since January 2009. Mr. Massey was Chief Strategy Officer and General Counsel of Alltel Corporation from January 2006 to January 2009. From 2000 until 2006, Mr. Massey served as Managing Director of Stephens Inc., a private investment bank, during which time his financial advisory practice focused on software and information technology companies. Mr. Massey also serves as a director of FIS, BKFS, and ServiceLink, as Chairman of the board of directors of Bear State Financial, Inc., and as a director of Oxford American Literary Project, a non-profit literary publication, and the Arkansas Razorback Foundation.

Mr. Massey's qualifications to serve on the FNF board of directors include his experience in corporate finance and investment banking and as a financial and legal advisor to public and private businesses, as well as his expertise in identifying, negotiating and consummating mergers and acquisitions.

*Cary H. Thompson*. Cary H. Thompson has served as a director of FNF since 1992. Mr. Thompson currently is Vice Chairman of Global Corporate and Investment Banking, Bank of America Merrill Lynch, having joined that firm in May 2008. From 1999 to May 2008, Mr. Thompson was Senior Managing Director and Head of West Coast Investment Banking at Bear Stearns & Co., Inc. Mr. Thompson also serves on the board of directors of SonicWall Corporation. He served as a director of FIS from February 2006 to July 2008 and as a director of LPS from July 2008 to March 2009.

Mr. Thompson's qualifications to serve on the FNF board of directors include his experience in corporate finance and investment banking, his knowledge of financial markets and his expertise in negotiating and consummating financial transactions.

***Class III Directors — Term Expiring 2017***

| **Name** | **Position with FNF** | **Age (1)** | **Director Since** |
|---|---|---|---|
| William P. Foley, II | Executive Chairman of the Board<br>Chairman of the Executive Committee | 70 | 1984(2) |
| Douglas K. Ammerman | Director<br>Chairman of the Audit Committee | 63 | 2005(2) |
| Thomas M. Hagerty | Director<br>Member of the Executive Committee | 53 | 2005(2) |
| Peter O. Shea, Jr. | Director<br>Member of the Corporate Governance and Nominating Committee | 48 | 2006(2) |

(1) As of April 1, 2015.
(2) Includes the period of time during which the director served as a director of old FNF.

*William P. Foley, II*. William P. Foley, II has served as FNF's Executive Chairman since October 2006 and, prior to that, as Chairman of the board of directors since 1984. Mr. Foley also served as FNF's Chief Executive Officer from 1984 until May 2007. Mr. Foley also served as FNF's President from 1984 until December 1994. Effective March 2012, Mr. Foley became the Vice Chairman of the board of directors of FIS; prior to that he served as Executive Chairman from February 2006 through February 2011 and as non-executive Chairman from February 2011 to March 2012. Mr. Foley served as the Chairman of the board of directors of LPS from July 2008 until March 2009, and, within the past five years, has served as a director of Remy International, Inc. and Florida Rock Industries, Inc. Mr. Foley also serves as Chairman of the board of directors of BKFS and ServiceLink. Mr. Foley also serves on the board of directors of the Foley Family Charitable Foundation and the Cummer Museum of Arts and Gardens. Mr. Foley is Chairman, CEO and President of Foley Family Wines Holdings, Inc., which is the holding company of numerous vineyards and wineries located in the U.S. and in New Zealand.

Mr. Foley's qualifications to serve on the FNF board of directors include his 31 years as a director and executive officer of FNF, his experience as a board member and executive officer of public and private companies in a wide variety of industries, and his strong track record of building and maintaining stockholder value and successfully negotiating and implementing mergers and acquisitions.

*Douglas K. Ammerman.* Douglas K. Ammerman has served as a director of FNF since July 2005. Mr. Ammerman is a retired partner of KPMG LLP, where he became a partner in 1984. Mr. Ammerman formally retired from KPMG in 2002. He serves as a director of William Lyon Homes, Inc., El Pollo Loco, Inc., Stantec Inc. and Remy International, Inc. Within the past five years, Mr. Ammerman also has served as a director of Quiksilver, Inc.

Mr. Ammerman's qualifications to serve on the FNF board of directors include his financial and accounting background and expertise, including his 18 years as a partner with KPMG and his experience as a director on the boards of directors of other companies.

*Thomas M. Hagerty.* Thomas M. Hagerty has served as a director of FNF since 2005. Mr. Hagerty is a Managing Director of Thomas H. Lee Partners, L.P. Mr. Hagerty has been employed by Thomas H. Lee Partners, L.P. and its predecessor, Thomas H. Lee Company, since 1988. Mr. Hagerty also serves as a director of MoneyGram International, Inc., Ceridian Holding LLC, FIS, FirstBancorp, FleetCor Technologies, Inc. and several private companies, including BKFS and ServiceLink. Within the last five years, Mr. Hagerty served as a director of MGIC Investment Corp.

Mr. Hagerty's qualifications to serve on the FNF board of directors include his managerial and strategic expertise working with large growth-oriented companies as a Managing Director of Thomas H. Lee Partners, L.P., a leading private equity firm, and his experience in enhancing value at such companies, along with his expertise in corporate finance.

*Peter O. Shea, Jr.* Peter O. Shea, Jr. has served as a director of FNF since April 2006. Mr. Shea is the President and Chief Executive Officer of J.F. Shea Co., Inc., a private company with operations in home building, commercial property development and management and heavy civil construction. Prior to his service as President and Chief Executive Officer, he served as Chief Operating Officer of J.F. Shea Co., Inc.

Mr. Shea's qualifications to serve on the FNF board of directors include his experience in managing multiple and diverse operating companies and his knowledge of the real estate industry, particularly as President and Chief Executive Officer of J.F. Shea Co., Inc.

**Certain Information About our Executive Officers**

| Name | Position with FNF | Age |
|---|---|---|
| William P. Foley, II | Executive Chairman of the Board | 70 |
| Raymond R. Quirk | Chief Executive Officer | 68 |
| Brent B. Bickett | President | 50 |
| Anthony J. Park | Executive Vice President and Chief Financial Officer | 48 |
| Peter T. Sadowski | Executive Vice President and Chief Legal Officer | 59 |
| Michael L. Gravelle | Executive Vice President, General Counsel and Corporate Secretary | 53 |

*Raymond R. Quirk.* Mr. Quirk has served as the Chief Executive Officer of FNF since December 2013. Prior to that, he had served as our President since April 2008. Previously, Mr. Quirk served as Co-President from May 2007 until April 2008, and as Co-Chief Operating Officer of FNF from October 2006 until May 2007. Mr. Quirk was appointed as President of FNF in 2002. Since joining FNF in 1985, Mr. Quirk has served in numerous executive and management positions, including Executive Vice President, Co-Chief Operating Officer and Division Manager and Regional Manager, with responsibilities for managing direct and agency operations nationally.

*Brent B. Bickett.* Mr. Bickett has served as our President since December 2013. Mr. Bickett has primary responsibility for all merger and acquisition activities, strategic initiatives, portfolio investments and investor relations group. Mr. Bickett joined FNF in 1999, and served as Executive Vice President, Corporate Finance of FNF from 2003 to December 2013.

*Anthony J. Park.* Mr. Park is the Executive Vice President and Chief Financial Officer of FNF and he has served in that position since October 2005. Prior to being appointed CFO of FNF, Mr. Park served as Controller and Assistant Controller of FNF from 1991 to 2000 and served as the Chief Accounting Officer of FNF from 2000 to 2005.

*Peter T. Sadowski.* Mr. Sadowski is the Executive Vice President and Chief Legal Officer of FNF and has served in that position since 2008. Prior to that, Mr. Sadowski served as Executive Vice President and General Counsel of FNF since 1999. Mr. Sadowski also is a member of the California Coastal Conservancy.

*Michael L. Gravelle.* Mr. Gravelle has served as the Executive Vice President, General Counsel and Corporate Secretary of FNF since January 2010, and has served in that capacity at BKFS and ServiceLink since January 2014. Mr. Gravelle served as Executive Vice President, Legal since May 2006 and Corporate Secretary since April 2008. Mr. Gravelle joined FNF in 2003, serving as Senior Vice President. Mr. Gravelle joined a subsidiary of FNF in 1993, where he served as Vice President, General Counsel and Secretary beginning in 1996 and as Senior Vice President, General Counsel and Corporate Secretary beginning in 2000. Mr. Gravelle also served as Senior Vice President, General Counsel and Corporate Secretary of Remy from February 2013 through February 2015.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16 of the Securities Exchange Act of 1934, requires the Company’s executive officers and directors to file reports of their ownership, and changes in ownership, of the Company’s common stock with the Securities and Exchange Commission. Executive officers and directors are required by the Securities and Exchange Commission’s regulations to furnish the Company with copies of all forms they file pursuant to Section 16 and the Company is required to report in this Proxy Statement any failure of its directors and executive officers to file by the relevant due date any of these reports during fiscal year 2014. Based solely upon a review of these reports, we believe all directors and executive officers of the Company complied with the requirements of Section 16(a) in 2014.

**Code of Ethics and Business Conduct**

Our board of directors has adopted a Code of Ethics for Senior Financial Officers, which is applicable to our Chief Executive Officer, our Chief Financial Officer and our Chief Accounting Officer, and a Code of Business Conduct and Ethics, which is applicable to all our directors, officers and employees. The purpose of these codes is to: (i) promote honest and ethical conduct, including the ethical handling of conflicts of interest; (ii) promote full, fair, accurate, timely and understandable disclosure; (iii) promote compliance with applicable laws and governmental rules and regulations; (iv) ensure the protection of our legitimate business interests, including corporate opportunities, assets and confidential information; and (v) deter wrongdoing. Our codes of ethics were adopted to reinvigorate and renew our commitment to our longstanding standards for ethical business practices. Our reputation for integrity is one of our most important assets and each of our employees and directors is expected to contribute to the care and preservation of that asset. Under our codes of ethics, an amendment to or a waiver or modification of any ethics policy applicable to our directors or executive officers must be disclosed to the extent required under Securities and Exchange Commission and/or New York Stock Exchange rules. We intend to disclose any such amendment or waiver by posting it on the Investor Relations page of our website at www.fnf.com.

Copies of our Code of Business Conduct and Ethics and our Code of Ethics for Senior Financial Officers are available for review on the Investor Relations page of our website at www.fnf.com. Stockholders may also obtain a copy of any of these codes by writing to the Corporate Secretary at the address set forth under “Available Information” below.

### Audit Committee

The members of the audit committee are Douglas K. Ammerman (Chair), Willie D. Davis and John D. Rood. The board has determined that each of the audit committee members is financially literate and independent as required by the rules of the Securities and Exchange Commission and the New York Stock Exchange, and that each of Messrs. Ammerman, Davis, and Rood is an audit committee financial expert, as defined by the rules of the Securities and Exchange Commission. The board of directors also reviewed Mr. Ammerman's service on the audit committee in light of his concurrent service on the audit committees of four other companies. The board of directors considered Mr. Ammerman's extensive financial and accounting background and expertise as a former partner of KPMG, his knowledge of our company and understanding of our financial statements as a long-time director and audit committee member, and the fact that Mr. Ammerman is retired from active employment, and determined that Mr. Ammerman's service on the audit committees of five public companies, including FNF's audit committee, would not impair his ability to effectively serve on FNF's audit committee. The audit committee met 11 times in 2014.

The primary functions of the audit committee include:

- appointing, compensating and overseeing our independent registered public accounting firm;
- overseeing the integrity of our financial statements and our compliance with legal and regulatory requirements;
- discussing the annual audited financial statements and unaudited quarterly financial statements with management and the independent registered public accounting firm;
- establishing procedures for the receipt, retention and treatment of complaints (including anonymous complaints) we receive concerning accounting, internal accounting controls, auditing matters or potential violations of law;
- approving audit and non-audit services provided by our independent registered public accounting firm;
- discussing earnings press releases and financial information provided to analysts and rating agencies;
- discussing with management our policies and practices with respect to risk assessment and risk management;
- reviewing any material transaction between our chief financial officer or chief accounting officer that has been approved in accordance with our Code of Ethics for Senior Financial Officers, and providing prior written approval of any material transaction between us and our chief executive officer; and
- producing an annual report for inclusion in our proxy statement, in accordance with applicable rules and regulations.

The audit committee is a separately-designated standing committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended.

## Item 11. EXECUTIVE COMPENSATION

## COMPENSATION DISCUSSION AND ANALYSIS AND EXECUTIVE AND DIRECTOR COMPENSATION

### Compensation Discussion and Analysis

*The following discussion and analysis of compensation arrangements should be read with the compensation tables and related disclosures that follow. This discussion contains forward-looking statements that are based on our current plans and expectations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from the programs summarized in this discussion. The following discussion may also contain statements regarding corporate performance targets and goals. These targets and goals are disclosed in the limited context of our compensation programs and should not be understood to be statements of management's expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.*

In this compensation discussion and analysis, we provide an overview of our approach to compensating our named executive officers in 2014, including the objectives of our compensation programs and the principles upon which our compensation programs and decisions are based. In 2014, our named executive officers were:

- William P. Foley, II, our Executive Chairman of the Board;
- Raymond R. Quirk, our Chief Executive Officer;

- Brent B. Bickett, our President;
- Anthony J. Park, our Executive Vice President and Chief Financial Officer; and
- Michael L. Gravelle, our Executive Vice President, General Counsel and Corporate Secretary.

## EXECUTIVE SUMMARY

### Financial Highlights

We delivered strong results in 2014, making it another good year for our stockholders.

- Based on FNF Group and FNFV Group tracking stock price increases and dividends paid for 2014, we generated a 24.6% return to our stockholders in 2014, which compares to a 13.7% return for the S&P 500. For the three-year period ended December 31, 2014, we generated a 14.6% return for stockholders, which compares to a 74.6% return for the S&P 500.
- We generated $8.0 billion in total revenue in 2014.
- We generated $392 million in pre-tax earnings in 2014.
- We returned approximately $203 million to our stockholders in the form of cash dividends. We also distributed our remaining shares of common stock of Remy International, Inc., or *Remy* , to FNFV Group stockholders.

### Pay for Performance

Our strong financial results and stockholder return in 2014 can be attributed to the success of managing our core operations and the other companies and investments that we actively manage through FNF Ventures, or *FNFV* , as well as synergy cost savings relating to our acquisition of Lender Processing Services, Inc., or *LPS* , and the operations of our businesses. This success was reflected in the amounts earned by our named executive officers in 2014. Here are a few highlights:

- Because of the strategic importance of the acquisition of LPS and formation of Black Knight Holdings, Inc., or *Black Knight* , to FNF, we utilized two special compensation programs that focus on the key strategic objectives of Black Knight.
  - First, we used a one-time incentive program, called the Black Knight Synergy Incentive Program, which focused very specifically on achieving our critical synergies and cost savings associated with the LPS acquisition. We achieved over $312 million of annualized cost savings among FNF, BKFS and ServiceLink through December 31, 2014, resulting in related payouts under the Synergy Incentive Program.
  - Second, to focus our executives on the key strategic objective of growing the long-term value of BKFS and ServiceLink, we granted two separate equity incentives known as profits interests, one related to BKFS and one related to ServiceLink. These equity incentives only reward participating executives if the value of the applicable company increases above the value of such company on the date the award is granted. Executives will not receive any compensation if the value of such company does not increase. As discussed below, we partnered with the private equity firm Thomas H. Lee Partners, L.P., or *T.H. Lee* , in the LPS transaction, and funds affiliated with T.H. Lee own 33% and 35%, respectively, of BKFS and ServiceLink. The profits interests we granted in BKFS and ServiceLink align the interests of individuals in key leadership positions with the interests of investors, and are structured in a way that is commonplace in private equity investments. Granting the profits interest awards to Mr. Foley and other key leaders was an important consideration in T.H. Lee's decision to partner in the transaction and in providing input in the structuring of the BKFS executive compensation program.

- Reflecting our strong performance and the rigor of our annual incentive performance targets, Mr. Foley earned 139.9% of his target award, Messrs. Quirk, Park and Bickett earned 119.9% of their target awards, and Mr. Gravelle earned 127.9% of his target award under the FNF annual incentive plan (before reduction pursuant to one of our long-term incentive plans), based on return on equity, or *ROE* , of 10.32% relating to our core operations and adjusted pre-tax profits margins of 12.46% relating to our title segment. Mr. Foley, whose 2014 annual cash incentive was allocated among FNF (50%), Black Knight Financial Services, LLC, or *BKFS* (25%), and ServiceLink Holdings, LLC, or *ServiceLink* (25%), earned (i) 194.6% of his BKFS target award based on achievement of $836 million in adjusted revenue and $344 million of adjusted EBITDA at BKFS, and (ii) 24.5% of the ServiceLink target award, based on $916 million in adjusted revenue and $115 million of adjusted EBITDA at ServiceLink.
- Finally, Comdata Inc., or *Comdata* , an entity in which we had an indirect interest through our interest in Ceridian LLC, or *Ceridian* , was sold to FleetCor Technologies, Inc. or *FleetCor* in November of 2014, and we distributed our shares of Remy common stock to our FNFV Group stockholders in December of 2014. We recognized $495 million in net earnings as a result of the sale of Comdata, and related amounts were earned under an incentive program that is tied to certain of the FNFV companies and investments, which we refer to as the *Investment Success Incentive Program* . The spin-off of Remy shares did not result in any payouts under the Investment Success Incentive Program.

Note that the adjusted revenue, adjusted pre-tax title margin and adjusted EBITDA financial measures described above differ from the comparable GAAP measures reported in our financial statements. The measures are adjusted to exclude the impact of certain non-recurring and other items in accordance with the terms of our incentive plans and programs. Details of these adjustments are discussed below.

**Changes to our Compensation Programs in 2014**

In 2014, as in prior years, we sought to create, through our performance-based incentive programs, an understandable and direct link between our business objectives and the compensation that our named executive officers earn. There were a few significant changes to our named executive officers' compensation in 2014, including the following:

- *Improved FNFV Company and Investment Incentive Structure.* Based on stockholder feedback, we froze and terminated the incentive programs we put in place in 2012 and 2013 relating to certain of the FNFV companies and investments, and instituted the Investment Success Incentive Program. The Investment Success Incentive Program pays cash incentives in connection with liquidity events relating to the FNFV companies and investments. Our 2012 and 2013 programs paid cash incentives based on increases in the appraised value of the FNFV companies and investments over specified periods;
- *Diversification of Equity-Based Incentives.* Reflecting our diversified operations, our 2014 long-term equity awards consisted not only of stock options and restricted stock awards in FNF Group common stock that tracks our core operations, but also restricted stock awards in FNFV Group common stock, which tracks the FNFV companies and investments, and equity awards directly in the BKFS and ServiceLink operating companies, known as profits interests;
- *Establishment of Synergy Incentive Program* . We established a one-time incentive program—the *Synergy Incentive Program* — which focused specifically on a key strategic objective of the LPS acquisition of achieving critical synergies and cost savings.

As described in this Compensation Discussion and Analysis, these changes created greater alignment between our incentive compensation programs and the business objectives the programs are intended to further, while also addressing stockholder concerns regarding our 2012 and 2013 incentive programs relating to the FNFV companies and investments.

### Our Compensation Programs Support Our Company and Our Business Objectives

The primary goal of our executive compensation programs in 2014 was to drive continued growth and successful execution of our business objectives. We sought to achieve this goal by:

- tying material portions of our named executive officers' compensation to the performance of our core operations and the FNFV companies and investments;
- structuring our performance-based programs to focus our named executive officers on attaining pre-established, objectively-determinable key performance goals that are aligned with and support our key business objectives in our various operations, which, in turn, are aimed at growing stockholder value for both our FNF Group and FNFV Group stockholders;
- recognizing our executives' leadership abilities, scope of responsibilities, experience, effectiveness, and individual performance achievements; and
- attracting, motivating, and retaining a highly qualified and effective management team that can deliver superior performance and build stockholder value over the long term.

For 2014, our corporate performance measures were designed to incent our named executive officers to take actions necessary to generate growth in ROE relating to our core operations, pre-tax title margin relating to our title segment, liquidity events relating to the FNFV companies and investments, and synergy cost savings relating to the LPS acquisition. These performance measures are key components of our overall business plan and are highly transparent, objectively determinable and approved by our compensation committee.

## OVERVIEW OF OUR COMPENSATION PROGRAMS

Our compensation programs reflect our business objectives and organizational structure and operations. Consequently, understanding our compensation programs first requires a brief overview of our business, our organizational structure and our operations, including the significant transactions and events that influenced our named executive officers' compensation in 2014. For this purpose, we have divided our organizational structure and operations into three categories: (1) FNF Core Operations, (2) our 2014 acquisition of LPS and formation of Black Knight, and (3) the FNFV companies and investments and establishment of the FNFV Group tracking stock.

*(1) Core Operations – Performance Measures and Compensation* . FNF has a long, successful history of being the leading provider of title insurance, technology and transaction services to the real estate and mortgage industries, or our *core operations* . Our core operations have generated significant operating cash flows over time, which have been used to make strategic investments, including investments in FNFV, which are intended to diversify our balance sheet and generate long term stockholder returns. In our core operations we are a leader in market share, revenue, profit margin, and cash flows. To incent our executives to achieve strong performance in our core operations:

- We used key performance measures of our core operations for our annual cash incentive program—ROE and pre-tax title margin relating to our title segment.
- We granted performance-based restricted stock and stock options in our FNF Group common stock.

*(2) Acquisition of LPS; Formation of Black Knight and IPO* . Immediately following the acquisition of LPS in 2014, we contributed the former LPS businesses and our legacy ServiceLink businesses to Black Knight, a wholly-owned holding company subsidiary. During 2014, Black Knight had two operating subsidiaries, BKFS and ServiceLink. As of December 31, 2014, we owned approximately 67% and 65% of the membership interests in BKFS and ServiceLink, respectively, with the remaining 33% and 35%, respectively, being held by funds affiliated with T.H. Lee.

BKFS owns and operates the technology, data and analytics business of the former LPS business, and ServiceLink owns and operates the transaction services business of the former LPS and the legacy FNF ServiceLink businesses. On December 23, 2014, we filed a preliminary registration statement on Form S-1 with the SEC relating to a proposed public offering of shares of a corporation that will own BKFS.

We used the following incentives as part of our compensation strategy to foster the key goals of the LPS acquisition and our ongoing strategy to successfully operate the BKFS and ServiceLink businesses:

- To achieve the key strategic objective of capturing full potential synergies following the LPS acquisition, we implemented the Synergy Incentive Program. The program was very successful, and we achieved $312 million of annualized cost savings among FNF, BKFS and ServiceLink through December 31, 2014. We terminated the program at the end of 2014.
- To achieve the strategic objective of growing the long-term value of BKFS and ServiceLink, we granted two separate equity incentives in the form of profits interests—one related to BKFS and one related to ServiceLink. These equity incentives only reward participating executives if the value of the related company increases after the date of grant.
- In addition, to reflect the key role Mr. Foley plays in developing and implementing our BKFS and ServiceLink business strategies, a portion of Mr. Foley's 2014 annual cash incentive compensation was provided under annual cash incentive programs of BKFS and ServiceLink. The annual cash incentive programs focus on revenue and EBITDA within those operations.

*(3) FNFV Companies and Investments and Establishment of the FNFV Group Tracking Stock* . We have been very successful with the FNFV companies and investments, which include majority and minority investments in American Blue Ribbon Holdings, LLC, or *ABRH* , Ceridian, J. Alexander's Holdings LLC, or *J. Alexander's* and Digital Insurance, Inc., or *Digital Insurance* . ABRH is the owner and operator of O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Baker's Square, and J. Alexander's is the owner and operator of J. Alexander's and Stoney River Legendary Steaks. We refer to ABRH and J. Alexander's as the *Restaurant Group* . In 2014, the FNFV companies and investments also included our majority investment in Remy, which was spun off to our FNFV Group stockholders on December 31, 2014. The FNFV companies and investments, excluding Remy, had a net asset value of approximately $1.3 billion on December 31, 2014. The FNFV companies and investments have made a substantial contribution to our overall success, particularly in 2014, which we discuss below.

- To improve our stockholders' ability to separately track the performance of our core operations and the FNFV companies and investments, on June 30, 2014, we completed a recapitalization of our common stock into two tracking stocks: the FNF Group common stock which tracks the performance of our core operations, and the FNFV Group common stock, which tracks the performance of the FNFV companies and investments.
- On November 13, 2014, Ceridian closed the sale of Comdata to FleetCor, resulting in our recognition of $495 million in net earnings.
- On December 31, 2014, we completed the tax-free distribution to our FNFV Group stockholders of approximately 16.6 million shares of Remy common stock with a value of approximately $350 million.
- On February 19, 2015, we announced our intention to pursue a tax-free spin-off of J. Alexander's to FNFV shareholders.
- On March 20, 2015, we closed a tender offer in which we purchased approximately 12.3 million shares of FNFV Group stock at a purchase price of $15.00 per share, for an aggregate purchase price of $185 million.

Our named executive officers, other than Mr. Quirk who is less involved in the FNFV companies and investments, have had a significant influence on the long-term strategy and performance of the FNFV companies and investments. Mr. Foley, in particular, has been the architect of FNF's acquisition and investment strategies over the years, with respect to both the FNFV companies and investments and acquisitions of businesses within our core operations. Consequently, we tie a significant portion of their compensation to the success of these investments. We believe that by incenting executives to focus on the success of the FNFV companies and investments, these programs lead to better financial results for our investments, which, in turn, leads to better returns for our stockholders. The most important performance measure related to the FNFV companies and investments and the FNFV Group tracking stock is the growth in the fair value of the FNFV companies and investments, and consequently, we used the following two incentives to help us achieve our objectives relating to the FNFV companies and investments:

- Our Investment Success Incentive Program, which provides cash incentives in connection with certain liquidity events relating to the FNFV companies and investments, with incentive amounts tied to measurable increases in the fair value of the FNFV companies and investments since the July 1, 2014 start date of the program; and
- Restricted shares of FNFV Group common stock, which we granted to our executives who have the most influence on the strategy, performance and operations of the FNFV companies and investments.

### Components of Total Compensation and Pay Mix

We compensate our named executive officers primarily through a mix of base salary, annual cash incentives and long-term equity-based incentives tied to each of our tracking stocks, as well as through investment or business-specific incentives such as the Investment Success Incentive Program, profits interest awards in BKFS and ServiceLink, and the Synergy Incentive Program. We also provide our named executive officers with the same retirement and employee benefit plans that are offered to our other employees, as well as limited other benefits, although these items are not significant components of our compensation programs. The following table provides information regarding the elements of compensation provided to our named executive officers in 2014:

| Category of Compensation | Type of Compensation | Purpose of the Compensation |
|---|---|---|
| ***Cash Compensation:*** | Salary | Salary provides a level of assured, regularly-paid, cash compensation that is competitive and helps attract and retain key employees. |
| | Annual Cash Incentive Relating to Our Core Operations | Cash incentives under the FNF annual incentive plan are designed to motivate our employees to work towards achieving our key short-term revenue and pre-tax title margin goals for the fiscal year. |
| | Annual Cash Incentive Relating to BKFS and ServiceLink Operations | Mr. Foley is the only named executive officer who has a portion (one half) of his annual incentive tied directly to the performance of BKFS and ServiceLink. We tied Mr. Foley’s annual incentives directly to financial performance goals at each of BKFS and ServiceLink so that he would have a short-term cash incentive tied to each entity. |
| ***Long-term Equity Incentives:*** | Performance-Based FNF Group Restricted Stock | These awards are in our FNF Group common stock. Performance-based restricted stock helps to tie our named executive officers’ long-term financial interests to our pre-tax title margin and to the long-term financial interests of FNF Group stockholders, as well as to retain key executives through a three-year vesting period and maintain a market competitive position for total compensation. |

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| Category of Compensation | Type of Compensation | Purpose of the Compensation |
|---|---|---|
| ***Long-term Equity Incentives:*** | FNFV Group Restricted Stock | These awards are in our FNFV Group common stock. The FNFV Group restricted stock grants help tie the long-term interests of those named executive officers who have the most influence on strategy, performance and operations of the FNFV companies and investments to the long-term interests of FNFV Group stockholders. The time-based vesting conditions also help encourage retention of key executives through the three-year vesting period. |
| | FNF Group Stock Options | These awards are in our FNF Group common stock. Stock options help to tie our named executive officers' long-term financial interests to the long-term financial interests of FNF Group common stockholders as they are worth nothing unless our stock price rises after grant. The price of our FNF Group common stock must appreciate by approximately 16% over the expected term of the option for the executive to earn the targeted compensation upon exercise of the option. |
| ***Investment/Business Specific Incentives:*** | Profits Interest Awards Relating to Our BKFS and ServiceLink Businesses | Profits interest awards only have value if there is post-grant appreciation in the value of the underlying entity. The profits interests are granted in BKFS and ServiceLink, respectively, which creates a direct incentive for the executives to generate net income and long-term appreciation at each of these entities. The profits interest awards also support our retention goals, as 50% of the awards vest after two years and the remaining 50% vests after three years. |
| | Investment Success Incentive Program | Our Investment Success Incentive Program is designed to help us maximize our return on investment in the FNFV companies and investments by aligning a significant portion of the executive's long-term incentive compensation with our return related to the investments. The purpose of the programs is to retain and incentivize executives to identify and execute on monetization and liquidity opportunities that will maximize returns. |
| | Synergy Incentive Program Relating to LPS Acquisition and Operation of the core FNF, BKFS and ServiceLink Businesses | This cash incentive program was designed to maximize operating synergies related to the acquisition, reduce overall operating costs, improve profitability and margins and increase earnings relating to the LPS acquisition. This program has been terminated. |
| ***Benefits & Other:*** | ESPP, 401(k) Plan, health insurance and other benefits | Our named executive officers' benefits generally mirror our company-wide employee benefit programs. For security reasons and to make travel more efficient and productive for our named executive officers, they are eligible to travel on our corporate aircraft. We require that Mr. Foley travel on our corporate aircraft. |

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Additionally, Messrs. Foley, Bickett and Gravelle also received compensation in 2014 from Remy for services they provided to Remy, as described in more detail below.

**Allocation of Total Compensation for 2014**

The following table shows the allocation of 2014 Total Compensation reported in the Summary Compensation Table among the various components:

| | Salary | Annual Cash Incentives (FNF)* | Performance-Based Restricted Stock (FNF) | Time-Based Restricted Stock (FNFV) | Restricted Stock (Remy)** | Stock Options (FNF) | Stock Options (Remy) | FNFV Companies and Investments Incentive Programs (FNFV) | BKFS and ServiceLink Profits Interest Grants (FNF) | Synergy Incentive Program (FNF) | Benefits and Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Raymond R. Quirk | 8.5% | 15.5% | 35.3% | — | — | 9.1% | — | — | 7.4% | 21.0% | 3.2% | 100.0% |
| Anthony J. Park | 8.3% | 10.0% | 7.6% | 13.4% | — | 2.0% | — | 11.1% | 8.5% | 36.4% | 2.8% | 100.0% |
| William P. Foley, II | 1.1% | 2.1% | 4.0% | 11.8% | 0.1% | 1.0% | 0.1% | 22.5% | 27.8% | 28.4% | 1.1% | 100.0% |
| Brent B. Bickett | 5.7% | 5.2% | 8.3% | 20.4% | 0.7% | 2.1% | 0.3% | 36.1% | 7.0% | 11.9% | 2.3% | 100.0% |
| Michael L. Gravelle | 9.9% | 6.6% | 15.9% | 13.9% | 2.1% | 4.1% | 0.9% | 20.0% | 8.9% | 15.2% | 2.5% | 100.0% |

* For Mr. Foley, this amount also includes BKFS and ServiceLink annual cash incentives.

** Half of Mr. Gravelle's Remy restricted stock awards are subject to performance-based vesting conditions.

As illustrated in the table above, a significant portion of each named executive officer's total compensation is based on performance-based cash and equity incentives that are tied to our financial performance, stock and equity price and the performance of the FNFV companies and investments. Combined, performance-based forms of compensation comprised between 71.6% and 86% of our named executive officers' total compensation in 2014.

Our compensation committee believes this emphasis on performance-based incentive compensation is an effective way to use compensation to help us achieve our business objectives while directly aligning our executive officers' interests with the interests of our stockholders.

## Analysis of Compensation Components

### *Base Salary*

Our compensation committee typically reviews salary levels annually as part of our performance review process, as well as in the event of promotions or other changes in our named executive officers' positions or responsibilities. When establishing base salary levels, our compensation committee considers the peer compensation data provided by its external independent compensation consultant, Strategic Compensation Group, as well as a number of qualitative factors, including each named executive officer's experience, knowledge, skills, level of responsibility and performance. Our compensation committee determined that Messrs. Quirk and Gravelle would receive an increase in their base salaries in 2014. Mr. Quirk's annual base salary was increased from $740,000 to $780,000 so that Mr. Quirk's annual base salary, when aggregated with his annual cash incentives (excluding the one-time Synergy Incentive Program incentives), would bring his target total cash compensation closer to the 50$^{th}$ percentile of our peer group and relevant market data, respectively, as described below. The compensation committee approved an increase in Mr. Gravelle's annual base salary from $485,000 to $500,000, which when aggregated with his annual cash incentives (excluding the one-time Synergy Incentive Program incentives), would bring his target total annual cash compensation closer to the 50$^{th}$ percentile of our peer group and relevant market data. Mr. Foley received $1/4$ of his base salary from BKFS and $1/4$ from ServiceLink, and a portion of Mr. Gravelle's 2014 base salary was paid by Remy, as described below.

### *Annual Performance-Based Cash Incentives*

We award annual cash incentives based upon the achievement of pre-defined business and financial objectives relating to our core operations, which are specified in the first quarter of the year. Annual incentives play an important role in our approach to total compensation, as they motivate participants to achieve key fiscal year objectives by conditioning the payment of incentives on the achievement of defined, objectively determinable financial performance goals.

In the first quarter of 2014, our compensation committee approved the fiscal year FNF business performance objectives and a target incentive opportunity for each participant, as well as the potential incentive opportunity range for maximum and threshold performance. No annual incentive payments are payable to a named executive officer if the pre-established, minimum performance levels are not met, and payments are capped at a maximum performance payout level. The financial performance results are derived from our annual financial statements (and reported on our Annual Report on Form 10-K filed with the SEC), which are subject to an audit by our independent registered public accounting firm, KPMG LLP. The incentive award target opportunities are expressed as a percentage of the individual's base salary. Our named executive officers' 2014 target percentages were the same as their 2013 target percentages, except that Mr. Gravelle's target incentive opportunity under the Remy annual incentive plan was increased in 2014 from 55% to 60% of his Remy base salary.

The amount of the annual incentives actually paid depends on the level of achievement of the pre-established goals as follows:

- If threshold performance is not achieved, no incentive will be paid.
- If threshold performance is achieved, the incentive payout will equal 50% of the executive's target incentive opportunity.
- If target performance is achieved, the incentive payout will equal 100% of the executive's target incentive opportunity.
- If maximum performance is achieved, the incentive payout will equal 200% (240% for Mr. Gravelle and 300% for Mr. Foley) of the executive's target incentive opportunity.
- Between these levels, the payout is prorated.

An important tenet of our pay for performance philosophy is to utilize our compensation programs to motivate our executives to achieve performance levels that reach beyond what is expected of us as a company. The performance targets for the FNF incentive plan are approved by our compensation committee and are based on discussions between management and our compensation committee. Target performance levels are intended to be difficult to achieve, but not unrealistic. Maximum performance levels are established to limit short-term incentive awards so as to avoid excessive compensation while encouraging executives to reach for performance beyond the target levels.

In setting 2014 performance targets under our annual incentive plan, our compensation committee considered the following:

- the Mortgage Bankers Association's projection that mortgage originations would decline;
- consistency among 2014 performance targets and our 2014 business plan;
- 2014 performance targets as compared to 2013 performance targets and 2013 actual performance;
- alignment of the 2014 performance targets with the investment community's published projections for us and our publicly-traded title company competitors; and
- the effect that reaching performance targets would have on our growth and margins.

In 2014, Mr. Foley received one-half of his target annual incentives under BKFS's and ServiceLink's annual incentive plans. The BKFS and ServiceLink plans were approved by their respective compensation committees, and the plans' structures are similar to the FNF annual incentive plan. Each entity's plan ties the payment of incentives to the achievement of adjusted revenue and adjusted EBITDA goals at BKFS and ServiceLink. The methodology for calculating adjusted revenue and adjusted EBITDA for this purpose is discussed below. The financial performance results for the BKFS and ServiceLink annual incentive plans are derived from their respective annual financial statements, which are also audited by KPMG LLP. In setting 2014 performance targets under the BKFS and ServiceLink incentive plans, the compensation committees of BKFS and ServiceLink considered the following:

- the Mortgage Bankers Association's projection that mortgage originations would decline;
- the planned effect of cost reductions in connection with the LPS acquisition;
- consistency among 2014 performance targets and BKFS's and ServiceLink's 2014 business plans; and
- the effect that reaching performance targets would have on BKFS's and ServiceLink's growth and margins.

*FNF Annual Incentive Performance Measures and Results*

The 2014 performance goals under the FNF incentive plan were ROE relating to our core operations and adjusted pre-tax margin relating to our title segment. These performance goals are among the most important measures in evaluating the financial performance of our core business, and they can have a significant impact on long-term stock price and the investing community's expectations. The two goals, when combined with the strong focus on long-term stockholder return created by our equity-based incentives, the FNFV companies and investments incentive programs, and significant stock ownership by our named executive officers, provide a degree of checks and balances that requires our named executive officers to consider both short-term and long-term performance. Consequently, the annual incentive performance targets are synchronized with stockholder expectations, desired increase in our stock price, our annual budget, our long-term financial plan, and our board of directors' expectations.

In the following table, we explain how we calculate the performance measures and why we use them.

| Performance Measure | How Calculated | Reason for Use |
|---|---|---|
| Return on Equity Relating to Our Core Operations (ROE) | ROE was calculated by taking adjusted GAAP net income for 2014 and dividing it by total stockholders' equity as of the beginning of 2014 (but excluding net income and equity related to the FNFV companies and investments and excluding realized gains from the title segment investment portfolio). | ROE is a measure of profit earned in comparison to the total amount of stockholder equity. ROE was selected as a relevant performance goal because it is an effective measure of financial success and it is commonly used within the title industry. The use of ROE as a performance goal encourages executive officers to pursue responsible growth and investment opportunities that provide desired returns. Moreover, we believe that ROE is a measure that is clearly understood by both our executive officers and stockholders. |

| Performance Measure | How Calculated | Reason for Use |
|---|---|---|
| Adjusted Pre-Tax Title Margin Relating to Our Title Segment | Adjusted pre-tax title margin is determined by dividing the earnings before income taxes and non-controlling interests for the title segment by total revenues of the title segment. | We selected adjusted pre-tax title margin as a measure for the short-term incentives because it is a financial measure that is significantly influenced by the performance of our executives, and it aligns the executives' short-term incentive opportunity with one of our key corporate growth objectives and is commonly used within the title industry. |

Set forth below are the 2014 weightings of the threshold, target and maximum performance levels, and 2014 performance results under the FNF incentive plan.

| Performance Metric | Weight | Threshold | Target | Maximum | Results |
|---|---|---|---|---|---|
| ROE (FNF core operations) | 50% | 7.3% | 10.3% | 13.3% | 10.32% |
| Pre-Tax Title Margin (Title Segment) | 50% | 8.3% | 11.3% | 14.3% | 12.46% |

The FNFV companies and investments incentive programs, which we describe below, provide for a reduction in the annual cash incentives in certain circumstances. For a discussion of the mechanics of these reductions see the narrative discussion following "—Grants of Plan-Based Awards."

The table below shows each named executive officer's target percentage under our annual incentive plan, the initial calculation of their 2014 incentive awards based on the 2014 performance multiplier from the results shown in the tables above, and the amounts actually paid under the annual incentive plans after reduction pursuant to the FNFV companies and investments incentive programs.

| Name | 2014 Base Salary | 2014 Annual Incentive Target (%) | 2014 Annual Incentive Target ($) | 2014 Performance Multiplier | 2014 Total Incentive Earned | 2014 Reduced Incentive Paid |
|---|---|---|---|---|---|---|
| Raymond R. Quirk | $780,000 | 150% | $1,170,000 | 119.9% | $1,403,148 | $1,403,148 |
| Anthony J. Park | $435,000 | 100% | $ 435,000 | 119.9% | $ 521,683 | $ 521,683 |
| William P. Foley, II * | $425,000 | 225% | $ 956,250 | 139.9% | $1,377,357 | $ 668,678 |
| Brent B. Bickett | $550,500 | 150% | $ 825,750 | 119.9% | $ 990,298 | $ 495,149 |
| Michael L. Gravelle ** | $352,000 | 120% | $ 422,400 | 127.9% | $ 540,241 | $ 270,121 |

* Mr. Foley received 50% of his 2014 base salary from FNF, 25% from BKFS and 25% from ServiceLink. Similarly, 50% of Mr. Foley's total target annual incentive opportunity was provided under FNF's annual incentive plan, 25% was provided under BKFS's incentive plan and 25% was provided under ServiceLink's incentive plan. This table only reflects the base salary and annual incentives provided by FNF.

** This amount does not include the base salary and annual incentive opportunities Mr. Gravelle receives from Remy relating to his services to Remy as its Senior Vice President, General Counsel and Corporate Secretary. Mr. Gravelle received $148,000 in base salary and had a target bonus opportunity of $88,800 (or 60% of his Remy base salary) under Remy's annual incentive plan in 2014. His maximum bonus opportunity under the Remy incentive plan was 150% of his target bonus opportunity. For 2014, the actual bonus paid to Mr. Gravelle by Remy was $63,917. We set Mr. Gravelle's target annual incentive opportunity under the FNF incentive plan at 120% of his FNF annual base salary and his maximum annual incentive opportunity at 240% of his target so that, when combined with his target and maximum opportunities under the Remy plan, his combined annual target and maximum incentive opportunities are approximately 100% and 200% of his combined annual base salary, respectively.

*BKFS and ServiceLink Annual Incentive Measures and Results*

Mr. Foley is the only named executive officer who participated in these plans. The 2014 performance goals under both the BKFS and ServiceLink incentive plans were adjusted revenue and adjusted EBITDA. We consider these performance goals to be among the most important measures in evaluating the financial performance of these businesses. The two goals, when combined with the strong focus on increasing enterprise value of the BKFS and ServiceLink entities over the long term created by the profits interest grants, provide a degree of checks and balances that requires participants to consider both short-term and long-term performance. In the following table, we explain how we calculate the performance measures under each of the plans and why we use them.

| Performance Measure | How Calculated | Reason for Use |
|---|---|---|
| Adjusted Revenue | Based on GAAP revenue reported in the annual financial statements of BKFS and ServiceLink, adjusted for the effect of acquisitions, divestitures, purchase accounting and other unusual items. | Adjusted revenue is an important measure of the growth of BKFS and ServiceLink, our ability to satisfy our clients and gain new clients and the effectiveness of our services and solutions. Adjusted revenue is widely followed by investors. |

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| Performance Measure | How Calculated | Reason for Use |
|---|---|---|
| Adjusted EBITDA | GAAP operating income of BKFS and ServiceLink, excluding depreciation, amortization and interest expense from continuing operations, adjusted for certain other non-recurring revenue and expense items, including those related to or resulting from the LPS acquisition. | Adjusted EBITDA reflects the operating strength and efficiency of BKFS and ServiceLink. It also reflects our ability to convert revenue into operating profits for stockholders. Adjusted EBITDA is a common basis for enterprise valuation by investment analysts and is widely followed by investors. |

Set forth below are the 2014 weightings of the threshold, target and maximum performance levels, and 2014 performance results under the BKFS annual incentive plan. Dollar amounts are in millions.

| Performance Metric | Weight | Threshold | Target | Maximum | Results |
|---|---|---|---|---|---|
| Adjusted Revenue | 40% | $ 803.7 | $828.6 | $ 853.5 | $836.3 |
| Adjusted EBITDA | 60% | $ 328.0 | $338.1 | $ 348.2 | $334.0 |

The table below shows Mr. Foley's BKFS base salary, target percentage of base salary, and the amount earned and paid under the BKFS annual incentive plan.

| Name | 2014 Base Salary | 2014 Annual Incentive Target (%) | 2014 Annual Incentive Target ($) | 2014 Performance Multiplier | 2014 Total Incentive Earned |
|---|---|---|---|---|---|
| William P. Foley, II | $212,500 | 225% | $478,125 | 194.6% | $930,431 |

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Set forth below are the 2014 weightings of the threshold, target and maximum performance levels, and 2014 performance results under the ServiceLink annual incentive plan. Dollar amounts are in millions.

| Performance Metric | Weight | Threshold | Target | Maximum | Results |
|---|---|---|---|---|---|
| Adjusted Revenue | 40% | $ 894.2 | $993.6 | $ 1,093 | $916.7 |
| Adjusted EBITDA | 60% | $ 149.5 | $166.1 | $ 182.7 | $115.1 |

The table below shows Mr. Foley's ServiceLink base salary, target percentage of base salary, and the amount earned and paid under the ServiceLink annual incentive plan.

| Name | 2014 Base Salary | 2014 Annual Incentive Target (%) | 2014 Annual Incentive Target ($) | 2014 Performance Multiplier | 2014 Total Incentive Earned |
|---|---|---|---|---|---|
| William P. Foley, II | $212,500 | 225% | $478,125 | 24.5% | $117,100 |

Final calculations of adjusted revenue, pre-tax title margin and adjusted EBITDA, as applicable, under the FNF, BKFS and ServiceLink annual incentive plans excluded extraordinary events or accounting adjustments, acquisitions, divestitures, major restructuring charges and non-budgeted discontinued operations. When calculating ROE under the FNF incentive plan, we also excluded realized gains from the title segment investment portfolio. Under the BKFS and Service Link Plans, the threshold, target and maximum adjusted revenue and adjusted EBITDA goals under the BKFS incentive plan were increased by $37.7 million and $4.7 million, respectively, following the contribution of Property Insight, LLC from FNF to BKFS on June 2, 2014.

***Long-Term Equity Incentives***

We granted the following three types of equity-based incentives to each of our named executive officers in 2014: (1) performance-based FNF Group restricted stock, (2) time-based FNF Group stock options, and (3) profits interest awards in each of BKFS and ServiceLink. In addition, each of our executives other than Mr. Quirk received time-based FNFV Group restricted stock, and Messrs. Foley, Bickett and Gravelle received equity incentives from Remy for their services to Remy.

We do not attempt to time the granting of awards to any internal or external events. Our general practice has been for our compensation committee to grant our FNF equity awards during the fourth quarter of each year following the release of our financial results for the third quarter. We also may grant awards in connection with significant new hires, promotions or changes in duties. We granted the performance-based FNF Group restricted stock to our named executive officers in November 2014. We granted the FNFV Group restricted stock awards in September 2014 to our executives with the greatest potential to impact the performance of the FNFV companies and investments in order to align their interests with those of our FNFV Group stockholders and incentivize them to focus on the long-term strategy and growth of the FNFV companies and investments. We granted the BKFS and Service Link profits interest awards to our named executive officers in January to focus our executives on the successful integration and ongoing operation of BKFS and ServiceLink following the acquisition of LPS and the subsequent reorganization of the BKFS and ServiceLink businesses.

While our compensation committee considered each of the factors set forth above in arriving at the specific awards granted to each of our named executive officers in 2014, its determination was not formulaic; rather, our compensation committee exercised its discretion to make decisions based on the totality of the factors, including the significant financial return that our officers returned to our stockholders. In particular, with respect to Mr. Foley, our compensation committee considered, as it did when structuring all of his compensation arrangements, the material role he plays in our organization and the importance of retaining his services and continued focus and dedication. Our compensation committee recognizes Mr. Foley's knowledge of, and history and experience in, our industry and our organization, and the key role he has played, and continues to play, in developing and implementing our short-term and long-term business strategies. The relative size of Mr. Foley's incentives is reflective of our compensation committee's (or the BKFS and ServiceLink's compensation committees', as it relates to the profits interest awards) subjective assessment of the value Mr. Foley adds to our organization and its success. The structure and terms of the compensation provided to Mr. Foley is also reflective of the role he plays within our organization, with the vast majority being performance-based—either contingent upon achievement of specified performance objectives or, in the cases of FNF Group stock options and the profits interests, with the award only having value to the extent the price of FNF Group stock and the equity value of BKFS and ServiceLink increase after issuance. In addition, in considering the profits interest awards, the BKFS and ServiceLink compensation committees considered that funds affiliated with T.H. Lee own 33% and 35%, respectively, of BKFS and ServiceLink and the importance of aligning the interests of individuals in key leadership positions with the interests of investors, and structured the profits interest in a way that is commonplace in private equity investments after considering the importance of those individuals in T.H. Lee's decision to partner in the transaction.

*Performance-Based FNF Group Restricted Stock*

In order to preserve available shares in our omnibus plan, we increased from 50% to 80% the proportion of the FNF equity awards in 2014 consisting of performance-based FNF Group restricted stock. Restricted stock has a greater grant date fair value than stock options, since stock options only have value to the extent share values increase. Consequently, it takes fewer shares of restricted stock than stock options to convey the same potential compensation, based on grant date fair values.

The FNF Group restricted stock awards vest over three years, provided we achieve adjusted pre-tax margin in our title segment of 8.5% in at least two of the five quarters beginning October 1, 2014. In the fourth quarter of 2014, we achieved adjusted pre-tax margin in our title segment of 14.1%. The adjusted pre-tax title margin performance goal is also used as a performance measure in our annual cash incentive program. We selected adjusted pre-tax title margin because it is one of the most important measures in evaluating the performance of our core operations, as well as the performance of our executives as it is a measure that executives can directly affect. Pre-tax title margin measures our achievements in operating efficiency, profitability and capital management. It is also a key measure used by investors and has a significant impact on long-term stock price.

Pre-tax margin is determined by dividing the earnings before income taxes and non-controlling interests for the title segment by total revenues of the title segment. In calculating adjusted pre-tax title margin, we exclude extraordinary events or accounting adjustments, acquisitions, divestitures, major restructuring charges and non-budgeted discontinued operations.

Credit is provided for dividends paid on unvested shares, but payment of those dividends is subject to the same vesting requirements as the underlying shares—in other words, if the underlying shares do not vest, the dividends are forfeited.

*Time-Based FNFV Group Restricted Stock*

We granted time-based FNFV Group restricted stock under our omnibus plan to Messrs. Foley, Park, Bickett, and Gravelle, each of whom is significantly involved in the operations of the FNFV Group companies and investments that FNFV Group common stock tracks. We did not include performance-based vesting conditions in the FNFV Group restricted stock awards because FNFV is a holding company for the FNFV companies and investments, and we did not think there was a suitable performance metric other than the net value of the investments, which is already addressed by our long-term cash incentive programs. We believe the equity grants alone create the desired alignment of long-term interests between the executives and FNFV Group stockholders.

As with the FNF Group restricted stock awards, the FNFV awards entitle the holders to credit for dividends paid on the shares while unvested, but payment of the dividends will be subject to the same vesting requirements as the underlying shares. As a result of the Remy spin-off, Messrs. Foley, Park, Bickett and Gravelle each received a dividend of 0.17879 shares of new Remy common stock for each share of FNFV Group restricted stock they held on December 31, 2014, which new Remy shares are subject to the same vesting requirements as the underlying FNFV Group shares. Additional information concerning the Remy share dividend is including in the Outstanding Remy Restricted Stock and Stock Option Awards at Fiscal Year End table below.

*FNF Group Stock Options*

As in prior years, as part of our long term incentive program, we granted FNF Group stock options to our named executive officers in 2014. We consider stock options to be performance-based, since they do not have realizable value unless our stock price rises after grant. For the 2014 stock option awards to reach the grant date fair values reflected in the "Summary Compensation Table" below, the price of FNF Group common stock must rise by approximately 16% from the closing stock price of $29.80 on the date of grant.

The stock options were awarded with an exercise price equal to the fair market value of a share of our FNF Group common stock on the date of grant. The awards vest proportionately each year over three years based on continued employment with us and have a seven year term. We do not engage in or permit "backdating" or re-pricing of stock options, and our stock plans prohibit these practices.

*Profits Interest Awards*

The profits interest awards are in the form of restricted Class B units in each of BKFS and ServiceLink. BKFS and ServiceLink are each organized as limited liability companies, or *LLCs* , and they are taxed as partnerships under U.S. federal income tax laws. The Class B units are intended to qualify as *profits interests* for U.S. federal income tax purposes. The profits interests are equity interests in the underlying entities and, as such, entitle their holders to a pro rata share in the profits and losses of, and distributions from, the company, but only following such time as a specified equity threshold, or *hurdle amount* , has been achieved. The hurdle amount equals the value of the company on the date the awards are granted. Thus, similar to a stock option, the awards only have value to the extent the equity value of BKFS and/or ServiceLink increases after issuance. The profits interests vest over a period of three years, with 50% vesting on the second anniversary of grant and the remaining 50% vesting on the third anniversary of grant, subject to the continued service of the award holder, and are subject to the terms and conditions of the BKFS and ServiceLink plans under which they were granted and the limited liability company operating agreements for each of BKFS and ServiceLink.

For information regarding the equity awards granted to our named executive officers in 2014, including the awards' grant date fair values, see "—Summary Compensation Table" and "—Grants of Plan-Based Awards" below. The grant date fair values reflect the estimated future value of the profits interest award. The actual amounts realized by our named executive officers with respect to the profits interest award may be greater or less than the fair value estimates.

Several qualitative and quantitative factors were considered when determining profits interest award levels, including the following:

- an analysis of competitive marketplace compensation data provided by the compensation consultant;
- the executive officer's level of responsibility and ability to influence performance;
- the executive officer's level of experience, skills and knowledge;
- the need to retain and motivate highly talented executive officers; and
- the current business environment, objectives and strategy.

While the BKFS and ServiceLink compensation committees considered each of the factors set forth above in arriving at the specific awards granted to each of our named executive officers in 2014, the determination was not formulaic. Rather, the BKFS and ServiceLink compensation committees exercised their discretion to make decisions based on the totality of these factors.

*Remy Equity Awards*

In February 2014, the Remy compensation committee approved grants of restricted stock and stock options in common stock of Remy to Messrs. Foley and Bickett, who were members of the board of directors of Remy, and to Mr. Gravelle, who was the Senior Vice President, General Counsel and Corporate Secretary of Remy. In connection with the distribution of Remy stock to our stockholders, Messrs. Foley and Bickett resigned as directors of Remy on December 31, 2014, and Mr. Gravelle resigned as Executive Vice President, General Counsel and Corporate Secretary on March 1, 2015. In consideration of Messrs. Foley's and Bickett's service on the Remy board, their Remy stock options and shares of restricted stock that would have vested in February 2015 had their service continued were vested upon their resignation from the Remy Board. All of Messrs. Foley's, Bickett's and Gravelle's stock options or shares of restricted stock that remained unvested upon their respective resignations (after taking into account the accelerated vesting) were forfeited for no consideration.

***Business/Investment Specific Incentives***

*The FNFV Companies and Investments Incentive Programs*

FNF has diversified its business operations over the past several years, and its businesses are now organized into two discreet and separate groups: our core operations and our FNFV group, which includes the FNFV companies and investments. The businesses comprising our FNFV group, which had a net asset value of approximately $1.3 billion as of December 31, 2014, have made a substantial contribution to the overall success of FNF and our stockholder returns, particularly in 2014 with the closing of the sale by Ceridian of Comdata to FleetCor on November 13, 2014, resulting in our recognition of $495 million in net earnings.

In 2012, we determined that there was a need to increase the focus of our compensation programs on the importance of the FNFV companies and investments. To address this objective, we implemented an incentive program in 2012 and granted similar, coordinated, awards in 2013. We refer to the 2012 and 2013 awards as the *original FNFV companies and investments incentive programs* . As discussed in further detail below, we have terminated the original FNFV companies and investments incentive programs and have established the Investment Success Incentive Program.

The executives who participate in the programs—including all of our named executive officers except for Mr. Quirk – spend a substantial amount of time and resources on the strategies of the FNFV companies and investments and influence their long-term financial performance. Mr. Quirk does not participate in the programs, as our compensation committee determined his incentives should be focused on our core operations. The extent to which a particular executive participates in the programs depends on the executive's leadership and oversight of the relevant business and/or corporate function for which the executive is responsible, and such executive's contributions with respect to our strategic initiatives and development. Mr. Foley, in particular, has been the chief architect of FNF's acquisition and disposition strategies with respect to the FNFV companies and investments.

*Original FNFV Companies and Investments Incentive Programs.* The original FNFV companies and investments incentive programs, which have been terminated, were intended to measure and reward the success of three investments, Remy, our Restaurant Group (ABRH and J. Alexander's) and Ceridian, over multiple measurement periods within a multi-year performance period. In October 2013, the compensation committee decided to exclude the return on investment in Ceridian from the program, since Ceridian was in a state of transition, including the spin-off of its Comdata division, a reworking of the investment strategy with our Ceridian investment partners and other structural changes. Consequently, no incentives were earned under the program with respect to Ceridian in 2013 or 2014, thereby reducing the total payouts under the programs. The awards provided for an 80/20 split of incremental fair value on each of the investments, with 80% going to FNF and its investment partners, and 20% going to the incentive program pool, provided that FNF recognized at least an 8% return on investment, compounded annually, and FNF achieved positive net income for the year.

Under the original FNFV companies and investments incentive programs, the executives could earn a specified percentage of the incentive pool, the size of which was determined based on increases in the appraised value of the investments, subject to a $25,000,000 limit imposed on awards granted in any one year under the FNF omnibus incentive plan, which governs the program and awards. The named executive officers' percentages of the incentive pool under the original FNFV companies and investments incentive programs were: Mr. Foley 60%; Mr. Bickett 14%; Mr. Park 2%; and Mr. Gravelle 5%. These allocations were based on our compensation committee's assessment of the named executive officers' impact on the strategies and long-term performance of the relevant investments. The investments performed well in 2012 and 2013, and amounts were earned under the programs.

The compensation committee retained discretion to reduce the amount credited to the incentive pool and payable to a participating executive, and they exercised that discretion in March 2014, reducing by 20% the amount that would otherwise have been credited to the incentive pool in respect of the measurement periods ending December 31, 2013. Further, after receiving stockholder feedback regarding the original FNFV companies and investments incentive programs following our 2014 annual stockholders' meeting, in July 2014, the compensation committee decided to end the original FNFV companies and investments incentive programs as of January 1, 2014, but to preserve the participants' ability to earn in 2014 the 20% that was not paid in respect of the measurement periods ending December 31, 2013. The final payments would be reduced if the return on investment in Remy or the Restaurant Group declined in 2014. We structured the final measurement period in this way so that an increase in the investment values in 2014 would not result in payments exceeding the 20% amount, but a decline in investment values in 2014 would result in less than that 20% amount being paid. The value of our investment in Remy declined by approximately 4% in 2014, resulting in a reduction of approximately 9.6% in the amounts earned under the programs in 2014.

Finally, the original FNFV companies and investments incentive programs provided for a 50% reduction in FNF annual incentives if the amount paid in a calendar year pursuant to the program was greater than 50% of the executive's annual cash incentive earned in the prior year, unless otherwise determined by the compensation committee. The resulting reductions in 2014 FNF annual incentives are reflected in the table under the heading "FNF Annual Incentive Performance Measures and Results" above.

The following table shows 20% payouts that were reserved and available to be earned in 2014, the impact of the reduction in the value of our investment in Remy and the net amounts earned.

| | 20% in Reserve | Remy Impact | Net Payout |
|---|---|---|---|
| William P. Foley, II | $ 9,450,000 | $ 905,000 | $8,545,000 |
| Brent B. Bickett | $ 2,210,000 | $ 216,000 | $1,994,000 |
| Anthony J. Park | $ 320,000 | $ 35,000 | $ 285,000 |
| Michael L. Gravelle | $ 790,000 | $ 78,000 | $ 712,000 |

*The Investment Success Incentive Program.* Under the Investment Success Incentive Program implemented in 2014, we granted awards that are intended to measure and reward the realized or realizable success of the following FNFV companies and investments: Remy, the Restaurant Group (ABRH and J. Alexander's), Ceridian, Comdata and Digital Insurance. Under the new awards, amounts are earned only if there is an increase in the value of the subsidiaries and investments included in the program as measured by a liquidity event relating to the investment that occurs between July 1, 2014 and December 31, 2018, and such event results in realized or realizable pre-tax gains. If a liquidity event occurs, 10% of any incremental value is contributed to the incentive pool and the payments are made to participants based on their allocated percentages of the pool, which are as follows: Mr. Foley 65%; Mr. Bickett 10%; Mr. Park 2%; and Mr. Gravelle 2%. Mr. Quirk does not participate in this program. For this purpose, gain is determined relative to the values of our investment in the FNFV companies and investments as of July 1, 2014, which were as follows: Remy $374,300,000; ABRH $314,300,000; J. Alexander's $115,400,000; Ceridian $329,800,000; Comdata $160,200,000; and Digital Insurance: $70,800,000.

Liquidity events include a public offering of an FNFV company's or investment's securities, a sale or other disposition of an FNFV company's and investment's securities in connection with which consideration (cash or securities) is received or receivable by FNF, a spin off, split off or similar transaction in connection with which our stockholders receive securities of the FNFV companies and investments, a recapitalization of the FNFV companies and investments in connection with which an extraordinary dividend or return of capital is paid to FNF (provided the amount of such extraordinary dividend or return of capital exceeds the base value of FNF's investment as of July 1, 2014), any other transaction or event (other than payment of ordinary dividends) in connection with which FNF's return on investment can be determined by third party observable measure, and a change in control of FNF occurring on or after July 1, 2015. A participant can only be paid once on a gain, however, multiple liquidity events could occur with respect to the same FNFV company and/or investment (for example, an IPO might be followed by a secondary public offering, sale of shares or spin-off or change in control of FNF). The basis in the investment would be increased each time a liquidity event occurs in order to avoid duplicative payments on the same gain. Except in the case of a termination without cause after a change in control of FNF but before payment, if the executive's employment is terminated for any reason under the Investment Success Incentive Program before payment, the award is immediately forfeited. For this purpose, transitioning from employment to the board, or board to employment, is not considered to be a termination. The compensation committee will administer the new program and will have the right to exercise discretion to reduce payments and remove the FNFV companies or investments, if appropriate, under this program. The Investment Success Incentive Program was specifically structured so that there is no double counting of benefits under it and the original FNFV companies and investments incentive programs.

Two liquidity events occurred relating to the FNFV Group companies and investments included in the Investment Success Incentive Program in 2014: the sale by Ceridian of Comdata to FleetCor and the spin-off of Remy shares to FNFV Group stockholders. Only the Comdata sale resulted in a payment under the Investment Success Incentive Program. The purchase price in the transaction was paid with shares of FleetCor common stock, with 25% of the net proceeds received by Ceridian held in escrow to cover any indemnity claims, and any remaining escrowed funds payable to Ceridian after a specified period. As a result of the sale, we indirectly acquired (through our approximately 32% ownership interest in Ceridian) approximately 2.3 million shares of FleetCor common stock, which had a value of approximately $355,979,000 on the closing date, or $195,779,000 in excess of the $160,200,000 base value of the investment used to measure gain for purposes of the awards. The $355,979,000 value of FleetCor common stock is based on the value of the stock as of November 13, 2014 (the closing date of the Comdata sale), including the 25% currently being held in escrow. Because of the 25% escrow holdback, our compensation committee, exercising negative discretion, has determined to pay only 75% of the incentive attributable to the sale at this time. The remaining 25% may be paid at the compensation committee's discretion, and subject to the other conditions to payment contained in the incentive award agreements, such as the requirement that participants must remain employed through the payment date to be entitled to a payment.

The following tables show the return on investment relating to the Comdata sale and the resulting payouts to the named executive officers under the Investment Success Incentive Program.

| Investment | Incremental Fair Value | 10% Allocated to Incentive Pool |
|---|---|---|
| Comdata | $ 195,779,000 | $ 19,577,900 |

| Name | Percentage of Incentive Pool | Total Incentive Paid* |
|---|---|---|
| William P. Foley, II | 65% | $9,544,220 |
| Brent B. Bickett | 10% | $1,468,342 |
| Anthony J. Park | 2% | $ 293,668 |
| Michael L. Gravelle | 2% | $ 293,668 |

* After 25% reduction to reflect 25% of sale proceeds held in escrow.

All amounts payable under the original FNFV companies and investments incentive programs and the Investment Success Incentive Program are subject to our clawback policy, which is described below.

*Synergy Incentive Programs*

In January 2014, we implemented synergy incentive programs that provided for cash incentives if certain cost reduction goals were achieved between July 15, 2013 and December 31, 2015. We implemented the synergy incentive programs to help us achieve operating synergies related to the LPS acquisition, reduce overall operating costs at FNF, BKFS and ServiceLink, improve profitability, margins and earnings at FNF, BKFS and ServiceLink, meet or exceed FNF investor expectations relating to the LPS acquisition, and possibly have a positive impact on our valuation.

Under the combined programs, no incentive is earned until combined annualized cost savings at FNF, BKFS and ServiceLink equals $100 million. After reaching the $100 million threshold, an incentive pool is funded at 20% of the cost savings between $100 million and $150 million, at 30% of the cost savings between $150 million and $200 million, at 40% of the cost savings between $200 million and $250 million, and at 50% of the cost savings between $250 million and $350 million. No incentive is paid for cost savings above $350 million. Incentives under the synergy incentive programs are earned and paid on a quarterly basis, starting with the quarter ending on March 31, 2014. Participants must be employed at the time of payment in order to receive a payment.

Our compensation committee approved the following allocations of the combined incentive pools under the programs: Mr. Foley 30%; Mr. Quirk 2.5%; Mr. Bickett 1.5%; Mr. Park 2.5%; and Mr. Gravelle 1%. These allocations were selected by our compensation committee based on its judgment of each named executive officer’s ability to impact the achievement of the programs’ objectives. As of December 31, 2014, our compensation committee determined that cost savings of approximately $312.4 million had been achieved under the combined programs, and a total of approximately $28.6 million in incentives had been earned by our named executive officers under our synergy incentive program. The achieved savings as of December 31, 2014 were validated by the FNF audit services division. Further information on bonuses earned by each of our named executive officers in 2014 under the synergy incentive program is included under the Non-Equity Incentive Plan Compensation heading in the Summary Compensation Table, below.

Our compensation committee has the final authority to determine whether a specific cost reduction qualifies as cost savings under the synergy incentive program. We have a right to recoup, or clawback, from participants of the synergy incentive program any payments made if cost savings are recalculated to an amount that is less than the cost savings used for the calculation of the prior bonus payments.

Having achieved our intended cost reduction goals, our compensation committee terminated the program effective December 31, 2014.

***Benefit Plans***

We provide retirement and other benefits to our U.S. employees under a number of compensation and benefit plans. Our named executive officers generally participate in the same compensation and benefit plans as our other executives and employees. All employees in the United States, including our named executive officers, are eligible to participate in our 401(k) plan and our employee stock purchase plan, or *ESPP* . In addition, our named executive officers are eligible to participate in broad-based health and welfare plans. We do not offer pensions or supplemental executive retirement plans for our named executive officers.

*401(k) Plan.* We sponsor a defined contribution savings plan that is intended to be qualified under Section 401(a) of the Internal Revenue Code. The plan contains a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code. Participating employees may contribute up to 40% of their eligible compensation, but not more than statutory limits, generally $17,500 in 2014. We made matching contributions to our named executive officers in 2014 of approximately $22,948. Vesting in matching contributions, if any, occurs proportionally each year over three years based on continued employment with us.

*Deferred Compensation Plan.* We provide our named executive officers, as well as other key employees, with the opportunity to defer receipt of their compensation under a nonqualified deferred compensation plan. None of our named executive officers, other than Mr. Gravelle, elected to defer 2014 compensation into the plan. A description of the plan and information regarding our named executive officers' interests under the plan can be found in the Nonqualified Deferred Compensation table and accompanying narrative.

*Employee Stock Purchase Plan.* We maintain an *ESPP* through which our executives and employees can purchase shares of our FNF Group common stock through payroll deductions and through matching employer contributions. At the end of each calendar quarter, we make a matching contribution to the account of each participant who has been continuously employed by us or a participating subsidiary for the last four calendar quarters. For officers, including our named executive officers, matching contributions are equal to 1/2 of the amount contributed during the quarter that is one year earlier than the quarter in which the matching contribution was made. The matching contributions, together with the employee deferrals, are used to purchase shares of our common stock on the open market. Due to the exhaustion of the prior ESPP's share reserve, the prior ESPP was frozen in September 2013, and a new interim ESPP that did not provide for matching shares was adopted. While the interim ESPP was in effect, we made discretionary grants of stock under our omnibus plan in amounts that were comparable to what would have been received by the participant had we been able to make matching contributions. At our 2014 annual stockholders' meeting, a new ESPP that provides for matching contributions consistent with our prior ESPP was approved by our stockholders. For information regarding the matching contributions made to our named executive officers in 2014 see "—Summary Compensation Table."

*Health and Welfare Benefits.* We sponsor various broad-based health and welfare benefit plans for our employees. Certain executives, including our named executive officers, are provided with additional life insurance. The taxable portion of the premiums on this additional life insurance is reflected in the "Summary Compensation Table" under the column "All Other Compensation" and related footnote.

*Other Benefits* . We continue to provide a few additional benefits to our executives, but we have reduced these benefits since 2012. In general, the additional benefits provided are intended to help our named executive officers be more productive and efficient and to protect us and the executive from certain business risks and potential threats. In 2014, certain of our named executive officers received personal use of the corporate aircraft. Our compensation committee regularly reviews the additional benefits provided to our executive officers and believes they are minimal. Further detail regarding other benefits in 2014 can be found in the "Summary Compensation Table" under the column "All Other Compensation" and related footnote.

**Employment Agreements and Post-Termination Compensation and Benefits**

We have entered into employment agreements with each of our named executive officers. These agreements provide us and the executives with certain rights and obligations following a termination of employment, and in some instances, following a change in control. We believe these agreements are necessary to protect our legitimate business interests, as well as to protect the executives in the event of certain termination events. For a discussion of the material terms of the agreements see the narrative following "—Grants of Plan-Based Awards" and "—Potential Payments upon Termination or Change in Control," below.

**Governance and Compensation Best Practices**

We periodically review our compensation programs and make adjustments that are believed to be in the best interests of our company and our stockholders. As part of this process, we review compensation trends and consider current best practices, and make changes in our compensation programs when we deem it appropriate, all with the goal of continually improving our approach to executive compensation.

Some of the improvements made and actions taken in recent years by our compensation committee or full board of directors include the following:

- amending our Certificate of Incorporation to permit stockholder action by written consent upon a majority vote on terms and conditions that are fully transparent and give all stockholders equal rights;

- amending our Certificate of Incorporation to eliminate all supermajority voting provisions;
- decreasing the number and amount of perquisites provided to our named executive officers;
- setting a high ratio of performance-based compensation to total compensation, and a low ratio for fixed benefits/perquisites (non-performance-based compensation);
- eliminating modified single-trigger severance provisions that provide for payments upon a voluntary termination of employment following a change in control;
- eliminating excise tax gross ups;
- adopting a policy to clawback any overpayments of incentive-based or share-based compensation that were attributable to restated financial results;
- adding a performance-based vesting provision in restricted stock grants to our officers, including our named executive officers;
- providing transparent disclosure so that our stockholders have the ability to fully understand our executive compensation programs and the associated performance measures used under those programs;
- using a thorough methodology for comparing our executive compensation to market practices;
- requiring that any dividends or dividend equivalents on restricted stock and other awards, including performance based awards and FNFV Group restricted stock awards, be subject to the same underlying vesting requirements applicable to the awards – that is, no payment of dividends or dividend equivalents unless and until the award vests;
- using a shorter expiration period for our stock options: we use a seven year expiration period for new grants rather than a ten year expiration period used by a majority of companies;
- adopting a policy that annual grants of stock options and restricted stock (including FNFV Group restricted stock) will utilize a vesting schedule of not less than three years;
- separating the positions of Chief Executive Officer and Chairman into two positions;
- appointing an independent lead director to help manage the affairs of our board of directors;
- using an independent compensation consultant who reports solely to our compensation committee, and who does not provide services other than executive compensation consulting;
- significantly increasing the required executive stock ownership multiples, for example, the multiples were increased from five times base salary to ten times base salary for our Executive Chairman and from two times base salary to five times base salary for our President;
- amending our equity incentive plan to prohibit the repricing of stock options and stock appreciation rights, and to prohibit the cash buy-out of the same; and
- adopting a policy prohibiting hedging and pledging transactions involving FNF and FNFV securities.

As part of our compensation governance program, we also observe the following practices:

- employment agreements with our named executive officers do not contain multi-year guarantees for salary increases, non-performance based bonuses or guaranteed equity compensation;
- we do not provide income tax reimbursements on executive perquisites or other payments;
- all of our cash and equity incentive plans are capped at maximum levels; and
- the change in control provisions in our compensation plans trigger upon consummation of mergers, consolidations and other corporate transactions, not upon stockholder approval or other pre-consummation events.

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**Role of Compensation Committee, Compensation Consultant and Executive Officers**

Our compensation committee is responsible for reviewing, approving and monitoring all compensation programs for our named executive officers. Our compensation committee is also responsible for administering the Fidelity National Financial, Inc. Annual Incentive Plan, or our *annual incentive plan* , the Fidelity National Financial, Inc. Amended and Restated 2005 Omnibus Incentive Plan, or our *omnibus incentive plan* , administering programs that are implemented under the omnibus incentive plan, including the FNFV companies and investments incentive programs described above, and approving individual grants and awards under those plans for our executive officers. Our compensation committee, together with the BKFS and ServiceLink compensation committees, were responsible for administering the Synergy Incentive Program and reviewing and approving the BKFS and ServiceLink profits interest awards. The respective compensation committees of BKFS and ServiceLink approved Mr. Foley's BKFS and ServiceLink annual incentive awards.

Our compensation committee engaged Strategic Compensation Group, LLC, or *Strategic Compensation Group* , an independent compensation consultant, to conduct an annual review of our compensation programs for our named executive officers and other key executives and our board of directors. Strategic Compensation Group was selected, and its fees and terms of engagement were approved, by our compensation committee. Strategic Compensation Group reported directly to the compensation committee, received compensation only for services related to executive compensation issues, and neither it nor any affiliated company provided any other services to us. In March 2015, the compensation committee reviewed the independence of Strategic Compensation Group in accordance with the rules of the New York Stock Exchange regarding the independence of consultants to the compensation committee, and affirmed the consultant's independence.

Strategic Compensation Group provides our compensation committee with relevant market data on compensation, including annual salary, annual incentives, long-term incentives, other benefits, total compensation and pay mix, and alternatives to consider when making compensation decisions. Strategic Compensation Group also assists our compensation committee in its annual review of a compensation risk assessment.

Our Executive Chairman, Mr. Foley, participated in the 2014 executive compensation process by making recommendations with respect to equity-based incentive compensation awards. Our Chief Executive Officer, Mr. Quirk, made recommendations with respect to his direct reports, as discussed further below. In addition, Mr. Gravelle, our Executive Vice President, General Counsel and Corporate Secretary, coordinated with our compensation committee members and Strategic Compensation Group in preparing the committee's meeting agendas and, at the direction of the compensation committee, assisted Strategic Compensation Group in gathering financial information about FNF and stock ownership information for our executives for inclusion in the consultant's reports to our compensation committee. Our executive officers do not make recommendations to our compensation committee with respect to their own compensation.

While our compensation committee carefully considers the information provided by, and the recommendations of, Strategic Compensation Group and the individuals who participate in the compensation process, our compensation committee retains complete discretion to accept, reject or modify any recommended compensation decisions.

**Establishing Executive Compensation Levels**

Our compensation committee considers a number of important qualitative and quantitative factors when determining the overall compensation of our named executive officers in 2014, including:

- the executive officer's experience, knowledge, skills, level of responsibility and potential to influence our company's performance;
- the executive officer's prior salary levels, annual incentive awards, annual incentive award targets and long-term equity incentive awards;
- the business environment and our business objectives and strategy;
- our financial performance in the prior year;
- the need to retain and motivate executives (even in the current business cycle, it is critical that we not lose key people and long term incentives help to retain key people);

- corporate governance and regulatory factors related to executive compensation;
- marketplace compensation levels and practices;
- our focus on the performance of the FNFV companies and investments; and
- compensation provided by our affiliates and various business units, including FNFV, BKFS, ServiceLink and Remy.

In evaluating the compensation of our Chief Executive Officer's direct reports, our compensation committee also considers the Chief Executive Officer's recommendations to the committee. This includes his review of the performance of the other named executive officers, job responsibilities, importance to our overall business strategy, and our compensation philosophy. Our Chief Executive Officer does not make a recommendation to our compensation committee regarding his own compensation. The compensation decisions are not formulaic, and the members of our compensation committee did not assign precise weights to the factors listed above. Our compensation committee utilized their individual and collective business judgment to review, assess, and approve compensation for our named executive officers.

To assist our compensation committee, Strategic Compensation Group conducts marketplace reviews of the compensation we pay to our executive officers. It gathers marketplace compensation data on total compensation, which consists of annual salary, annual incentives, long-term incentives, executive benefits, executive ownership levels, overhang and dilution from our omnibus incentive plan, compensation levels as a percent of revenue, pay mix and other key statistics. This data is collected and analyzed twice during the year, once in the first quarter and again in the fourth quarter. The marketplace compensation data provides a point of reference for our compensation committee, but our compensation committee ultimately makes subjective compensation decisions based on all of the factors described above.

For 2014, Strategic Compensation Group used two marketplace data sources: (1) a general executive compensation survey of over 3,000 companies with a specific focus on companies with revenues of between $7 billion and $12 billion, and (2) compensation information for a group of companies, or the *FNF peer group* . The FNF peer group was based on a revenue range of 1/2 to 2 times the projected 2014 revenue for FNF (which at the time was estimated to be $9.5 billion), industry focus (generally the insurance industry based on Global Industry Classification Standard (GICS) Code), nature and complexity of operations, and because they compete with us for business and/or executive talent. The 2014 peer group was consistent with the peer group used by the compensation committee in 2013, except that four companies (ACE limited, Computer Sciences Corporation, Loews Corporation and Progressive Corp.) were added because they met the revenue range requirement. In addition, ACE limited, Loews Corporation and Progressive Corp. were added because they were in the same insurance industry as FNF, while Computer Sciences Corporation was added because it was in the data processing sector, which is also the same sub-industry as FNF. When defining the peer group, we attempt to apply the standards used by ISS for identifying peer groups for public companies. The 2014 peer group consisted of:

- ACE limited
- American Financial Group
- Aon plc
- Assurant Inc.
- Automatic Data Processing, Inc.
- Berkley (WR) Corp.
- Chubb Corporation
- CNA Financial Corporation
- Computer Sciences Corporation
- Discover Financial Services
- Everest Re Group Ltd.
- First American Financial Corporation
- Genworth Financial, Inc.
- Leucadia National Corporation
- Lincoln National Corp.
- Loews Corporation
- Marsh & McLennan Companies, Inc.
- PartnerRe Ltd.
- Principal Financial Group
- Progressive Corp.
- Unum Group
- XL Group plc

The revenue range of these companies at that time was between $5 billion and $18.8 billion, with median revenue of $10.2 billion. This compares to the FNF 2014 revenue estimate at that time of about $9.5 billion.

In addition to the compensation surveys, Strategic Compensation Group gathers compensation practices data from independent sources such ISS and Glass Lewis. That data is helpful to the compensation committee when reviewing the executive compensation practices used by FNF.

We primarily focused on the 50th-75th percentiles of the data when considering what our named executive officers' 2014 target total compensation levels should be (excluding one-time incentive programs).

While the compensation decisions of our compensation committee ultimately were subjective judgments, our compensation committee also considered the following factors in making compensation decisions for our named executive officers. In determining the total compensation for Mr. Foley, our compensation committee considered his success as the overall leader of FNF in developing and implementing FNF's long-term strategy, his substantial participation and contribution to the LPS acquisition and the formation of BKFS and ServiceLink, his substantial knowledge of and contributions to the overall management of FNF's title operations, and his leadership in connection with the success of the FNFV companies and investments. In determining the total compensation for Mr. Quirk, our compensation committee considered his 30 years of experience with FNF working in the title business and his importance to the continued successful operation of FNF's title business. In determining the total compensation for Mr. Park, our compensation committee considered his role and responsibility for accounting and financial reporting matters, as well as his 25 years of experience with FNF. In determining the total compensation for Mr. Bickett, our compensation committee considered his contribution to corporate finance matters, corporate development and mergers and acquisitions, as well as his 17 years of experience with FNF. In determining the total compensation for Mr. Gravelle, our compensation committee considered his role and responsibility for legal, corporate secretarial, and mergers and acquisitions (legal) matters, as well as his 22 years of experience with FNF and its predecessor companies. For Messrs. Park, Bickett and Gravelle, the committee also considered their respective contributions to the success of the FNFV companies and investments.

The marketplace compensation information in this discussion is not deemed filed or a part of this compensation discussion and analysis for certification purposes.

**Our Named Executive Officers Have Significant Ownership Stakes**

Our named executive officers and our board of directors maintain significant long-term investments in our company. Collectively, as reported in the table "Security Ownership of Management and Directors," they beneficially own an aggregate of 15,394,173 shares of our FNF Group and FNFV Group common stock and options to acquire an additional 2,373,567 shares of our FNF Group common stock, which in total is equal to [__]% of FNF's shares (including FNF Group and FNFV Group shares) shares outstanding as of April 27, 2015. The fact that our executives and directors hold such a large investment in our shares is part of our company culture and our compensation philosophy. Management's sizable investment in our shares aligns their economic interests directly with the interests of our stockholders, and their wealth will rise and fall as our share price rises and falls. This promotes teamwork among our management team and strengthens the team's focus on achieving long term results and increasing stockholder return.

We have formal stock ownership guidelines for all corporate officers, including our named executive officers, and members of our board of directors. The guidelines were established to encourage such individuals to hold a multiple of their base salary (or annual retainer) in our common stock and, thereby, align a significant portion of their own economic interests with those of our stockholders.

The guidelines call for the executive to reach the ownership multiple within five years. Shares of restricted stock and gain on stock options count toward meeting the guidelines. The guidelines, including those applicable to non-employee directors, are as follows:

| Position | Minimum Aggregate Value |
|---|---|
| Executive Chairman of the Board | 10 x base salary |
| Chief Executive Officer and President | 5 x base salary |
| Other Officers | 2 x base salary |
| Members of the Board | 5 x annual retainer |

Each of our named executive officers and non-employee directors met these stock ownership guidelines as of December 31, 2014. Further, the award agreements for our 2014 FNF Group restricted stock awards provide that our executives who do not hold shares of FNF Group stock with a value sufficient satisfy the applicable stock ownership guidelines must retain 50% of the shares acquired as a result of the lapse of vesting restrictions until the executive satisfies the applicable stock ownership guideline, and our 2014 FNFV Group restricted stock award agreements require our executives to retain 50% of the shares acquired as a result of the lapse of vesting restrictions for six months following the date of such lapse. The ownership levels are shown in the “Security Ownership of Management and Directors” table above.

### Hedging and Pledging Policy

In order to more closely align the interests of our directors and executive officers with those of our stockholders and to protect against inappropriate risk taking, we maintain a hedging and pledging policy which prohibits our executive officers and directors from engaging in hedging or monetization transactions with respect to our securities, engaging in short-term or speculative transactions in our securities that could create heightened legal risk and/or the appearance of improper or inappropriate conduct or holding FNF securities in margin accounts or pledging them as collateral for loans without our approval. The policy was originally effective in March 2013 with respect to future transactions. Since last year’s proxy, one of our two grandfathered Board members who had previously pledged a small portion of his total FNF Group common stock discontinued his pledging activities.

### Clawback Policy

In December 2010, our compensation committee adopted a policy to recover any incentive-based compensation from our executive officers if we are required to prepare an accounting restatement due to material noncompliance with financial reporting requirements, and the incentive-based compensation paid during the preceding three-year period would have been lower had the compensation been based on the restated financial results. No clawbacks were made in 2014.

### Tax and Accounting Considerations

Our compensation committee considers the impact of tax and accounting treatment when determining executive compensation.

Section 162(m) of the Internal Revenue Code places a limit of $1,000,000 on the amount that can be deducted in any one year for compensation paid to certain executive officers. There is, however, an exception for certain performance-based compensation. Our compensation committee takes the deduction limitation under Section 162(m) into account when structuring and approving awards under our annual incentive plan and our omnibus plan. However, our compensation committee may approve compensation that will not meet these requirements. There are also uncertainties as to the application of Section 162(m). Consequently, it is possible that a deduction relating to amounts intended to qualify as performance-based compensation may be challenged or disallowed.

Our compensation committee also considers the accounting impact when structuring and approving awards. We account for share-based payments, including stock option grants, in accordance with ASC Topic 718, which governs the appropriate accounting treatment of share-based payments under generally accepted accounting principles.

**2014 Stockholder Vote On Executive Compensation**

At our 2014 annual meeting of stockholders, we held a non-binding advisory vote, also called a “say-on-pay” vote, on the compensation of our named executive officers as disclosed in the 2014 proxy statement. A majority of our stockholders approved our “say on pay” proposal, with more than 65% of the votes cast in favor of the proposal.

We place significant focus on engaging with our stockholders and frequently meet with our stockholders throughout the year. Members of management, including our President, Executive Vice President and Chief Financial Officer, and Senior Vice President and Treasurer, attended 10 investor conferences at which there were break-out sessions to meet with stockholders privately, as well as numerous other one-on-one investor meetings throughout 2014, and our Chief Financial Officer and Senior Vice President and Treasurer participated in a similar number of one-on-one meetings with many of our investors at our offices in Jacksonville. At these meetings, our executives discuss a variety of topics with our investors, including our operational and stock performance, corporate governance and executive compensation matters, as well as other matters of interest to our investors. Our Senior Vice President and Treasurer also engages in written and verbal dialogue on an almost daily basis with our investors to discuss similar matters with our stockholders. We try to be responsive to our investors’ questions and concerns, including reporting and discussing these concerns with our board or applicable board committee as appropriate.

For example, in 2014, one of our largest stockholders raised concerns regarding the structure of the original FNFV companies’ investments incentive programs. These concerns were considered by our compensation committee, and ultimately led to the freezing of future benefits under and the termination of the original FNFV companies and investments incentive programs and the creation of our new Investment Success Incentive Program in 2014, which pays incentives in connection with realized liquidity events relating to the FNFV companies and investments rather than the prior programs that paid incentives based upon increases in the appraised value of the FNFV companies and investments over specified periods.

**Compensation Committee Report**

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management, and the compensation committee recommended to the board that the Compensation Discussion and Analysis be included in this proxy statement.

THE COMPENSATION COMMITTEE
Daniel D. (Ron) Lane
Richard N. Massey
Cary H. Thompson

**Executive Compensation**

The following table contains information concerning the cash and non-cash compensation awarded to or earned by our named executive officers for the years indicated.

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## Summary Compensation Table

| Name and Principal Position | Fiscal Year | Salary ($) (1) | Stock Awards ($) (2) | Option Awards ($) (3) | Non-Equity Incentive Plan Compensation ($) (4) | All Other Compensation ($) (5) | Total ($) |
|---|---|---|---|---|---|---|---|
| Raymond R. Quirk | 2014 | 769,133 | 3,870,015 | 821,559 | 3,308,148 | 292,465 | 9,061,320 |
| Chief Executive Officer | 2013 | 740,000 | 2,000,012 | 1,949,898 | 2,220,000 | 287,622 | 7,197,532 |
| | 2012 | 728,141 | 2,999,997 | 581,249 | 2,220,000 | 216,502 | 6,745,889 |
| Anthony J. Park | 2014 | 435,069 | 1,546,195 | 102,695 | 3,005,351 | 146,569 | 5,235,879 |
| Executive Vice President and Chief | 2013 | 429,615 | 479,992 | 467,976 | 1,700,322 | 128,210 | 3,206,115 |
| Financial Officer | 2012 | 404,599 | 800,002 | 155,000 | 830,000 | 111,264 | 2,300,865 |
| William P. Foley, II | 2014 | 850,030 | 35,151,870 | 866,581 | 42,665,398 | 850,863 | 80,384,743 |
| Chairman of the Board | 2013 | 741,692 | 4,355,013 | 4,338,500 | 40,675,593 | 852,451 | 50,963,249 |
| | 2012 | 625,000 | 7,399,992 | 1,375,623 | 4,657,500 | 933,952 | 14,992,067 |
| Brent B. Bickett | 2014 | 550,558 | 3,498,680 | 235,402 | 5,100,491 | 223,533 | 9,608,664 |
| President | 2013 | 550,500 | 1,170,017 | 1,202,421 | 9,683,004 | 368,779 | 12,974,722 |
| | 2012 | 409,069 | 2,100,006 | 387,499 | 1,238,250 | 344,228 | 4,479,052 |
| Michael L. Gravelle | 2014 | 495,984 | 2,051,199 | 250,412 | 2,101,706 | 126,364 | 5,025,664 |
| Executive Vice President, General Counsel and Corporate Secretary | 2013 | 422,406 | 1,119,993 | 1,053,679 | 3,551,069 | 100,993 | 6,248,135 |

(1) Amounts shown are not reduced to reflect the named executive officers' elections, if any, to defer receipt of salary, if any, into our 401(k) plan, ESPP, or deferred compensation plans. The amount for Mr. Foley for 2014 includes $212,500 and $212,500 in salary paid by BKFS and ServiceLink, respectively, and the amount for Mr. Gravelle for 2014 includes $148,000 in salary paid by Remy in connection with his employment by Remy as its Senior Vice President, General Counsel and Corporate Secretary.

(2) Represents the grant date fair value of FNF Group and FNFV Group restricted stock awards, and Black Knight and ServiceLink profits interest awards, granted in 2014, computed in accordance with ASC Topic 718, excluding forfeiture assumptions. See the Grants of Plan-Based Awards table for details regarding each award. Assumptions used in the calculation of these amounts are included in Footnote O to our audited financial statements for the fiscal year ended December 31, 2014 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 2, 2015. The amounts for 2014 also include grants of Remy restricted stock to Messrs. Foley, Bickett and Gravelle. On December 31, 2014, we completed the spin-off of Remy to our FNFV Group stockholders, and we no longer consolidate Remy as of that date. The FNF Group restricted stock awards are performance-based. The profits interest awards only have value if the value of the related company increases after the date of grant.

(3) Represents the grant date fair value of FNF Group common stock option awards granted in 2014, computed in accordance with ASC Topic 718. Assumptions used in the calculation of this amount are included in Footnote O to our audited financial statements for the fiscal year ended December 31, 2014 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 2, 2015. The amounts for 2014 also include grant of Remy stock options to Messrs. Foley, Bickett and Gravelle. On December 31, 2014, we completed the spin-off of Remy to our FNFV Group stockholders, and we no longer consolidate Remy as of that date.

(4) Represents performance-based compensation earned in 2014 under the FNF annual incentive plan, the original FNFV companies and investments incentive programs, the Investment Success Incentive Program, the Synergy Incentive Program, for Mr. Foley, the BKFS and ServiceLink annual incentive plans and, for Mr. Gravelle, the annual incentive earned by Remy in connection with his employment by Remy as its Senior Vice President, General Counsel and Corporate Secretary. The named executive officers earned the following amounts under the FNF annual incentive plan and the Synergy Incentive Program, respectively: Mr. Quirk $1,403,148 and $1,905,000; Mr. Park $521,683 and $1,905,000; Mr. Foley $668,678 and $22,860,000; Mr. Bickett $495,149 and $1,143,000; and Mr. Gravelle $270,121 and $762,000. Our Investment Success Incentive Program is designed to help us maximize our return on investment in the FNFV companies and investments by aligning a significant portion of the executive's long-term incentive compensation with our return related to the investments. The following amounts were earned by our named executive officers other than Mr. Quirk under the original FNFV companies and investments incentive programs and the Investment Success Incentive Program, respectively: Mr. Park $285,000 and $293,668; Mr. Foley $8,545,000 and $9,544,220; Mr. Bickett $1,994,000 and $1,468,342; and Mr. Gravelle $712,000 and $293,668. The amount for Mr. Foley for 2014 also includes $930,431 earned under the BKFS annual incentive plan and $117,100 earned under the ServiceLink annual incentive plan. The amount for Mr. Gravelle for 2014 also includes a $63,917 annual performance-based incentive paid by Remy.

(5) Amounts shown for 2014 include matching contributions to our ESPP; dividends paid on restricted stock; life insurance premiums paid by us; health insurance fees paid by us under the executive medical plan; personal use of a company airplane; and matching contributions to our 401(k) plan.

| | Foley | Quirk | Park | Bickett | Gravelle |
|---|---|---|---|---|---|
| ESPP Matching Contributions | $ 52,396 | $ 37,000 | $31,817 | $41,287 | $18,300 |
| Restricted Stock Dividends | 412,683 | 198,128 | 50,381 | 89,112 | 56,010 |
| Life Insurance Premiums | 1,854 | 1,143 | 135 | 207 | 207 |
| Personal Airplane Use | 225,088 | 16,780 | 10,387 | 39,078 | 3,735 |
| Executive Medical | 33,676 | 33,676 | 48,111 | 48,111 | 48,111 |
| Company match—401(k) | 5,737 | 5,737 | 5,737 | 5,737 | — |

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The following table sets forth information concerning awards granted to the named executive officers during the fiscal year ended December 31, 2014.

## Grants of Plan-Based Awards

| | | | Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1) | | | Estimated Possible Payouts Under Equity Incentive Plan Awards (2) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (a) Name | (b) Grant Date | (c) Award Type | (d) Threshold ($) | (e) Target ($) | (f) Maximum ($) | (g) Threshold (#) | (h) Target (#) | (i) Maximum (#) | (j) All Other Stock Awards: Number of Shares of Stock or Units (#) (3) | (k) All other Option Awards: Number of Securities Underlying Options (#) (4) | (l) Exercise or Base Price of Option Awards ($/Share) | (m) Grant Date Fair Value of Stock and Option Awards ($) (5) |
| Raymond R. Quirk | 1/9/2014 | BKFS Profits Interest | — | — | — | — | — | — | 166,667 | — | — | 335,000 |
| | 1/9/2014 | ServiceLink Profits Interest | — | — | — | — | — | — | 166,667 | — | — | 335,000 |
| | 11/3/2014 | FNF Group Options | — | — | — | — | — | — | — | 170,488 | 29.80 | 819,855 |
| | 11/3/2014 | FNF Group Performance-Based Restricted Stock | — | — | — | — | 107,383 | — | — | — | — | 3,200,013 |
| | | FNF Annual Incentive Plan | 585,000 | 1,170,000 | 2,340,000 | — | — | — | — | — | — | — |
| Anthony J. Park | 1/9/2014 | BKFS Profits Interest | — | — | — | — | — | — | 111,111 | — | — | 223,333 |
| | 1/9/2014 | ServiceLink Profits Interest | — | — | — | — | — | — | 111,111 | — | — | 223,333 |
| | 9/22/2014 | FNFV Group Restricted Stock | — | — | — | — | — | — | 47,619 | — | — | 699,523 |
| | 11/3/2014 | FNF Group Options | — | — | — | — | — | — | — | 21,306 | 29.80 | 102,482 |
| | 11/3/2014 | FNF Group Performance-Based Restricted Stock | — | — | — | — | 13,423 | — | — | — | — | 400,005 |
| | | FNF Annual Incentive Plan | 217,500 | 435,000 | 870,000 | — | — | — | — | — | — | — |
| | | ISIP | — | — | 25,000,000 | — | — | — | — | — | — | — |
| William P. Foley, II | 1/9/2014 | BKFS Profits Interest | — | — | — | — | — | — | 5,555,556 | — | — | 11,166,667 |
| | 1/9/2014 | ServiceLink Profits Interest | — | — | — | — | — | — | 5,555,556 | — | — | 11,666,667 |
| | 9/22/2014 | FNFV Group Restricted Stock | — | — | — | — | — | — | 647,619 | — | — | 9,513,523 |
| | 11/3/2014 | FNF Group Options | — | — | — | — | — | — | — | 170,488 | 29.80 | 819,855 |
| | 11/3/2014 | FNF Group Performance-Based Restricted Stock | — | — | — | — | 107,383 | — | — | — | — | 3,200,013 |
| | 2/18/2014 | Remy Options | — | — | — | — | — | — | — | 6,368 | 21.98 | 45,022 |
| | 2/18/2014 | Remy | — | — | — | — | — | — | 4,777 | — | — | 104,998 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Restricted Stock | | | | | | | | | | |
| | FNF Annual Incentive Plan | 531,250 | 956,250 | 2,868,750 | — | — | — | — | — | — | — |
| | BKFS Annual Incentive Plan | 239,063 | 478,125 | 1,434,375 | — | — | — | — | — | — | — |

| (a) Name | (b) Grant Date | (c) Award Type | Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1) (d) Threshold ($) | (e) Target ($) | (f) Maximum ($) | Estimated Possible Payouts Under Equity Incentive Plan Awards (2) (g) Threshold (#) | (h) Target (#) | (i) Maximum (#) | (j) All Other Stock Awards: Number of Shares of Stock or Units (#) (3) | (k) All other Option Awards: Number of Securities Underlying Options (#) (4) | (l) Exercise or Base Price of Option Awards ($/Share) | (m) Grant Date Fair Value of Stock and Option Awards ($) (5) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ServiceLink Annual Incentive Plan | 239,063 | 478,125 | 1,434,375 | — | — | — | — | — | — | — |
| | | ISIP | — | — | 25,000,000 | — | — | — | — | — | — | — |
| Brent B. Bickett | 1/9/2014 | BKFS Profits Interest | — | — | — | — | — | — | 166,667 | — | — | 335,000 |
| | 1/9/2014 | ServiceLink Profits Interest | — | — | — | — | — | — | 166,667 | — | — | 335,000 |
| | 9/22/2014 | FNFV Group Restricted Stock | — | — | — | — | — | — | 133,333 | — | — | 1,958,662 |
| | 11/3/2014 | FNF Group Options | — | — | — | — | — | — | — | 42,612 | 29.80 | 204,964 |
| | 11/3/2014 | FNF Group Performance-Based Restricted Stock | — | — | — | — | 26,846 | — | — | — | — | 800,011 |
| | 2/18/2014 | Remy Options | — | — | — | — | — | — | — | 4,245 | 21.98 | 30,012 |
| | 2/18/2014 | Remy Restricted Stock | — | — | — | — | — | — | 3,185 | — | — | 70,006 |
| | | ISIP | — | — | 25,000,000 | — | — | — | — | — | — | — |
| | | FNF Annual Incentive Plan | 412,875 | 825,750 | 1,651,500 | — | — | — | — | — | — | — |
| Michael L. Gravelle | 1/9/2014 | BKFS Profits Interest | — | — | — | — | — | — | 111,111 | — | — | 223,333 |
| | 1/9/2014 | ServiceLink Profits Interest | — | — | — | — | — | — | 111,111 | — | — | 223,333 |
| | 9/22/2014 | FNFV Group Restricted Stock | — | — | — | — | — | — | 47,619 | — | — | 699,523 |
| | 11/3/2014 | FNF Group Options | — | — | — | — | — | — | — | 42,612 | 29.80 | 204,964 |
| | 11/3/2014 | FNF Group Performance-Based Restricted Stock | — | — | — | — | 26,846 | — | — | — | — | 800,011 |
| | 2/18/2014 | Remy Options | — | — | — | — | — | — | — | 6,368 | 21.98 | 45.022 |
| | 2/18/2014 | Remy Restricted Stock | — | — | — | — | — | — | 2,389 | — | — | 52,510 |
| | 2/18/2014 | Remy Performance-Based Restricted Stock | — | — | — | — | 2,388 | — | — | — | — | 52,488 |
| | | FNF Annual Incentive Plan | 208,800 | 422,400 | 1,013,760 | — | — | — | — | — | — | — |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remy Annual Incentive Plan | 44,400 | 88,800 | 133,200 | — | — | — | — | — | — | — |
| | ISIP | — | — | 25,000,000 | — | — | — | — | — | — | — |

(1) With respect to the FNF, BKFs and ServiceLink annual incentive plans, the amount shown in column (d) is 50% of the target amount shown in column (e). The amount shown in column (f) for everyone except Mr. Foley and Mr. Gravelle is 200% of the target amount shown in column (e). For Mr. Foley and Mr. Gravelle, the amount in column (f) is 300% and 240%, respectively, of the target amount in the FNF annual incentive plans, and, for Mr. Foley, the BKFS and ServiceLink annual incentive plans. Mr. Gravelle's target under the Remy annual incentive bonus plan was 60% of his base salary paid by Remy in 2014, the threshold opportunity was 50% of the target amount shown in column (e) and the maximum was 150% of the target amount shown in column (e). The amounts shown in column (f) for the Investment Success Incentive Program (ISIP) are the maximum potential incentives that may be earned, in the aggregate, over the entire performance period covered by the 2014 awards, which ends December 31, 2018. The $25 million maximum is based on the limit in our omnibus plan. Amounts earned under the Investment Success Incentive Program in 2014 were paid in March 2015, and are reflected in the Summary Compensation Table under the heading Non-Equity Incentive Plan Compensation. As described in detail in the "Compensation Discussion and Analysis and Executive and Director Compensation" section of this proxy statement/prospectus, the incentive program does not include target and threshold amounts for participating executives.

(2) The amounts shown in column (h) reflect the number of shares of FNF Group performance-based restricted stock granted to each named executive officer under our omnibus plan, and, additionally for Mr. Gravelle, performance-based restricted stock granted under the Remy omnibus incentive plan.

(3) The amounts shown in column (j) reflect the BKFS and Service Link profits interest awards, the FNFV Group restricted stock awards, and the Remy restricted stock awards with service-based vesting conditions.

(4) The amounts shown in column (k) reflect the number of FNF Group stock options granted to each named executive officer. For Messrs. Foley, Bickett and Gravelle, the amounts shown in column (k) also reflect their Remy stock option awards.

(5) The amounts shown in this column represent the grant date fair value of each award based upon the following per share grant date fair values: BKFS profits interest awards ($2.01), the Service Link profits interest awards ($2.01), the FNFV Group Restricted Stock ($14.69), FNF Group Options ($4.81), the FNF Group Performance-Based Restricted Stock ($29.80), Remy Options ($7.07), Remy Restricted Stock ($21.98), and Remy Performance-Based Restricted Stock ($21.98).

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## Outstanding FNF Group Equity Awards at Fiscal Year End

| | | Option Awards (1) | | | | Stock Awards (2) | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name | Grant Date | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price ($) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock that Have Not Vested ($) | Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) |
| Raymond R. Quirk | 11/8/2007 | 310,570 | — | $ 11.85 | 11/8/2015 | — | — | — | — |
| Raymond R. Quirk | 10/27/2008 | 278,262 | — | $ 6.16 | 10/27/2016 | — | — | — | — |
| Raymond R. Quirk | 11/23/2009 | 161,199 | — | $ 12.22 | 11/23/2016 | — | — | — | — |
| Raymond R. Quirk | 11/8/2012 | 58,894 | 29,450 | $ 19.62 | 11/8/2019 | 52,701 | 1,815,549 | — | — |
| Raymond R. Quirk | 11/21/2013 | 160,254 | 320,508 | $ 24.24 | 11/21/2020 | 56,893 | 1,959,964 | — | — |
| Raymond R. Quirk | 11/3/2014 | — | 170,448 | $ 29.80 | 11/3/2021 | — | — | 107,383 | 3,699,344 |
| Anthony J. Park | 11/8/2012 | 15,704 | 7,854 | $ 19.62 | 11/8/2019 | 14,054 | 484,160 | — | — |
| Anthony J. Park | 11/21/2013 | 38,461 | 76,922 | $ 24.24 | 11/21/2020 | 13,654 | 470,380 | — | — |
| Anthony J. Park | 11/3/2014 | — | 21,306 | $ 29.80 | 11/3/2021 | — | — | 13,423 | 462,422 |
| William P. Foley, II | 11/8/2012 | 139,387 | 69,695 | $ 19.62 | 11/8/2019 | 124,722 | 4,296,673 | — | — |
| William P. Foley, II | 11/21/2013 | 340,539 | 681,080 | $ 24.24 | 11/21/2020 | 120,898 | 4,164,936 | — | — |
| William P. Foley, II | 11/3/2014 | — | 170,448 | $ 29.80 | 11/3/2021 | — | — | 107,383 | 3,699,344 |
| Brent B. Bickett | 11/8/2007 | 138,171 | — | $ 11.85 | 11/8/2015 | — | — | — | — |
| Brent B. Bickett | 11/23/2009 | 34,542 | — | $ 12.22 | 11/23/2016 | — | — | — | — |
| Brent B. Bickett | 11/8/2012 | 39,262 | 19,634 | $ 19.62 | 11/8/2019 | 35,133 | 1,210,332 | — | — |
| Brent B. Bickett | 11/21/2013 | 88,139 | 176,280 | $ 24.24 | 11/21/2020 | 31,291 | 1,077,975 | — | — |
| Brent B. Bickett | 11/3/2014 | — | 42,612 | $ 29.80 | 11/3/2021 | — | — | 26,846 | 924,845 |
| Michael L. Gravelle | 5/31/2006 | 28,547 | — | $ 18.17 | 5/31/2016 | — | — | — | — |
| Michael L. Gravelle | 5/31/2006 | 46,057 | — | $ 11.85 | 11/8/2015 | — | — | — | — |
| Michael L. Gravelle | 10/27/2008 | 76,762 | — | $ 6.16 | 10/27/2016 | — | — | — | — |
| Michael L. Gravelle | 11/23/2009 | 34,542 | — | $ 12.22 | 11/23/2016 | — | — | — | — |
| Michael L. Gravelle | 11/8/2012 | 24,245 | 12,123 | $ 19.62 | 11/8/2019 | 21,695 | 747,393 | — | — |
| Michael L. Gravelle | 11/21/2013 | 84,133 | 168,267 | $ 24.24 | 11/21/2020 | 29,869 | 1,028,987 | — | — |
| Michael L. Gravelle | 11/3/2014 | — | 42,612 | $ 29.80 | 11/3/2021 | — | — | 26,846 | 924,845 |

(1) Option grants made in 2014, 2013, 2012, 2009, 2008 and 2006 were granted under the omnibus incentive plan as part of our 2013, 2012, 2009, 2008 and 2006 long-term incentive compensation and vest 33% annually over a period of three years from the date of grant. Option grants made in 2007 were granted under the omnibus plan as part of our 2007 long-term incentive compensation and vest 25% annually over a period of four years from the date of grant.

(2) We made the November 2012, November 2013 and November 2014 stock awards under the omnibus incentive plan. The October 2011 grants vest 33% annually over three years provided we achieve pre-tax margin of 6% in our title segment in at least two of the five quarters beginning October 1, 2011. The November 2012 grants vest 33% annually over three years provided we achieve pre-tax margin of 8% in our title segment in at least two of the five quarters beginning October 1, 2012. The November 2013 grants vest 33% annually over three years provided we achieve pre-tax margin of 8.5% in our title segment in at least two of the five quarters beginning October 1, 2013. Market values are based on the December 31, 2014 closing price of $34.45 per share.

**Outstanding FNFV Group Restricted Stock Awards at Fiscal Year End**

| Name | Grant Date | Number of Shares or Units of Stock That Have Not Vested (#)(1) | Market Value of Shares or Units of Stock that Have Not Vested ($) |
|---|---|---|---|
| Anthony J. Park | 9/22/2014 | 47,619 | 571,428 |
| William P. Foley, II | 9/22/2014 | 647,619 | 7,771,428 |
| Brent B. Bickett | 9/22/2014 | 133,333 | 1,599,996 |
| Michael L. Gravelle | 9/22/2014 | 47,619 | 571,428 |

(1) Restricted stock awards of our FNFV Group common stock. The awards vest 33% annually over three years, subject to continued employment.

(2) Market values are based on the December 31, 2014 closing price for our FNFV Group common stock of $12.00 per share. Excludes the value of the Remy stock dividend received on the FNFV Group restricted shares as a result of the Remy spin-off on December 31, 2014, which are including in the Outstanding Remy Restricted Stock and Stock Option Awards at Fiscal Year End table below.

**Outstanding Ceridian HCM Holdings, Inc. Option Awards at Fiscal Year End**

| Name | Grant Date | Number of Securities Underlying Unexercised Options Unexercisable (#)(1) | Number of Securities Underlying Unexercised Options Exercisable (#) | Option Exercise Price ($) | Option Expiration Date |
|---|---|---|---|---|---|
| William P. Foley, II | 12/7/2010 | 111,468 | 111,468 | 6.73 | 12/7/2020 |

(1) 50% of the options vest quarterly over three years from the date of grant, and vest immediately upon a change in control. The remaining 50% vest upon the earliest to occur of (i) a change in control of HCM or (ii) following an Initial Public Offering if the equity value of the common stock equals at least $13.46 and the optionee’s service with Comdata has not terminated.

### Outstanding BKFS Profits Interest Awards at Fiscal Year End

| Name | Grant Date | Number of Units That Have Not Vested (1) (#) | Market Value of Units That Have Not Vested ($) |
|---|---|---|---|
| Raymond R. Quirk | 1/9/2014 | 166,667 | 1,430,003 |
| Anthony J. Park | 1/9/2014 | 111,111 | 953,332 |
| William P. Foley, II | 1/9/2014 | 5,555,556 | 47,666,670 |
| Brent B. Bickett | 1/9/2014 | 166,667 | 1,430,003 |
| Michael L. Gravelle | 1/9/2014 | 111,111 | 953,332 |

(1) The awards vest 50% on the second anniversary of the grant date and 50% on the third anniversary of the grant date.
(2) Market value is based on a redemption value as of December 31, 2014 of $8.58 per unit, as determined using the fair value method of accounting under GAAP.

### Outstanding ServiceLink Profits Interest Awards at Fiscal Year End

| Name | Grant Date | Number of Units That Have Not Vested (1) (#) | Market Value of Units That Have Not Vested ($) |
|---|---|---|---|
| Raymond R. Quirk | 1/9/2014 | 166,667 | — |
| Anthony J. Park | 1/9/2014 | 111,111 | — |
| William P. Foley, II | 1/9/2014 | 5,555,556 | — |
| Brent B. Bickett | 1/9/2014 | 166,667 | — |
| Michael L. Gravelle | 1/9/2014 | 111,111 | — |

(1) The awards vest 50% on the second anniversary of the grant date and 50% on the third anniversary of the grant date.
(2) Market value is based on a redemption value as of December 31, 2014 of $0.00 per unit, as determined using the fair value method of accounting under GAAP.

### Outstanding Remy Restricted Stock and Stock Option Awards at Fiscal Year End

| Name | Grant Date (1) | Number of Securities Underlying Unexercised Options Unexercisable (#) | Number of Securities Underlying Unexercised Options Exercisable (#) | Option Exercise Price ($) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested ($) |
|---|---|---|---|---|---|---|---|
| Anthony J. Park | 12/31/2014 | — | — | — | — | 8,513 | 178,092 |
| William P. Foley, II | 2/18/2014 | — | 3,184 | 21.98 | 2/18/2021 | — | — |
| | 2/21/2013 | — | 5,933 | 18.50 | 2/21/2020 | — | — |
| | 12/31/2014 | — | — | — | — | 115,787 | 2,422,264 |
| Brent B. Bickett | 2/18/2014 | — | 2,122 | 21.98 | 2/18/2021 | — | — |

| Name | Grant Date (1) | Number of Securities Underlying Unexercised Options Unexercisable (#) | Number of Securities Underlying Unexercised Options Exercisable (#) | Option Exercise Price ($) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested ($) |
|---|---|---|---|---|---|---|---|
| | 2/21/2013 | — | 3,955 | 18.50 | 2/21/2020 | — | — |
| | 12/31/2014 | — | — | — | — | 23,838 | 498,691 |
| Michael L. Gravelle | 2/18/2014 | 6,368 | — | 21.98 | 2/18/2021 | 2,523 | 52,781 |
| | 2/21/2013 | 1,318 | 2,637 | 18.50 | 2/21/2020 | 4,777 | 99,935 |
| | 12/31/2014 | — | — | — | — | 8,513 | 178,092 |

(1) The restricted stock and stock options granted to Messrs. Foley and Bickett provided for vesting as to 50% of the shares subject to each award on each of the first and second anniversaries of the date of grant. In consideration of Messrs. Foley's and Bickett's service on the Remy board, their Remy stock options and shares of restricted stock that would have vested in February 2015 had their service continued were vested upon their resignation from the Remy board on December 31, 2014. The stock options that vested on December 31, 2014 are reflected as exercisable in the table. The restricted stock awards that vested on December 31, 2014 are reflected in the "Option Exercises and Stock Vested" table and related footnote, below. The remaining unvested stock options and shares of restricted stock were forfeited. Mr. Gravelle's stock options and half of his restricted stock awards provided for vesting to occur as to one-third of the shares subject to each award on each of the first, second and third anniversaries of the date of grant. The remaining half of the restricted stock awards vest on the same schedule, but were subject to satisfaction of operating profit performance goals. The restricted shares of Remy stock with a grant date of December 31, 2014 were acquired by the executives as a result of the closing of the Remy spin-off on that date. Messrs. Foley, Park, Bickett and Gravelle each received a dividend of 0.17879 shares of new Remy common stock for each share of FNFV Group restricted stock they held on December 31, 2014, which new Remy shares are subject to the same vesting requirements as the underlying FNFV Group shares.

**Outstanding Fidelity National Environmental Solutions, Inc. Option Awards at Fiscal Year End**

| Name | Grant Date (1) | Number of Securities Underlying Unexercised Options Unexercisable (#) | Number of Securities Underlying Unexercised Options Exercisable (#) | Option Exercise Price ($) | Option Expiration Date |
|---|---|---|---|---|---|
| William P. Foley, II | 8/26/2013 | 2,100 | — | 392.49 | 8/26/2020 |
| Brent B. Bickett | 8/26/2013 | 1,400 | — | 392.49 | 8/26/2020 |

(1) The stock options vest as to 33% of the shares on the date of grant and on each of the first and second anniversaries of the date of grant.

The following table sets forth information concerning each exercise of stock options, stock appreciation rights and similar instruments, and each vesting of stock, including restricted stock, restricted stock units and similar instruments, during the fiscal year ended December 31, 2014 for each of the named executive officers on an aggregated basis:

**Option Exercises and Stock Vested**

| | Option Awards | | Stock Awards | |
|---|---|---|---|---|
| Name | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise ($) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting ($) |
| Raymond R. Quirk | 265,143 | 7,472,390 | 154,004 | 4,538,937 |
| Anthony J. Park | 113,233 | 3,620,497 | 39,095 | 1,151,704 |
| William P. Foley, II(1)(2) | 458,980 | 833,711 | 342,320 | 9,944,363 |
| Brent B. Bickett(2) | — | — | 82,430 | 2,358,925 |
| Michael L. Gravelle(2) | — | — | 50,798 | 1,492,016 |

(1) The amounts in the Option Awards columns reflect Comdata stock options that were cash settled in connection with the sale of Comdata to FleetCor in November 2014. The amount reflected in the Value Realized on Exercise column was paid in connection with the closing, and $114,307 was held back.

(2) The amounts in the Stock Awards columns includes 16,636 shares of Remy restricted stock for Mr. Foley, 8,233 shares of Remy restricted stock for Mr. Bickett, and 1,160 shares of Remy restricted stock for Mr. Gravelle. The value of these Remy restricted stock awards that vested in 2014 had a value of $348,025, $172,234, and $24,267, respectively, based on the closing price of Remy's common stock on December 31, 2014.

***Employment Agreements***

We have entered into employment agreements with all of our named executive officers. Additional information regarding post-termination benefits provided under these employment agreements can be found in the "Potential Payments upon Termination or Change in Control" section.

*William P. Foley, II*

We entered into a three-year amended and restated employment agreement with Mr. Foley on January 10, 2014, to serve as our Executive Chairman, with a provision for automatic annual extensions beginning on the first anniversary of the effective date and continuing thereafter unless either party provides timely notice that the term should not be extended. The employment agreement provides that Mr. Foley shall receive a minimum annual base salary of $425,000 and his annual cash incentive target was 225% of his annual base salary, with amounts payable depending on performance relative to targeted results. Mr. Foley is eligible to elect and purchase supplemental disability insurance in accordance with our then current benefit offering, and he and his eligible dependents are entitled to medical and other insurance coverage we provide to our other top executives as a group. Mr. Foley is also eligible to receive equity grants under our equity incentive plans, as determined by our compensation committee.

Mr. Foley's employment agreement provides that, if any payments or benefits to be paid to Mr. Foley pursuant to the terms of the employment agreement would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then Mr. Foley may elect for such payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Internal Revenue Code. If Mr. Foley does not elect to have such payments so reduced, Mr. Foley is responsible for payment of any excise tax resulting from such payments and shall not be entitled to a gross-up payment under the employment agreement.

Concurrently with entering into his new employment agreement with us, Mr. Foley also entered into employment agreements with BKFS and ServiceLink, each of which contain substantially similar terms to his employment agreement with FNF. The BKFS and ServiceLink employment agreements each provide that Mr. Foley will serve as Executive Chairman, with a provision for automatic annual extensions beginning on the first anniversary of the effective date and continuing thereafter unless either party provides timely notice that the term should not be extended. Under the BKFS and ServiceLink agreements, Mr. Foley shall receive a minimum annual base salary of $212,500 and his annual cash incentive target was 225% of his annual base salary, with amounts payable depending on performance relative to targeted results.

*Raymond R. Quirk*

We entered into a three-year amended and restated employment agreement with Mr. Quirk, effective October 10, 2008, to serve as our President, with a provision for automatic annual extensions beginning on the first anniversary of the effective date and continuing thereafter unless either party provides timely notice that the term should not be extended. Under the terms of the agreement, Mr. Quirk's minimum annual base salary is $740,000, with an annual cash incentive target of 150% of his annual base salary, with amounts payable depending on performance relative to targeted results. Mr. Quirk is entitled to supplemental disability insurance sufficient to provide at least 2/3 of his pre-disability base salary, and Mr. Quirk and his eligible dependents are entitled to medical and other insurance coverage we provide to our other top executives as a group. Mr. Quirk is also entitled to, but does not receive, the payment of initiation and membership dues in any social or recreational clubs that we deem appropriate to maintain our business relationships, and he is eligible to receive equity grants under our equity incentive plans, as determined by our compensation committee.

Effective as of February 4, 2010, FNF and Mr. Quirk entered into an amendment to Mr. Quirk's employment agreement. The amendment provides that, if any payments or benefits to be paid to Mr. Quirk pursuant to the terms of the employment agreement would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then Mr. Quirk may elect for such payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Internal Revenue Code. If Mr. Quirk does not elect to have such payments so reduced, Mr. Quirk is responsible for payment of any excise tax resulting from such payments and shall not be entitled to a gross-up payment under the employment agreement.

Mr. Quirk's employment agreement contains provisions related to the payment of benefits upon certain termination events. The details of these provisions are set forth in the "Potential Payments upon Termination or Change in Control" section.

*Anthony J. Park*

We entered into a three-year amended and restated employment agreement with Mr. Park, effective October 10, 2008, to serve as our Executive Vice President, Chief Financial Officer, with a provision for automatic annual extensions beginning on the first anniversary of the effective date and continuing thereafter unless either party provides timely notice that the term should not be extended. Under the terms of the agreement, Mr. Park's minimum annual base salary is $375,000, with an annual cash incentive target equal to at least 100% of his annual base salary, with amounts payable depending on performance relative to targeted results. Mr. Park is entitled to supplemental disability insurance sufficient to provide at least 2/3 of his pre-disability base salary, and Mr. Park and his eligible dependents are entitled to medical and other insurance coverage we provide to our other top executives as a group. Mr. Park is also entitled to, but does not receive, the payment of initiation and membership dues in any social or recreational clubs that we deem appropriate to maintain our business relationships, and he is eligible to receive equity grants under our equity incentive plans, as determined by our compensation committee.

Effective as of February 4, 2010, FNF and Mr. Park entered into an amendment to Mr. Park's employment agreement. The amendment provides that, if any payments or benefits to be paid to Mr. Park pursuant to the terms of the employment agreement would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then Mr. Park may elect for such payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Internal Revenue Code. If Mr. Park does not elect to have such payments so reduced, Mr. Park is responsible for payment of any excise tax resulting from such payments and shall not be entitled to a gross-up payment under the employment agreement.

Mr. Park's employment agreement contains provisions related to the payment of benefits upon certain termination events. The details of these provisions are set forth in the "Potential Payments upon Termination or Change in Control" section.

*Brent B. Bickett*

We entered into a three-year amended and restated employment agreement with Mr. Bickett, effective July 2, 2008, to serve as our Executive Vice President, Corporate Finance, with a provision for automatic annual extensions beginning on the first anniversary of the effective date and continuing thereafter unless either party provides timely notice that the term should not be extended. Effective as of January 1, 2012, we entered into an amendment to the employment agreement with Mr. Bickett pursuant to which Mr. Bickett was entitled to a minimum annual base salary of $276,500 and an annual cash bonus target of 150% of his annual base salary, with amounts payable depending on performance relative to targeted results. Effective as of July 1, 2012, we entered into an additional amendment to the employment agreement with Mr. Bickett in connection with his increased role and full-time status with FNF. Under the terms of the agreement, as amended, Mr. Bickett's minimum annual base salary is $550,500, with an annual cash bonus target of 150% of his annual base salary, with amounts payable depending on performance relative to targeted results. Mr. Bickett is entitled to purchase supplemental disability insurance sufficient to provide at least 60% of his pre-disability base salary, and Mr. Bickett and his eligible dependents are entitled to medical and other insurance coverage we provide to our other top executives as a group. Mr. Bickett is also eligible to receive equity grants under our equity incentive plans, as determined by our compensation committee.

Effective as of February 4, 2010, FNF and Mr. Bickett entered into an amendment to Mr. Bickett's employment agreement. The amendment provides that, if any payments or benefits to be paid to Mr. Bickett pursuant to the terms of the employment agreement would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then Mr. Bickett may elect for such payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Internal Revenue Code. If Mr. Bickett does not elect to have such payments so reduced, Mr. Bickett is responsible for payment of any excise tax resulting from such payments and shall not be entitled to a gross-up payment under the employment agreement.

Mr. Bickett's employment agreement contains provisions related to the payment of benefits upon certain termination events. The details of these provisions are set forth in the "Potential Payments upon Termination or Change in Control" section.

*Michael L. Gravelle*

We entered into a three-year amended and restated employment agreement with Mr. Gravelle, effective January 1, 2010, to serve as our Executive Vice President, General Counsel and Corporate Secretary, with a provision for automatic annual extensions beginning on the first anniversary of the effective date and continuing thereafter unless either party provides timely notice that the term should not be extended. Under the terms of the agreement as amended effective January 30, 2013, Mr. Gravelle's minimum annual FNF base salary is $337,000, with an annual cash incentive target equal to at least 120% of his paid FNF base salary with a maximum of up to 240% of his target opportunity, with amounts payable depending on performance relative to targeted results. Mr. Gravelle is entitled to purchase supplemental disability insurance sufficient to provide at least 60% of his pre-disability base salary, and Mr. Gravelle and his eligible dependents are entitled to medical and other insurance coverage we provide to our other top executives as a group. Mr. Gravelle is also entitled to, but does not receive, the payment of initiation and membership dues in any social or recreational clubs that we deem appropriate to maintain our business relationships, and he is eligible to receive equity grants under our equity incentive plans, as determined by our compensation committee.

The agreement further provides that, if any payments or benefits to be paid to Mr. Gravelle pursuant to the terms of the agreement would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then Mr. Gravelle may elect for such payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Internal Revenue Code. If Mr. Gravelle does not elect to have such payments so reduced, Mr. Gravelle is responsible for payment of any excise tax resulting from such payments and shall not be entitled to a gross-up payment under the employment agreement.

The agreement finally provides that Mr. Gravelle became the Senior Vice President, General Counsel and Corporate Secretary of Remy effective as of February 1, 2013, and ceased being an executive officer of FIS as of February 1, 2013 and acknowledges that Mr. Gravelle would receive an annual base salary of $148,000 and a bonus opportunity at target of 55% ($81,400) from Remy. Mr. Gravelle does not have a separate employment agreement with Remy.

Mr. Gravelle's employment agreement contains provisions related to the payment of benefits upon certain termination events. The details of these provisions are set forth in the "Potential Payments upon Termination or Change in Control" section.

On March 1, 2015, Mr. Gravelle entered into a three-year employment agreement with BKFS which contains substantially similar terms to the employment agreements of other BKFS executives and which is generally based on his employment agreement with FNF. The BKFS employment agreement provides that Mr. Gravelle will serve as Executive Vice President, General Counsel and Corporate Secretary of BKFS. Under the BKFS agreement, Mr. Gravelle shall receive a minimum annual base salary of $148,000. He is also eligible for an annual incentive bonus opportunity under BKFS annual incentive plan, and his target bonus is set at 100% of base salary, with a maximum of up to 100% of his base salary.

### *Annual Incentive Awards*

In 2014, our compensation committee approved performance-based cash incentive award opportunities for certain of our named executive officers. The performance-based cash incentive award opportunities are calculated by multiplying base salary by the named executive officer's applicable percentage approved by our compensation committee based on the level of performance that we achieved. More information about the annual incentive awards, including the targets and criteria for determining the amounts payable to our named executive officers, can be found in the "Compensation Discussion and Analysis" section.

### *Investment Success Incentive Program Awards*

In 2014, we implemented a special cash incentive program under the omnibus plan tied to FNF's return on investment in certain companies or divisions. We granted awards under his program in September 2012 and March 2013 with performance periods from July 1, 2012 through December 31, 2016 and January 1, 2013 through December 31, 2016, respectively. Messrs. Foley, Bickett, Park and Gravelle participate in the program. More information about the program, including the criteria for determining the amounts payable to certain of our named executive officers, can be found in the "Compensation Discussion and Analysis" section.

### *Long Term Equity Incentive Awards*

In November 2014, our compensation committee approved grants of performance-based restricted stock and stock options to our named executive officers. The performance element applicable to the performance-based restricted stock is based upon achievement of pre-tax margin in our title segment of 8.5% in at least two of the five quarters beginning October 1, 2014. The restricted stock also vests proportionately each year over three years based on continued employment with us. Stock options vest proportionately each year over three years based on continued employment with us. More information about the long term equity incentive awards can be found in the "Compensation Discussion and Analysis" section.

## Nonqualified Deferred Compensation

Under our nonqualified deferred compensation plan, which was amended and restated effective January 1, 2009, participants, including our named executive officers, can defer up to 75% of their base salary and 100% of their monthly, quarterly and annual incentives, subject to a minimum deferral of $16,500. Deferral elections are made during specified enrollment periods. Deferrals and related earnings are not subject to vesting conditions.

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Participants' accounts are bookkeeping entries only and participants' benefits are unsecured. Participants' accounts are credited or debited daily based on the performance of hypothetical investments selected by the participant, and may be changed on any business day. The funds from which participants may select hypothetical investments, and the 2014 rates of return on these investments, are listed in the following table:

| Name of Fund | 2014 Rate of Return | Name of Fund | 2014 Rate of Return |
|---|---|---|---|
| Nationwide VIT Money Market V | 0.00% | T. Rowe Price Mid Cap Growth II | 12.82% |
| Fidelity VIP Investment Grade Bond Svc | 5.75% | DFA VA US Targeted Value | 3.71% |
| PIMCO VIT Real Return Admin | 3.87% | Vanguard VIF Small Company Growth | 3.38% |
| Ivy VIP High Income | 1.90% | American Funds IS International 2 | (2.65)% |
| LASSO | 1.47% | MFS VIT II International Value Svc | 1.13% |
| T. Rowe Price Equity Income II | 7.10% | Lazard Retirement Emerging Markets Svc | (4.62)% |
| Dreyfus Stock Index Initial | 13.42% | Invesco VIF Global Real Estate I | 14.62% |
| American Funds IS Growth 2 | 8.51% | Van Eck VIP Global Hard Assets Initial | (19.10)% |
| Goldman Sachs VIT Mid Cap Value Instl | 13.57% | | |

Upon retirement, which generally means separation of employment after attaining age sixty, an individual may elect either a lump-sum withdrawal or installment payments over 5, 10 or 15 years. Similar payment elections are available for pre-retirement survivor benefits. In the event of a termination prior to retirement, distributions are paid over a 5-year period. Account balances less than the applicable Internal Revenue Code Section 402(g) limit will be distributed in a lump-sum. Participants can elect to receive in-service distributions in a plan year designated by the participant and these amounts will be paid within two and one-half months from the close of the plan year in which they were elected to be paid. The participant may also petition us to suspend elected deferrals, and to receive partial or full payout under the plan, in the event of an unforeseeable financial emergency, provided that the participant does not have other resources to meet the hardship.

Plan participation continues until termination of employment. Participants will receive their account balance in a lump-sum distribution if employment is terminated within two years after a change in control.

In 2004, Section 409A of the Internal Revenue Code was passed. Section 409A changed the tax laws applicable to nonqualified deferred compensation plans, generally placing more restrictions on the timing of deferrals and distributions. The deferred compensation plan contains amounts deferred before and after the passage of Section 409A.

For amounts subject to Section 409A, which in general terms includes amounts deferred after December 31, 2004, a modification to a participant's payment elections may be made upon the following events:

- Retirement: Participants may modify the distribution schedule for a retirement distribution from a lump-sum to annual installments or vice versa, however, a modification to the form of payment requires that the payment(s) commence at least five years after the participant's retirement, and this election must be filed with the administrator at least 12 months prior to retirement.
- In-service Distributions: Participants may modify each in-service distribution date by extending it by at least five years; however, participants may not accelerate the in-service distribution date and this election must be filed with the administrator at least 12 months prior to the scheduled in-service distribution date.

Deferral amounts that were vested on or before December 31, 2004 are generally not subject to Section 409A and are governed by more liberal distribution provisions that were in effect prior to the passage of Section 409A. For example, a participant may withdraw these grandfathered amounts at any time, subject to a withdrawal penalty of ten percent, or may change the payment elections for these grandfathered amounts if notice is timely provided.

The table below describes the contributions and distributions made with respect to the named executive officers' accounts under our nonqualified deferred compensation plan. None of the named executive officers, other than Messrs. Park and Gravelle, deferred 2014 compensation under the plan.

| Name | Executive Contributions in Last FY ($) | Registrant Contributions in Last FY ($) | Aggregate Earnings in Last FY ($) | Aggregate Withdrawals/ Distributions ($) | Aggregate Balance at Last FYE ($) |
|---|---|---|---|---|---|
| Anthony J. Park | — | — | 15,661 | — | 292,377 |
| William P. Foley, II | — | — | 158,394 | — | 2,210,768 |
| Brent B. Bickett | — | — | 48,984 | — | 502,868 |
| Michael L. Gravelle | 41,758 | — | 1,212 | — | 240,472 |

## Potential Payments upon Termination or Change in Control

In this section, we discuss the nature and estimated value of payments and benefits we would provide to our named executive officers in the event of termination of employment or a change in control. The amounts described in this section reflect amounts that would have been payable under (i) our plans, and (ii) where applicable, their employment agreements if their employment had terminated on December 31, 2014.

The types of termination situations include a voluntary termination by the executive, with or without good reason, a termination by us either for cause or not for cause and termination in the event of disability or death. We also describe the estimated payments and benefits that would be provided upon a change in control without a termination of employment. The actual payments and benefits that would be provided upon a termination of employment would be based on the named executive officers' compensation and benefit levels at the time of the termination of employment and the value of accelerated vesting of share-based awards would be dependent on the value of the underlying stock.

For each type of employment termination, the named executive officers would be entitled to benefits that are available generally to our domestic salaried employees, such as distributions under our 401(k) savings plan, certain disability benefits and accrued vacation. We have not described or provided an estimate of the value of any payments or benefits under plans or arrangements that do not discriminate in scope, terms or operation in favor of a named executive officer and that are generally available to all salaried employees. In addition to these generally available plans and arrangements, the named executive officers would be entitled to benefits under our nonqualified deferred compensation plan, as described above in the "Nonqualified Deferred Compensation" table and accompanying narrative.

### *Potential Payments under Employment Agreements*

As discussed above, we have entered into employment agreements with our named executive officers. The agreements contain provisions for the payment of severance benefits following certain termination events. Below is a summary of the payments and benefits that the named executive officers would receive in connection with various employment termination scenarios.

Under the terms of each employment agreement, if the executive's employment is terminated by us for any reason other than for cause and not due to death or disability, or by the executive for good reason then the executive is entitled to receive:

- any accrued obligations,
- a prorated annual incentive based on the actual incentive the named executive officer would have earned for the year of termination,
- a lump-sum payment equal to 200% (or 300% in the case of Mr. Foley) of the sum of the executive's (a) annual base salary and (b) the highest annual bonus paid to the executive within the 3 years preceding his termination or, if higher, the target bonus opportunity in the year in which the termination of employment occurs,
- immediate vesting and/or payment of all our equity awards (except performance-based awards, which vest pursuant to the terms of the awards),

- the right to convert any life insurance provided by us into an individual policy, plus a lump sum cash payment equal to thirty-six months of premiums, and
- other COBRA coverage (so long as the executive pays the premiums) for a period of three years or, if earlier, until eligible for comparable benefits from another employer, plus a lump sum cash payment equal to the sum of thirty-six monthly COBRA premium payments.

If the executive’s employment terminates due to death or disability, we will pay him, or his estate:

- any accrued obligations,
- a prorated annual bonus based on (a) the target annual bonus opportunity in the year in which the termination occurs or the prior year if no target annual bonus opportunity has yet been determined and (b) the fraction of the year the executive was employed, and
- in the case of Mr. Gravelle, the unpaid portion of his annual base salary for the remainder of the employment term.

In addition, the employment agreement of each executive, other than Messrs. Gravelle and Bickett, provides for supplemental disability insurance sufficient to provide at least 2/3 of the executive’s pre-disability base salary. In the case of Messrs. Gravelle and Bickett, they are entitled to purchase supplemental disability insurance sufficient to provide 60% of their pre-disability base salary. For purposes of the agreements, an executive will be deemed to have a “disability” if he is entitled to receive long-term disability benefits under our long-term disability plan.

If the executive’s employment is terminated by FNF for cause or by the executive without good reason our only obligation is the payment of any accrued obligations.

For purposes of each agreement, “cause” means the executive’s:

- persistent failure to perform duties consistent with a commercially reasonable standard of care,
- willful neglect of duties,
- conviction of, or pleading nolo contendere to, criminal or other illegal activities involving dishonesty,
- material breach of the employment agreement, or
- impeding or failing to materially cooperate with an investigation authorized by our board.

For purposes of each agreement, other than Mr. Gravelle’s agreement, “good reason” includes:

- a material diminution in the executive’s position or title or the assignment of duties to the executive that are materially inconsistent with the executive’s position or title,
- a material diminution of the executive’s base salary or annual bonus opportunity,
- within six months immediately preceding or within two years immediately following a change in control, (1) a material adverse change in the executive’s status, authority or responsibility, (2) a material adverse change in the position to whom the executive reports or to the executive’s service relationship as a result of such reporting structure change, or a material diminution in the authority, duties or responsibilities of the position to whom the executive reports, (3) a material diminution in the budget over which the executive has managing authority, or (4) a material change in the geographic location of the executive’s place of employment, or
- our material breach of any of our obligations under the employment agreement.

Mr. Foley's employment agreements with us and with BKFS and ServiceLink also provide that "good reason" includes election of a new director to the board of directors of the respective entity who Mr. Foley, acting in his capacity as a director, did not consent to or vote for.

For purposes of each agreement, other than Mr. Gravelle's agreement, a "change in control" means:

- an acquisition by an individual, entity or group of more than 50% of our voting power,
- a merger in which we are not the surviving entity, unless our stockholders immediately prior to the merger hold more than 50% of the combined voting power of the resulting corporation after the merger,
- a reverse merger in which we are the surviving entity but in which more than 50% of the combined voting power is transferred to persons different from those holding the securities immediately prior to such merger,
- during any period of 2 consecutive years during the employment term, a change in the majority of our board, unless the changes are approved by 2/3 of the directors then in office,
- a sale, transfer or other disposition of our assets that have a total fair market value equal to or more than 1/3 of the total fair market value of all of our assets immediately before the sale, transfer or disposition, other than a sale, transfer or disposition to an entity (1) which immediately after the sale, transfer or disposition owns 50% of our voting stock or (2) 50% of the voting stock of which is owned by us after the sale, transfer or disposition, or
- our stockholders approve a plan or proposal for the liquidation or dissolution of our company.

For purposes of Mr. Gravelle's agreement, "good reason" includes:

- a material adverse change in his position or title, or a material diminution in his managerial authority, duties or responsibilities or the conditions under which such duties or responsibilities are performed;
- a material adverse change in the position to whom he reports or a material diminution in the managerial authority, duties or responsibilities of the person in that position;
- a material change in the geographic location of his principal working location, which FNF has determined to be a relocation of more than 35 miles;
- a material diminution of the executive's base salary or annual bonus opportunity; or
- a material breach by FNF of any of its obligations under the employment agreement.

As discussed above, concurrently with entering into his new employment agreement with us, Mr. Foley also entered into employment agreements with BKFS and ServiceLink, each of which contain substantially similar terms to his employment agreement with FNF. The three employment agreements each contain cross-termination provisions under which a termination for any reason under any one of the three agreements will constitute termination under the others for the same reason.

***Potential Payments under FNF Omnibus Incentive Plan***

In addition to the post-termination rights and obligations set forth in the employment agreements of our named executive officers, the FNF omnibus incentive plan provides for the potential acceleration of vesting and/or payment of equity awards in connection with a change in control. Under the FNF omnibus incentive plan, except as otherwise provided in a participant's award agreement, upon the occurrence of a change in control any and all outstanding options and stock appreciation rights will become immediately exercisable, any restriction imposed on restricted stock, restricted stock units and other awards will lapse, and any and all performance shares, performance units and other awards 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 FNF omnibus plan, the term "change in control" means the occurrence of any of the following events:

- an acquisition by an individual, entity or group of 25% or more of our voting power (except for acquisitions by us or any of our employee benefit plans),
- during any period of 2 consecutive years, a change in the majority of our board, unless the change is approved by 2/3 of the directors then in office,
- a reorganization, merger, share exchange, consolidation or sale or other disposition of all or substantially all of our assets; excluding, however, a transaction pursuant to which we retain specified levels of stock ownership and board seats, or
- our stockholders approve a plan or proposal for our liquidation or dissolution.

***Potential Payments under Long-Term Investment Success Cash Incentive Awards***

As discussed above, we terminated the original FNFV companies and investments incentive programs and established the Investment Success Incentive Program in 2014. No amounts would have been earned or paid under the original FNFV companies and investments incentive programs or the Investment Success Incentive Program in the event of a change in control or termination of employment occurring on December 31, 2014.

***Potential Payments under the Synergy Incentive Program***

The Synergy Incentive Program was terminated effective December 31, 2014. No payments would have been made under the program in the event of a change of control or termination of employment occurring on December 31, 2014.

***Estimated Cash Severance Payments***

Our estimate of the cash severance amounts that would be provided to the named executive officers assumes that their employment terminated on December 31, 2014. The severance amounts do not include a prorated 2014 annual incentive since the named executive officers would have been paid based on their service through the end of the year and therefore would have received the amount whether or not the termination occurred. For Mr. Foley, the amount below reflects the aggregate cash severance payment he would have received under his FNF, BKFS and ServiceLink employment agreements if his employment had terminated on December 31, 2014.

For a termination of employment by us not for cause or a termination by the executive for good reason, the following payments would have been made under the employment agreements: Mr. Foley $19,524,965; Mr. Quirk $6,142,224; Mr. Park $2,704,348; Mr. Bickett $3,752,884; and Mr. Gravelle $1,803,078. Upon a termination of the executives' employment due to death or disability, the executives would receive any accrued obligations.

***Estimated Equity Values***

As disclosed in the Outstanding FNF Equity Awards at Fiscal Year-End table, each named executive officer had outstanding unvested stock options and restricted stock awards on December 31, 2014. Under the terms of the FNF omnibus plan and award agreements, these stock options and restricted stock awards would vest upon a change in control. In addition, under the named executive officers' employment agreements, the portion of these stock options and restricted stock awards that vest based solely on the passage of time would vest upon any termination of employment by us not for cause or a termination by the executive for good reason. In any other termination event, all unvested stock options and restricted stock awards would expire at the employment termination date.

The following estimates are based on an FNF Group common stock price of $34.45 per share and an FNFV Group common stock price of $12.00 per share (as adjusted for the Remy spin-off), which were the closing prices of our common stock on December 31, 2014, and for purposes of determining the value of the Remy stock dividend on the FNFV Group restricted shares following the Remy spin-off which Remy shares would vest in connection with a vesting of the underlying FNFV Group restricted shares, a Remy stock price of $20.92, which represents the closing price of Remy stock on December 31, 2014. The stock option amounts reflect the excess of this share price over the exercise price of the unvested stock options that would vest. The restricted stock amounts were determined by multiplying the number of shares that would vest by the applicable closing price or prices. Our estimate of the value of equity that would vest assumes that a change in control and, as applicable, a termination of employment occurred on December 31, 2014.

The estimated value of the FNF Group stock options held by the named executive officers that would vest upon a change in control would be as follows: Mr. Foley $8,779,987; Mr. Quirk $4,501,713; Mr. Park $1,000,921; Mr. Bickett $2,289,137; and Mr. Gravelle $2,095,936. The estimated value of FNF Group restricted stock awards held by the named executive officers that would vest upon a change in control would be as follows: Mr. Foley $12,160,953; Mr. Quirk $5,591,063; Mr. Park $1,416,963; Mr. Bickett $3,213,152; and Mr. Gravelle $2,701,225. The estimated value of FNF Group restricted stock awards held by the named executive officers that would vest upon a termination of the named executive officers' employment by us not for cause or a termination by the executives for good reason would be as follows: Mr. Foley $8,461,609; Mr. Quirk $3,775,513; Mr. Park $954,541; Mr. Bickett $2,288,307; and Mr. Gravelle $1,776,380. The estimated value of FNFV Group restricted stock awards (including the value of the associated Remy stock dividend on such FNFV Group restricted shares) held by the named executive officers (other than Mr. Quirk, who did not receive an award of FNFV Group restricted shares) that would vest upon a change in control or termination of employment by us not for cause or a termination by the executives for good reason would be as follows: Mr. Foley $10,193,692; Mr. Park $749,520; Mr. Bickett $2,098,687; and Mr. Gravelle $749,520.

In connection with certain change in control transactions, our named executive officers may require BKFS and ServiceLink to purchase their vested and unvested BKFS and ServiceLink profits interest awards for an amount equal to the fair market value of the interests. For this purpose, a change in control would include an acquisition of more than 50% of the combined voting power of the stock of Black Knight (the holding company through which we hold BKFS and ServiceLink interests) or a sale of all or substantially all of Black Knight's or our assets. Additionally, pursuant to Mr. Foley's employment agreement, his unvested profits interest award would vest upon termination of his employment by us not for cause or a termination by Mr. Foley for good reason. Our other named executive officers' unvested profits interest awards would be forfeited upon termination of employment.

The estimated value of the unvested profits interest awards that would vest upon a change in control or, in the case of Mr. Foley, a qualifying termination of employment, on December 31, 2014 would be as follows: Mr. Foley $47,666,670; Mr. Quirk $1,430,003; Mr. Park $953,332; Mr. Bickett $1,430,003; and Mr. Gravelle $953,332.

### Compensation Committee Interlocks and Insider Participation

The compensation committee is currently composed of Daniel D. (Ron) Lane (Chair), Cary H. Thompson, and Richard N. Massey. During fiscal year 2014, no member of the compensation committee was a former or current officer or employee of FNF or any of its subsidiaries. In addition, during fiscal year 2014, none of our executive officers served (i) as a member of the compensation committee or board of directors of another entity, one of whose executive officers served on our compensation committee, or (ii) as a member of the compensation committee of another entity, one of whose executive officers served on our board.

### Discussion of Our Compensation Policies and Practices as They Relate to Risk Management

We reviewed our compensation policies and practices for all employees, including our named executive officers, and determined that our compensation programs are not reasonably likely to have a material adverse effect on our company. In conducting the analysis, we reviewed the structure of our executive, non-officer and sales commission incentive programs and the internal controls and risk abatement processes that are in place for each program. We also reviewed data compiled across our direct title operations, agency title operations, ServiceLink, Remy, Restaurant Group and corporate operations relative to total revenue, total profits, total compensation expenses and incentive program expenses (including as a percentage of both revenue and total compensation expenses).

We believe that several design features of our executive compensation program mitigate risk. We set base salaries at levels that provide our employees with assured cash compensation that is appropriate to their job duties and level of responsibility and that, when taken together with incentive awards, motivate them to perform at a high level without encouraging inappropriate risk taking to achieve a reasonable level of secure compensation.

With respect to our executives' incentive opportunities, we believe that our use of measurable corporate financial performance goals, multiple performance levels and minimum, target and maximum achievable payouts, together with the compensation committee's discretion to reduce awards, serve to mitigate excessive risk-taking. The risk of overstatement of financial figures to which incentives are tied is mitigated by the compensation committee's review and approval of the awards and payments under the awards, our ability to recover any incentive-based compensation pursuant to our clawback policy and the internal and external review of our financials. We also believe that our balance of stock options and restricted stock and use of multi-year vesting schedules in our long-term incentive awards encourages recipients to deliver incremental value to our stockholders and aligns their interests with our sustainable long-term performance, thereby mitigating risk. In addition, in 2009 we increased required stock ownership multiples for some executives and included stock retention requirements in our restricted stock awards, both of which help to align our executives interests with our long-term performance and mitigate risk.

With respect to our non-officer incentive program, we believe that our use of clearly communicated performance goals and close monitoring by our corporate accounting group, corporate underwriting group and senior management serve to mitigate excessive risk-taking. Our sales commission incentive program is based on revenue generation, which is critical to our performance. We have controls in place that mitigate the risk that transactions might be recommended or executed to earn short-term, commission-based incentive compensation, including operational management oversight and approval, management reporting, and detailed underwriting guidelines and approval escalation.

## Director Compensation

Directors who are our salaried employees receive no additional compensation for services as a director or as a member of a committee of our board. In 2014, all non-employee directors received an annual retainer of $80,000, payable quarterly, plus $2,500 for each board meeting attended in 2014. The chairman and each member of the audit committee received an additional annual fee (payable in quarterly installments) of $40,000 and $15,000, respectively, for their service on the audit committee, plus a fee of $3,000 for each audit committee meeting attended in 2014. The chairmen and each member of the compensation committee and the corporate governance and nominating committee received an additional annual fee (payable in quarterly installments) of $10,000 and $6,000, respectively, for their service on such committees, plus a fee of $1,500 for each committee meeting attended in 2014. Mr. Ammerman deferred the fees he earned in 2014 for his services as a director and the chairman of the audit committee. In addition, in 2014 each non-employee director received a long-term incentive award of 7,763 restricted shares and 12,322 stock options except for the lead director, Mr. Massey, who received a long-term incentive award of 8,444 restricted shares and 13,403 stock options. The restricted shares were granted under the FNF omnibus plan and vest proportionately each year over three years from the date of grant based upon continued service on our board. We also reimburse each non-employee director for all reasonable out-of-pocket expenses incurred in connection with attendance at board and committee meetings and director education programs. Finally, each non-employee member of our board is eligible to participate in our deferred compensation plan to the extent he elects to defer any board or committee fees.

The following table sets forth information concerning the compensation of our non-employee directors for the fiscal year ending December 31, 2014:

| Name | Fees Earned or Paid in Cash ($) (1) | Stock Awards ($) (2) | Option Awards ($) (3) | All Other Compensation ($) (4) | Total ($) |
|---|---|---|---|---|---|
| Douglas K. Ammerman | 162,500 | 228,000 | 58,413 | 12,164 | 461,007 |
| Willie D. Davis | 137,500 | 228,000 | 58,413 | 12,164 | 436,077 |
| Thomas M. Hagerty | 101,500 | 247,996 | 63,540 | 13,321 | 426,357 |
| Daniel D. (Ron) Lane | 159,500 | 228,000 | 58,413 | 12,164 | 458,077 |
| Richard N. Massey | 110,500 | 228,000 | 58,413 | 12,164 | 409,077 |
| Peter O. Shea, Jr. | 100,000 | 228,000 | 58,413 | 12,164 | 398,577 |
| Cary H. Thompson | 110,500 | 228,000 | 58,413 | 12,164 | 409,077 |
| Frank P. Willey | 92,500 | 228,000 | 58,413 | 12,164 | 391,077 |
| John D. Rood | 92,500 | 228,000 | 58,413 | 1,937 | 380,850 |

(1) Represents the cash portion of annual board and committee retainers and meeting fees earned for services as a director in 2014.

(2) Amounts shown for all directors represent the grant date fair value of restricted stock awards granted in 2014, computed in accordance with FASB ASC Topic 718. These awards consisted of FNF Group restricted shares granted in November 2014 which vest over a period of three years from the grant date. Assumptions used in the calculation of these amounts are included in Footnote N to our audited financial statements for the fiscal year ended December 31, 2014 included in our Annual Report on Form 10-K filed with the SEC on March 2, 2015. FNF Group restricted stock awards granted for the fiscal year ended December 31, 2014 for each director were as follows: Mr. Ammerman 7,651; Mr. Davis 7,651; Mr. Hagerty 8,322; Mr. Lane 7,651; Mr. Massey 7,651 Mr. Shea, Jr. 7,651; Mr. Thompson 7,651; Mr. Willey 7,651; and Mr. Rood 7,651. The fair value of the awards as shown above is based on a per share fair value of $29.80. As of December 31, 2014, FNF Group restricted stock awards outstanding for each director were as follows: Mr. Ammerman 228,000; Mr. Davis 228,000; Mr. Hagerty 247,996; Mr. Lane 228,000; Mr. Massey 228,000; Mr. Rood 228,000; Mr. Shea, Jr. 228,000; Mr. Thompson 228,000; and Mr. Willey 228,000. None of our non-management directors hold FNFV Group restricted stock awards.

(3) FNF Group option awards granted for the fiscal year ended December 31, 2014 for each director were as follows: Mr. Ammerman 12,144; Mr. Davis 12,144; Mr. Hagerty 13,210; Mr. Lane 12,144; Mr. Massey 13,403; Mr. Shea, Jr. 12,144; Mr. Thompson 12,144; Mr. Willey 12,144; and Mr. Rood 12,144. The fair value of the awards as shown above is based on the Black-Scholes Option value of $4.82. As of December 31, 2014, FNF Group stock option awards outstanding for each director were as follows: Mr. Ammerman 112,927; Mr. Davis 137,490; Mr. Hagerty 144,454; Mr. Lane 52,286; Mr. Massey 137,490; Mr. Shea, Jr. 112,927; Mr. Thompson 56,124; Mr. Willey 137,490; and Mr. Rood 46,397. None of our directors hold FNFV Group stock option awards.

(4) Amounts shown for all directors reflect dividends paid on shares of restricted stock in 2014.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND EXECUTIVE OFFICERS

The number of our common shares beneficially owned by each individual or group is based upon information in documents filed by such person with the Securities and Exchange Commission, other publicly available information or information available to us. Percentage ownership in the following tables is based on 280,452,717 shares of FNF Group stock and 80,071,787 shares of FNFV Group stock outstanding as of April 27, 2015. Unless otherwise indicated, each of the stockholders has sole voting and investment power with respect to the shares of FNF Group stock or FNFV Group stock beneficially owned by that stockholder. The number of shares beneficially owned by each stockholder is determined under rules issued by the Securities and Exchange Commission.

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### Security Ownership of Certain Beneficial Owners

The following table sets forth information regarding beneficial ownership of our FNF Group stock and FNFV Group stock by each stockholder who is known by the Company to beneficially own 5% or more of such class:

| Name | Title of Series | Shares Beneficially Owned(1) | Percent of Series (2) |
|---|---|---|---|
| BlackRock, Inc. | FNF Group | 13,861,538 | 4.9% |
| 55 East 52nd Street, New York, NY 10022 | FNFV Group | 7,175,214 | 9.0% |
| Corvex Management LP | FNF Group | 20,241,370 | 7.2% |
| 712 Fifth Ave., 23rd Floor, New York, NY 10019 | FNFV Group | 8,694,572 | 3.4% |
| Eminence Capital, LP | FNF Group | — | — |
| 65 East 55th St., 25th Floor, New York, NY 10022 | FNFV Group | 5,850,763 | 7.3% |
| Harris Associates L.P. | FNF Group | 16,056,375 | 5.9% |
| 111 S. Wacker Dr., Suite 4600, Chicago, IL 60606 | FNFV Group | — | — |
| T. Rowe Price Associates, Inc. (2) | FNF Group | 24,094,942 | 8.6% |
| 65 East 55th St., 25th Floor, New York, NY 10022 | FNFV Group | — | — |

(1) Based on information publicly filed with the SEC as of December 31, 2014, with the exception of shares beneficially owned by Corvex Management LP (which is based on information publicly filed with the SEC as of September 9, 2014).

(2) Applicable percentages based on shares of our FNF Group common stock and FNFV Group common stock outstanding as of April 27, 2015.

### Security Ownership of Management and Directors

The following table sets forth information regarding beneficial ownership of our FNF Group stock and FNFV Group stock by:

- each of our directors and nominees for director;
- each of the named executive officers as defined in Item 402(a)(3) of Regulation S-K promulgated by the Securities and Exchange Commission; and
- all of our executive officers and directors as a group.

The mailing address of each director and executive officer shown in the table below is c/o Fidelity National Financial, Inc., 601 Riverside Avenue, Jacksonville, Florida 32204.

| Name | Title of Series | Number of Shares | Number of Options (1) | Total | Percent of Total |
|---|---|---|---|---|---|
| Douglas K. Ammerman | FNF Group | 67,831 | 75,984 | 143,815 | * |
| | FNFV Group | 14,257 | — | 14,257 | * |
| Brent B. Bickett | FNF Group | 480,854 | 161,943 | 642,797 | * |
| | FNFV Group | 249,503 | — | 249,503 | * |
| Willie D. Davis | FNF Group | 77,078 | 75,984 | 153,062 | * |
| | FNFV Group | 17,383 | — | 17,383 | * |
| William P. Foley, II(2) | FNF Group | 7,106,135 | 479,926 | 7,586,061 | 2.7% |
| | FNFV Group | 2,140,498 | — | 2,140,498 | 2.7% |
| Michael L. Gravelle | FNF Group | 219,899 | 248,229 | 468,128 | * |
| | FNFV Group | 84,474 | — | 84,474 | * |
| Thomas M. Hagerty | FNF Group | 95,941 | 104,244 | 200,185 | * |

| Name | Title of Series | Number of Shares | Number of Options (1) | Total | Percent of Total |
|---|---|---|---|---|---|
| | FNFV Group | 25,678 | — | 25,678 | * |
| Daniel D. (Ron) Lane | FNF Group | 266,332 | 15,343 | 281,675 | * |
| | FNFV Group | 80,462 | — | 80,462 | * |
| Richard N. Massey | FNF Group | 129,753 | 100,547 | 230,300 | * |
| | FNFV Group | 37,490 | — | 37,490 | * |
| Anthony J. Park(3) | FNF Group | 318,982 | 88,707 | 407,689 | * |
| | FNFV Group | 131,813 | — | 131,813 | * |
| Raymond R. Quirk(4) | FNF Group | 1,394,888 | 658,609 | 2,053,497 | * |
| | FNFV Group | 361,750 | — | 361,750 | * |
| John D. Rood | FNF Group | 17,981 | 11,417 | 29,398 | * |
| | FNFV Group | 418 | — | 418 | * |
| Peter T. Sadowski(5) | FNF Group | 276,425 | 169,202 | 445,627 | * |
| | FNFV Group | 63,004 | — | 63,004 | * |
| Peter O. Shea, Jr. | FNF Group | 63,047 | 75,984 | 139,031 | * |
| | FNFV Group | 12,707 | — | 12,707 | * |
| Cary H. Thompson | FNF Group | 38,227 | 19,181 | 57,405 | * |
| | FNFV Group | 4,433 | — | 4,433 | * |
| Frank P. Willey | FNF Group | 1,218,961 | 75,984 | 1,294,945 | * |
| | FNFV Group | 397,972 | — | 397,972 | * |
| All directors and officers (16 persons) | FNF Group | 11,772,331 | 2,361,284 | 14,133,615 | 5.0% |
| | FNFV Group | 3,621,842 | — | 3,621,972 | 4.5% |

* Represents less than 1% of our common stock.

(1) Includes vested options and options vesting within 60 days of April 27, 2015.

(2) Includes 2,245,122 shares of FNF Group common stock and 748,299 shares of FNFV Group common stock held by Folco Development Corporation, of which Mr. Foley and his spouse are the sole stockholders; and 708,106 shares of FNF Group common stock and 236,011 shares of FNFV Group common stock owned by the Foley Family Charitable Foundation.

(3) Includes 154,653 shares of FNF Group common stock and 51,545 shares of FNFV Group common stock owned by the Anthony J. Park and Deborah L. Park Living Trusts.

(4) Includes 1,035,630 shares of FNF Group common stock and 345,175 shares of FNFV Group common stock held by the Quirk 2002 Trust, and 47,193 shares of FNF Group common stock and 15,729 shares of FNFV Group common stock held by the Raymond Quirk 2004 Trust.

(5) Includes 86,542 shares of FNF Group common stock and 28,844 shares of FNFV Group common stock held by the Sadowski & Decker California Living Trust.

### Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information as of December 31, 2014 about our common stock which may be issued under our equity compensation plans:

| Plan Category | Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a) | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b) | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))(c) |
|---|---|---|---|
| Equity compensation plans approved by security holders | 9,393,211 | 19.44 | 1,259,887(1) |
| Equity compensation plans not approved by security holders | — | — | 7,535,926(2) |
| **Total** | | | |

(1) In addition to being available for future issuance upon exercise of options and stock appreciation rights, under the FNF omnibus plan 1,076,988 FNF Group and 182,900 FNFV Group shares may be issued in connection with awards of FNF Group restricted stock, restricted stock units, performance shares, performance units or other stock-based awards.

(2) 7,535,926 shares may be issued under the Fidelity National Financial, Inc. Amended and Restated LPS Omnibus Incentive Plan, which was assumed and amended by FNF in connection with the merger of Lender Processing Services, Inc. with FNF. No securities are currently outstanding under the plan. In accordance with New York Stock Exchange Rules, no stockholder approval was required for the listing of the shares under the plan or for the assumption and amendment of the plan by FNF. Awards under the plan may be made to employees, directors and consultants of FNF and its subsidiaries, other than individuals who were employed or providing services to FNF or any of its subsidiaries immediately prior to date of the merger, January 2, 2014. No awards may be made under the plan after June 30, 2018.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

### Corporate Governance Guidelines

We amended our corporate governance guidelines in April 2015. Our corporate governance guidelines provide, along with the charters of the committees of the board of directors, a framework for the functioning of the board of directors and its committees and to establish a common set of expectations as to how the board of directors should perform its functions. The Corporate Governance Guidelines address the composition of the board of directors, the selection of directors, the functioning of the board of directors, the committees of the board of directors, the evaluation and compensation of directors and the expectations of directors, including ethics and conflicts of interest. These guidelines specifically provide that a majority of the members of the board of directors must be outside directors whom the board of directors has determined have no material relationship with us and whom otherwise meet the independence criteria established by the New York Stock Exchange. The board of directors reviews these guidelines and other aspects of our governance at least annually. A copy of our Corporate Governance Guidelines is available for review on the Investor Relations page of our website at www.fnf.com. Stockholders may also obtain a copy by writing to the Corporate Secretary at the address set forth under “Available Information” below.

### The Board

In 2014, our board was composed of Douglas K. Ammerman, Willie D. Davis, William P. Foley, II, Thomas M. Hagerty, Daniel D. (Ron) Lane, Richard N. Massey, John D. Rood, Peter O. Shea, Jr., Cary H. Thompson, and Frank P. Willey, with Mr. Foley serving as Executive Chairman of the Board and Mr. Massey serving as Lead Director.

**Director Independence**

Nine of the ten members of our board of directors are non-employees. On January 27, 2015, the board of directors determined that Douglas K. Ammerman, Willie D. Davis, Daniel D. Lane, Richard N. Massey, John D. Rood, Peter O. Shea, Jr. and Cary H. Thompson are independent under the criteria established by the New York Stock Exchange and our Corporate Governance Guidelines. The board of directors also determined that Messrs. Lane, Massey and Thompson meet the additional independence standards of the New York Stock Exchange for compensation committee members.

In determining independence, the board of directors considered all relationships that might bear on our directors' independence from FNF. The board of directors determined that William P. Foley, II is not independent because he is the Executive Chairman and an employee of FNF, Frank P. Willey is not independent because he is a partner in a law firm that received payments from FNF, and Thomas M. Hagerty is not independent because he is Managing Director of a private equity firm that received payments in 2014 under a management fee arrangement with respect to the private equity firm's interests in BKFS and ServiceLink.

In considering Cary H. Thompson's independence, the board of directors considered that Mr. Thompson is a Vice Chairman of Bank of America Merrill Lynch, and that FNF made payments to and received payments from entities affiliated with Bank of America Merrill Lynch in 2014. The board of directors determined that these payments do not impair Mr. Thompson's independence because his compensation from Bank of America Merrill Lynch is not dependent on the amount of business Bank of America Merrill Lynch or its affiliates does with FNF or its subsidiaries. The board of directors also considered Mr. Thompson's service as a director of BKFS and ServiceLink, and that he holds a small profits interest in those entities. The board of directors determined that these relationships were not of a nature that would impair Mr. Thompson's ability to exercise his independent judgment.

In considering Richard N. Massey's independence, the board of directors considered that Mr. Massey is a partner of Westrock Capital, LLC, a private investment partnership that holds, among other investments, an investment of less than 10% of the ownership interests in American Blue Ribbon Holdings, LLC, in which we hold a majority ownership interest. The board of directors also considered Mr. Massey's service as a director of BKFS and ServiceLink, and that he holds a small profits interest in those entities. The board of directors determined that these relationships were not of a nature that would impair Mr. Massey's ability to exercise his independent judgment.

**Committees of the Board**

The board has four standing committees: an audit committee, a compensation committee, a corporate governance and nominating committee and an executive committee. The charter of each of the audit, compensation and corporate governance and nominating committee is available on the Investor Relations page of our website at www.fnf.com. Stockholders also may obtain a copy of any of these charters by writing to the Corporate Secretary at the address set forth under "Available Information" below. Information on our audit committee is set forth under Item 10 "Audit Committee" above.

**Corporate Governance and Nominating Committee**

The members of the corporate governance and nominating committee are Richard N. Massey (Chair) and Peter O. Shea, Jr. Each of Messrs. Massey and Shea was deemed to be independent by the board, as required by the New York Stock Exchange. The corporate governance and nominating committee met one time in 2014.

The primary functions of the corporate governance and nominating committee, as identified in its charter, are:

- identifying individuals qualified to become members of the board and making recommendations to the board regarding nominees for election;

- reviewing the independence of each director and making a recommendation to the board with respect to each director's independence;
- developing and recommending to the board the corporate governance principles applicable to us and reviewing our corporate governance guidelines at least annually;
- making recommendations to the board with respect to the membership of the audit, compensation and corporate governance and nominating committees;
- overseeing the evaluation of the performance of the board and its committees on a continuing basis, including an annual self-evaluation of the performance of the corporate governance and nominating committee;
- considering director nominees recommended by stockholders; and
- reviewing our overall corporate governance and reporting to the board on its findings and any recommendations.

The corporate governance and nominating committee has not established specific minimum age, education, years of business experience or specific types of skills for potential director candidates, but, in general, will consider, among other things, the following criteria in fulfilling its duty to recommend nominees for election as directors:

- personal qualities and characteristics, accomplishments and reputation in the business community;
- current knowledge and contacts in the communities in which we do business and in our industry or other industries relevant to our business;
- ability and willingness to commit adequate time to the board and committee matters;
- the fit of the individual's skills and personality with those of other directors and potential directors in building a board that is effective, collegial and responsive to our needs; and
- diversity of viewpoints, background, experience and other demographics of our board.

The corporate governance and nominating committee would consider qualified candidates for directors suggested by current directors, management and our stockholders. The corporate governance and nominating committee and the board apply the same criteria in evaluating candidates nominated by stockholders as in evaluating candidates recommended by other sources. Stockholders can suggest qualified candidates for director to the corporate governance and nominating committee by writing to our Corporate Secretary at 601 Riverside Avenue, Jacksonville, Florida 32204. The submission must provide the information required by, and otherwise comply with the procedures set forth in, Section 3.1 of our Bylaws. Section 3.1 also requires that the nomination notice be submitted by a prescribed time in advance of the meeting. See "Stockholder Proposals" elsewhere in this proxy statement. Upon receipt of a stockholder-proposed director candidate, the corporate secretary will assess the board's needs, primarily whether or not there is any current pending vacancy or a possible need to be filled by adding or replacing a director. The corporate secretary will also prepare a director profile by comparing the desired list of criteria with the candidate's qualifications. Submissions that meet the criteria outlined above and in our corporate governance guidelines will be forwarded to the Chairman of the corporate governance and nominating committee for further review and consideration. To date, no suggestions with respect to candidates for nomination have been received from stockholders.

**Compensation Committee**

The members of the compensation committee are Daniel D. (Ron) Lane (Chair), Richard N. Massey and Cary H. Thompson. Each of Messrs. Lane, Massey and Thompson was deemed to be independent by the board, as required by the New York Stock Exchange. The compensation committee met or acted by written consent 10 times during 2014. The functions of the compensation committee include the following:

- reviewing and approving corporate goals and objectives relevant to the Executive Chairman's and Chief Executive Officer's compensation, evaluating their performance in light of those goals and objectives, and setting the Chief Executive Officer's compensation level based on this evaluation;
- setting salaries and approving incentive compensation and equity awards, as well as compensation policies, for all other officers who are designated as Section 16 officers by our board;
- making recommendations to the board with respect to incentive-compensation plans and equity-based plans that are subject to board approval;
- approving any employment or severance agreements with our Section 16 officers;
- granting any awards under equity compensation plans and annual bonus plans to our Chief Executive Officer, the Executive Chairman and the Section 16 Officers;
- approving the compensation of our directors; and
- producing an annual report on executive compensation for inclusion in our proxy statement, in accordance with applicable rules and regulations.

For more information regarding the responsibilities of the compensation committee, please refer to the section of this proxy statement entitled "Compensation Discussion and Analysis and Executive and Director Compensation" above.

**Executive Committee**

The members of the executive committee are William P. Foley, II (Chair), Richard N. Massey and Cary H. Thompson. Messrs. Massey and Thompson were deemed to be independent by our board. The executive committee did not meet in 2014. Subject to limits under state law, the executive committee may invoke all of the power and authority of the board in the management of FNF.

**Board Leadership Structure and Role in Risk Oversight.**

We separated the positions of CEO and Chairman of the board of directors in recognition of the differences between the two roles. In October 2009, our board of directors adopted a Charter of Lead Independent Director, and in 2014 it appointed Richard N. Massey, one of our independent directors, to serve as Lead Director. The responsibilities of the Lead Director are to:

- preside at meetings of the board of directors in the absence of, or upon the request of, the Chairman;
- serve as a designated member of the executive committee of the board;
- call and preside over all executive meetings of non-employee directors and independent directors and report to the board, as appropriate, concerning such meetings;
- review board meeting agendas and schedules in collaboration with the Chairman and recommend matters for the board to consider and information to be provided to the board;
- serve as a liaison and supplemental channel of communication between non-employee/independent directors and the Chairman without inhibiting direct communications between the Chairman and other directors;
- serve as the principal liaison for consultation and communication between the non-employee/independent directors and stockholders;
- advise the Chairman concerning the retention of advisors and consultants who report directly to the board; and
- be available to major stockholders for consultation and direct communication.

The board considers it to be useful and appropriate to designate a Lead Director to serve in a lead capacity to coordinate the activities of the other non-employee directors and to perform such other duties and responsibilities as the board may determine.

The board of directors administers its risk oversight function directly and through committees. The audit committee oversees FNF's financial reporting process, risk management program, legal and regulatory compliance, performance of the independent auditor, internal audit function, and financial and disclosure controls. Management identifies strategic risks of FNF and aligns the annual audit plan with the auditable risks. Management presents the identified risks and the audit plan to the audit committee for review and approval. Management also reports quarterly to the audit committee and the board of directors regarding claims. The audit committee also receives quarterly reports on compliance matters. The corporate governance and nominating committee considers the adequacy of FNF's governance structures and policies. The compensation committee reviews and approves FNF's compensation and other benefit plans, policies and programs and considers whether any of those plans, policies or programs creates risks that are likely to have a material adverse effect on FNF. Each committee provides reports on its activities to the full board of directors.

**Available Information**

Any stockholder or other interested person who desires to contact any member of the board or the non-management members of the board as a group may do so by writing to: Board of Directors, c/o Corporate Secretary, Fidelity National Financial, Inc., 601 Riverside Avenue, Jacksonville, FL 32204. Communications received are distributed by the Corporate Secretary to the appropriate member or members of the board.

**Certain Relationships and Related Transactions**

During 2014, certain entities owned or controlled by our Executive Chairman, William P. Foley II, paid us an aggregate of $59,429 for information technology support services. Amounts paid to the Company by entities owned or controlled by Mr. Foley are believed to be at market rates for similar services or at the cost to provide the service incurred by the Company. Also, during 2014, we paid, in the ordinary course of business, amounts to certain companies owned, in whole or part by Mr. Foley, including $399,057 to Rock Creek Cattle Company, Ltd. and affiliated companies related primarily to hosting meetings of the Company and our affiliate, ABRH LLC, and $66,012 to Foley Family Wines for wine purchases related to employee recognitions and donations, and $27,453 to Mr. Foley's other affiliated companies primarily for travel to and hosting Company events. We believe the amounts charged to us in the foregoing transactions were fair and reasonable and represent market (or discounted) rates that would be charged to unaffiliated third party customers for the same types of services. We believe that FNF receives intangible business benefits as a result of these activities as they foster increased loyalty to the Company.

Sara Bennett, the daughter-in-law of Mr. Quirk, is an attorney who is employed by a subsidiary of the Company as underwriting counsel. In 2014, Ms. Bennett's gross earnings were $218,589, which is consistent with other employees holding similar titles at the Company. She also received health and other benefits customarily provided to similarly situated employees.

Hennelly & Grossfeld, LLP provided litigation claims legal services to the Company and received payment of $1,563,591 in legal fees and expenses in 2014, which represents a reduction of 59% from the fees and expenses paid by us to the firm in 2013. Mr. Willey is a partner of this firm, but he did not individually provide any legal services to the Company. The Company selects claims counsel through a competitive bidding process, in which Hennelly & Grossfeld, LLP participates.

***Review, Approval or Ratification of Transactions with Related Persons***

Pursuant to our codes of ethics, a "conflict of interest" occurs when an individual's private interest interferes or appears to interfere with our interests, and can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Anything that would present a conflict for a director, officer or employee would also likely present a conflict if it is related to a member of his or her family. Our code of ethics states that clear conflict of interest situations involving directors, executive officers and other employees who occupy supervisory positions or who have discretionary authority in dealing with any third party specified below may include the following:

- any significant ownership interest in any supplier or customer;
- any consulting or employment relationship with any customer, supplier or competitor; and
- selling anything to us or buying anything from us, except on the same terms and conditions as comparable directors, officers or employees are permitted to so purchase or sell.

It is our policy to review all relationships and transactions in which we and our directors or executive officers (or their immediate family members) are participants in order to determine whether the director or officer in question has or may have a direct or indirect material interest. Our Chief Compliance Officer, together with our legal staff, is primarily responsible for developing and implementing procedures to obtain the necessary information from our directors and officers regarding transactions to/from related persons. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest must be discussed promptly with our Chief Compliance Officer. The Chief Compliance Officer, together with our legal staff, then reviews the transaction or relationship, and considers the material terms of the transaction or relationship, including the importance of the transaction or relationship to us, the nature of the related person's interest in the transaction or relationship, whether the transaction or relationship would likely impair the judgment of a director or executive officer to act in our best interest, and any other factors such officer deems appropriate. After reviewing the facts and circumstances of each transaction, the Chief Compliance Officer, with assistance from the legal staff, determines whether the director or officer in question has a direct or indirect material interest in the transaction and whether or not to approve the transaction in question.

With respect to our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, our codes of ethics require that each such officer must:

- discuss any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest with our General Counsel;
- in the case of our Chief Financial Officer and Chief Accounting Officer, obtain the prior written approval of our General Counsel for all material transactions or relationships that could reasonably be expected to give rise to a conflict of interest; and
- in the case of our Chief Executive Officer, obtain the prior written approval of the audit committee for all material transactions that could reasonably be expected to give rise to a conflict of interest.

In the case of any material transactions or relationships involving our Chief Financial Officer or our Chief Accounting Officer, the General Counsel must submit a list of any approved material transactions semi-annually to the audit committee for its review.

Under Securities and Exchange Commission rules, certain transactions in which we are or will be a participant and in which our directors, executive officers, certain stockholders and certain other related persons had or will have a direct or indirect material interest are required to be disclosed in this related person transactions section of our proxy statement. In addition to the procedures above, our audit committee reviews and approves or ratifies any such transactions that are required to be disclosed. The committee makes these decisions based on its consideration of all relevant factors. The review may be before or after the commencement of the transaction. If a transaction is reviewed and not approved or ratified, the committee may recommend a course of action to be taken.

## ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

### Principal Accountant Fees and Services

The audit committee has appointed KPMG, LLP to audit the consolidated financial statements of the Company for the 2015 fiscal year. KPMG, LLP or its predecessors have continuously acted as the independent registered public accounting firm for the Company (including old FNF) commencing with the fiscal year ended December 31, 1988.

For services rendered to us during or in connection with our years ended December 31, 2014 and 2013, we were billed the following fees by KPMG, LLP:

| | 2014 | 2013 |
|---|---|---|
| | (In thousands) | |
| Audit Fees | $5,614 | $3,561 |
| Audit-Related Fees | 1,184 | 488 |
| Tax Fees | 142 | 166 |
| All Other Fees | — | — |

*Audit Fees.* Audit fees consisted principally of fees for the audits, registration statements and other filings related to the Company's 2014 and 2013 financial statements, and audits of the Company's subsidiaries required for regulatory reporting purposes, including billings for out of pocket expenses incurred.

*Audit-Related Fees.* Audit-related fees in 2014 and 2013 consisted principally of fees for Service Organization Control Reports and other non-recurring audits of subsidiaries.

*Tax Fees.* Tax fees for 2014 and 2013 consisted principally of fees for tax compliance, tax planning and tax advice.

*All Other Services.* The Company incurred no other fees in 2014 or 2013.

**Approval of Accountants' Services**

In accordance with the requirements of the Sarbanes-Oxley Act of 2002, all audit and audit-related work and all non-audit work performed by KPMG LLP is approved in advance by the audit committee, including the proposed fees for such work. Our pre-approval policy provides that, unless a type of service to be provided by KPMG LLP has been generally pre-approved by the audit committee, it will require specific pre-approval by the audit committee. In addition, any proposed services exceeding pre-approved maximum fee amounts also require pre-approval by the audit committee. Our pre-approval policy provides that specific pre-approval authority is delegated to our audit committee chairman, provided that the estimated fee for the proposed service does not exceed a pre-approved maximum amount set by the committee. Our audit committee chairman must report any pre-approval decisions to the audit committee at its next scheduled meeting.

## PART IV

### Item 15. EXHIBITS

2.1 Securities Exchange and Distribution Agreement between Old FNF and the Registrant, dated as of June 25, 2006, as amended and restated as of September 18, 2006 (incorporated by reference to Annex A to the Registrant's Schedule 14C filed on September 19, 2006 (the "Information Statement"))

2.2 Agreement and Plan of Merger, dated as of May 28, 2013, among Fidelity National Financial, Inc., Lion Merger Sub, Inc. and Lender Processing Services, Inc. (incorporated by reference to Exhibit 2.1 to Fidelity National Financial, Inc.'s Current Report on Form 8-K, filed on May 28, 2013)

3.1 Form of Fourth Amended and Restated Certificate of Incorporation (incorporated by reference to Annex C to the Registrant's Schedule 14A filed on May 9, 2014)

3.2 Second Amended and Restated Bylaws of Fidelity National Financial, Inc., as adopted on July 22, 2013 (incorporated by reference to Exhibit 3.1 to Fidelity National Financial, Inc.'s Current Report on Form 8-K, dated July 25, 2013)

4.1 Supplemental Indenture, dated as of January 2, 2014, among Lender Processing Services, Inc., Fidelity National Financial, Inc., Black Knight Lending Solutions, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013)

4.2 Indenture between the Registrant and The Bank of New York Trust Company, N.A., dated December 8, 2005, relating to the 5.25% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2005)

| | |
|---|---|
| 4.3 | First Supplemental Indenture between the Registrant and the Bank of New York Trust Company, N.A., dated as of January 6, 2006 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on January 24, 2006) |
| 4.4 | Second Supplemental Indenture, dated May 5, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A., dated as of May 5, 2010, relating to the 6.60% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.5 | Form of Subordinated Indenture between the Registrant and the Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.2 (A) to the Registrant's Registration Statement on Form S-3 filed on November 14, 2007) |
| 4.6 | Form of 6.60% Note due 2017 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.7 | Form of 4.25% Convertible Note due August 2018 (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed on August 2, 2011) |
| 4.8 | Specimen certificate for shares of the Registrant's FNF Group common stock, par value $0.0001 per Share (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-4/A filed on May 5, 2014) |
| 10.1 | Amendment and Restatement Agreement dated as of April 16, 2012 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto, dated as of September 12, 2006 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 19, 2012) |
| 10.2 | Amendment and Restatement Agreement dated as of March 5, 2010 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on March 10, 2010) |
| 10.3 | Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan, effective as of September 26, 2005 (incorporated by reference to Appendix A to the Registrant's Schedule 14A filed on April 12, 2013) (1) |
| 10.4 | Bridge Loan Commitment Letter (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 24, 2014) |
| 10.5 | Amended Revolving Credit Facility (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on October 24, 2014) |
| 10.6 | Amended Term Loan Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on October 24, 2014) |
| 10.7 | Amendment, dated as of June 25, 2013, to the Second Amended and Restated Credit Agreement, dated as of April 16, 2012, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Registrant's Current Report on Form 8-K filed on July 12, 2013) |
| 10.8 | Term Loan Credit Agreement, dated as of July 11, 2013, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Registrant's Current Report on Form 8-K filed on July 12, 2013) |
| 10.9 | Fidelity National Financial, Inc. 2013 Employee Stock Purchase Plan (incorporated by reference to Annex D to the Registrant's Schedule 14A filed on May 9, 2014)(1) |
| 10.10 | Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2014 Awards (1) |
| 10.11 | Form of Notice of FNF Group Stock Option Award and FNF Group Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2014 Awards (1)(2) |

| | |
|---|---|
| 10.12 | Form of Notice of FNFV Group Restricted Stock Grant and FNFV Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for September 2014 Awards (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014) (1) |
| 10.13 | Form of Notice of Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.14 | Form of Notice of Stock Option Award and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.12 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2013)(1) |
| 10.15 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2012 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.16 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2011 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011) (1) |
| 10.17 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2010 awards (incorporated by reference to Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2010) (1) |
| 10.18 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2009 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.19 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.20 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.21 | Tax Disaffiliation Agreement by and among Old FNF, the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.1 to Old FNF's Form 8-K, filed on October 27, 2006) |
| 10.22 | Cross-Indemnity Agreement by and between the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.2 to FIS's Form 8-K, filed on October 27, 2006) |
| 10.23 | Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.11 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.24 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.25 | Amendment effective as of July 1, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.11 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012)(1) |
| 10.26 | Amendment effective as of January 2, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.16 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011)(1) |
| 10.27 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.15 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) |

| | |
|---|---|
| 10.28 | Amended and Restated Employment Agreement between Fidelity National Financial, Inc. and Brent B. Bickett, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.14 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008)(1) |
| 10.29 | Amendment effective August 27, 2013 to Amended and Restated Employment Agreement between BKFS II Management and William P. Foley, II, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.9 to Registrant's Current Report on Form 8-K filed on January 15, 2014) (1) |
| 10.30 | Amended and Restated Employment Agreement between Fidelity National Financial, Inc. and William P. Foley, II, effective as of January 10, 2014 (incorporated by reference to Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed on January 15, 2014)(1) |
| 10.31 | Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.16 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008)(1) |
| 10.32 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009)(1) |
| 10.33 | Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of January 30, 2013 (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.34 | Fidelity National Title Group, Inc. Annual Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 11, 2011)(1) |
| 10.35 | Fidelity National Financial, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008)(1) |
| 10.36 | Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski, effective as of February 4, 2010 (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.37 | Form of Notice of Long-Term Investment Success Performance Award Agreement—Tier 1 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013)(1) |
| 10.38 | Form of Notice of Long-Term Investment Success Performance Award Agreement—Tier 2 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 10.39 | Black Knight Financial Services, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.1 to the to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.40 | ServiceLink Holdings, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.2 to the to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.41 | Form of Black Knight Financial Services, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.42 | Form of ServiceLink Holdings, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.43 | Black Knight Financial Services, LLC Incentive Plan (incorporated by reference to Exhibit 10.5 to the to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 10.44 | ServiceLink Holdings, LLC Incentive Plan (incorporated by reference to Exhibit 10.6 to the to the Registrant's Current Report on Form 8-K filed on January 9, 2014)(1) |
| 21.1 | Subsidiaries of the Registrant (2) |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm (2) |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (2) |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (2) |
| 31.3 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.4 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |

| | |
|---|---|
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 (2) |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 (2) |

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(c) of Form 10-K.
(2) Previously filed or furnished, as applicable, as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

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## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Fidelity National Financial, Inc.

By: /s/ Raymond R. Quirk
Raymond R. Quirk
Chief Executive Officer

Date: April 30, 2015

**Exhibit 10.10**

**FIDELITY NATIONAL FINANCIAL, INC.**
**AMENDED AND RESTATED**
**2005 OMNIBUS INCENTIVE PLAN**

**Notice of Restricted Stock Grant**

You (the "Grantee") have been granted the following award of restricted Shares of FNF Group Common Stock (the "Restricted Stock"), par value $0.0001 per share (the "Shares"), by Fidelity National Financial, Inc. (the "Company"), pursuant to the Fidelity National Financial, Inc. Amended and Restated 2005 Omnibus Incentive Plan (the "Plan") and the terms set forth in the attached Restricted Stock Award Agreement:

| | |
|---|---|
| Name of Grantee: | |
| Number of Shares of Restricted Stock Granted: | |
| Effective Date of Grant: | November 3, 2014 |
| Vesting and Period of Restriction: | Subject to the terms of the Plan and the Restricted Stock Award Agreement attached hereto, the Period of Restriction shall lapse, and the Shares shall vest and become free of the forfeiture provisions contained in the Restricted Stock Award Agreement, with respect to one third of the shares on each anniversary of the Effective Date of Grant and satisfaction of the Performance Restriction as set forth on Exhibit A of the Restricted Stock Award Agreement, attached hereto. |

By your electronic acceptance/signature below, you agree and acknowledge that the Restricted Stock is granted under and governed by the terms and conditions of the Plan and the attached Restricted Stock Award Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Restricted Stock Award Agreement.

FIDELITY NATIONAL FINANCIAL, INC.
AMENDED AND RESTATED 2005 OMNIBUS INCENTIVE PLAN

**Restricted Stock Award Agreement**

**SECTION 1. GRANT OF RESTRICTED STOCK**

**(a) Restricted Stock** . On the terms and conditions set forth in the Notice of Restricted Stock Grant and this Restricted Stock Award Agreement (the “Agreement”), the Company grants to the Grantee on the Effective Date of Grant the Shares of Restricted Stock (the “Restricted Stock”) set forth in the Notice of Restricted Stock Grant.

**(b) Plan and Defined Terms** . The Restricted Stock is granted pursuant to the Plan. All terms, provisions, and conditions applicable to the Restricted Stock set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice of Restricted Stock Grant or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

**SECTION 2. FORFEITURE AND TRANSFER RESTRICTIONS**

**(a) Forfeiture** . Except as otherwise provided in Grantee’s employment, director services or similar agreement in effect at the time of the employment termination:

(i) If the Grantee’s employment or service as a Director or Consultant is terminated for any reason other than death, or Disability (as defined below), the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination.

(ii) If the Grantee’s employment or service as a Director or Consultant is terminated due to the Grantee’s death or Disability, a portion of the Shares which on the date of termination of employment remain subject to a Time-Based Restriction and/or the Performance Restriction (as defined in Exhibit A) shall vest and become free of the forfeiture and transfer restrictions contained in the Agreement (except as otherwise provided in Section 2(b) of this Agreement). The portion which shall vest shall be determined by the following formula (rounded to the nearest whole Share):

(A × B) – C, where

A = the total number of Shares granted under this Agreement,

B = the number of completed months to the date of termination of employment since the Effective Date of Grant divided by 36, and

C = the number of Shares granted under this Agreement which vested on or prior to the date of termination of employment.

All Shares that are subject to a Period of Restriction on the date of termination of employment or service as a Director or Consultant and which will not be vested pursuant to Section 2(a)(ii) above, shall be forfeited to the Company, for no consideration.

(iii) The term “Disability” shall have the meaning ascribed to such term in the Grantee’s employment, director services or similar agreement with the Company. If the Grantee’s employment, director services or similar agreement does not define the term “Disability,” or if the Grantee has not entered into an employment, director services or similar agreement with the Company or any Subsidiary, the term “Disability” shall mean the Grantee’s entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company’s employees participate.

(iv) If the Performance Restriction is not satisfied during the Measurement Period, all of the Shares that do not satisfy the performance criteria for the applicable Performance Period, shall be forfeited to the Company, for no consideration.

**(b) Transfer Restrictions** . During the Period of Restriction, the Restricted Stock may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, to the extent such Shares are subject to a Period of Restriction.

**(c) Holding Period** . If and when (i) the Grantee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President - Eastern Operations, President - Western Operations, President - Agency Operations, or Chief Legal Officer, and (ii) Grantee does not hold Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, then Grantee must retain 50% of the Shares acquired by Grantee as a result of the lapse of a Period of Restriction (excluding from the calculation any Shares withheld for purposes of satisfying Grantee's tax obligations in connection with such lapse of a Period of Restriction) until such time as the value of the Shares of FNF Group Common Stock remaining in Grantee's possession following any sale, assignment, pledge, exchange, gift or other transfer of the Shares shall be sufficient to meet any applicable stock ownership guidelines of the Company in place at that time. For the avoidance of doubt, at any time when Grantee holds, in the aggregate, Shares of FNF Group Common Stock with a value sufficient to satisfy the applicable stock ownership guidelines of the Company in place at that time, Grantee may enter into a transaction with respect to any Shares acquired by Grantee as a result of the lapse of a Period of Restriction without regard to the holding period requirement contained in this Section 2(b) so long as Grantee shall continue to satisfy such stock ownership guidelines following such transaction.

**(d) Lapse of Restrictions** . The Period of Restriction shall lapse as to the Restricted Stock in accordance with the Notice of Restricted Stock Grant and the terms of this Agreement. Subject to the terms of the Plan and Section 6(a) hereof, upon lapse of the Period of Restriction, the Grantee shall own the Shares that are subject to this Agreement free of all restrictions other than the holding period described in Section 2(c) above. 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 Period of Restriction or other restriction imposed on the Restricted Stock that has not previously lapsed, including the holding period described in Section 2(c) above, shall lapse.

**SECTION 3. STOCK CERTIFICATES**

As soon as practicable following the grant of Restricted Stock, the Shares of Restricted Stock shall be registered in the Grantee's name in certificate or book-entry form. If a certificate is issued, it shall bear an appropriate legend referring to the restrictions and it shall be held by the Company, or its agent, on behalf of the Grantee until the Period of Restriction has lapsed. If the Shares are registered in book-entry form, the restrictions shall be placed on the book-entry registration. The Grantee may be required to execute and return to the Company a blank stock power for each Restricted Stock certificate (or instruction letter, with respect to Shares registered in book-entry form), which will permit transfer to the Company, without further action, of all or any portion of the Restricted Stock that is forfeited in accordance with this Agreement.

**SECTION 4. SHAREHOLDER RIGHTS**

Except for the transfer and dividend restrictions, and subject to such other restrictions, if any, as determined by the Committee, the Grantee shall have all other rights of a holder of Shares, including the right to vote (or to execute proxies for voting) such Shares. Unless otherwise determined by the Committee, if all or part of a dividend in respect of the Restricted Stock is paid in Shares or any other security issued by the Company, such Shares or other securities shall be held by the Company subject to the same restrictions as the Restricted Stock in respect of which the dividend was paid.

**SECTION 5. DIVIDENDS**

**(a)** Any dividends paid with respect to Shares which remain subject to a Period of Restriction shall not be paid to the Grantee but shall be held by the Company.

**(b)** Such held dividends shall be subject to the same Period of Restriction as the Shares to which they relate.

**(c)** Any dividends held pursuant to this Section 5 which are attributable to Shares which vest pursuant to this Agreement shall be paid to the Grantee within 30 days of the applicable vesting date.

**(d)** Dividends attributable to Shares forfeited pursuant to Section 2 of this Agreement shall be forfeited to the Company on the date such Shares are forfeited.

**SECTION 6. MISCELLANEOUS PROVISIONS**

**(a) Tax Withholding** . Pursuant to Article 20 of the Plan, the Committee shall have the power and right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Grantee's FICA obligations) required by law to be withheld with respect to this Award. The Committee may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including payroll taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

**(b) Ratification of Actions** . By accepting this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated the Grantee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice of Restricted Stock Grant by the Company, the Board or the Committee.

**(c) Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

**(d) Choice of Law** . This Agreement and the Notice of Restricted Stock Grant shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice of Restricted Stock Grant to be governed by or construed in accordance with the substantive law of another jurisdiction.

**(e) Arbitration** . Subject to, and in accordance with the provisions of Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice of Restricted Stock Grant shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice of Restricted Stock Grant, provided that all substantive questions of law shall be determined in accordance with the state and federal laws applicable in Indiana, without regard to internal principles relating to conflict of laws.

**(f) Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

**(g) Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

**(h) References to Plan** . All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

**(i) Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

## EXHIBIT A

### Vesting and Restrictions

This grant is subject to both a Performance Restriction and a Time-Based Restriction, as described below (collectively, the "Period of Restriction").

### Performance Restriction

In order for the Restricted Stock to vest, the Compensation Committee of the Board of Directors of the Company (the "Committee") must determine that the Company has achieved 8.5% or greater Title Operating Margin (as defined below) in at least two calendar quarters of any of the next five calendar quarters starting October 1, 2014 (the "Performance Restriction"). The five calendar quarters starting October 1, 2014 and ending December 31, 2015 are referred to as the "Measurement Period." "Title Operating Margin" shall mean the Title Pre-Tax Margin as used for the annual bonus plan. Calculation of Title Operating Margin will exclude claim loss reserve adjustments (positive or negative) for prior period loss development, extraordinary events or accounting adjustments, acquisitions, divestitures, major restructuring charges, and non-budgeted discontinued operations. The Committee will evaluate whether the Title Operating Margin has been achieved following the completion of each calendar quarter during the Measurement Period.

### Time-Based Restrictions

| Anniversary Date | % of Restricted Stock |
|---|---|
| First (1 st ) anniversary of the Effective Date of Grant | 33.33% |
| Second (2 nd ) anniversary of the Effective Date of Grant | 33.33% |
| Third (3 rd ) anniversary of the Effective Date of Grant | 33.34% |

### Vesting

If the Performance Restriction has been achieved as of an Anniversary Date, the percentage of the Restricted Stock indicated next to such Anniversary Date shall vest on such indicated Anniversary Date (such three year vesting schedule referred to as the "Time-Based Restrictions"). If the Performance Restriction is not achieved during the Measurement Period, none of the Restricted Stock granted hereunder shall vest and, for no consideration, will be automatically forfeited to the Company.

**Exhibit 31.3**

**CERTIFICATIONS**

I, Raymond R. Quirk, certify that:

1. I have reviewed this annual report on Form 10-K/A of Fidelity National Financial, Inc.; and

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 30, 2015

By: /s/ Raymond R. Quirk
Raymond R. Quirk
Chief Executive Officer

**Exhibit 31.4**

**CERTIFICATIONS**

I, Anthony J. Park, certify that:

1. I have reviewed this annual report on Form 10-K/A of Fidelity National Financial, Inc.; and

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 30, 2015

By: /s/ Anthony J. Park
Anthony J. Park
Chief Financial Officer

EXHIBIT 14-F

# FIDELITY NATIONAL FINANCIAL, INC.

## FORM 10-K
(Annual Report)

## Filed 02/28/14 for the Period Ending 12/31/13

| | |
|---|---|
| Address | 601 RIVERSIDE AVENUE<br>,<br>JACKSONVILLE, FL 32204 |
| Telephone | 904-854-8100 |
| CIK | 0001331875 |
| Symbol | FNF |
| SIC Code | 6361 - Title Insurance |
| Industry | Insurance (Prop. & Casualty) |
| Sector | Financial |
| Fiscal Year | 12/31 |

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

# Form 10-K

**(Mark One)**

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2013**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File No. 1-32630**

# Fidelity National Financial, Inc.
*(Exact name of registrant as specified in its charter)*

| | |
|---|---|
| **Delaware** | **16-1725106** |
| *(State or other jurisdiction of incorporation or organization)* | *(I.R.S. Employer Identification No.)* |
| **601 Riverside Avenue**<br>**Jacksonville, Florida 32204** | **(904) 854-8100** |
| *(Address of principal executive offices, including zip code)* | *(Registrant's telephone number, including area code)* |

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|
| Common Stock, $0.0001 par value | New York Stock Exchange |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the shares of the common stock held by non-affiliates of the registrant as of June 30, 2013 was $5,145,188,402 based on the closing price of $23.81 as reported by the New York Stock Exchange.

As of January 31, 2014, there were 276,328,287 shares of Common Stock outstanding.

The information in Part III hereof for the fiscal year ended December 31, 2013 , will be filed within 120 days after the close of the fiscal year that is the subject of this Report.

**FIDELITY NATIONAL FINANCIAL, INC.**
**FORM 10-K**
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# PART I

## Item 1. *Business*

We are a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. We are the nation’s largest title insurance company through our title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title and Alamo Title - that collectively issue more title insurance policies than any other title company in the United States. We also provide industry-leading mortgage technology solutions and transaction services, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through our majority-owned subsidiaries, Black Knight Financial Services, LLC ("BKFS") and ServiceLink Holdings, LLC ("ServiceLink"). In addition, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), J. Alexander’s, LLC ("J. Alexander's"), Remy International, Inc. ("Remy"), Ceridian HCM, Inc., Comdata Inc. (collectively "Ceridian") and Digital Insurance, Inc. ("Digital Insurance").

As of December 31, 2013 , we had five reporting segments as follows:

FNF Core Operations

- *Fidelity National Title Group.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee’s sales guarantees, recordings and reconveyances, and home warranty insurance.

- *FNF Corporate and Other*. The FNF corporate and other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

Portfolio Company Investments

- *Remy*. This segment consists of the operations of Remy, in which we have a 51% ownership interest. Remy is a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment components for automobiles, light trucks, heavy-duty trucks and other vehicles.

- *Restaurant Group*. The Restaurant Group segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Bakers Square concepts. This segment also includes J. Alexander's, which includes the Stoney River Legendary Steaks ("Stoney River") concept.

- *Portfolio Company Corporate and Other.* The Portfolio Company Corporate and Other segment primarily consists of our share in the operations of certain equity investments, including Ceridian, Digital Insurance and other smaller operations which are not title related.

### C ***ompetitive 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 and other title-related services for real estate transactions. Through the third quarter of 2013 , our insurance companies had a 32.2% share of the U.S. title insurance market, according to the American Land Title Association ("ALTA").

*Established relationships with our customers.* We have strong relationships with the customers who use our title services. Our distribution network, which includes approximately 1,200 direct residential title offices and approximately 5,000 agents, is among the largest in the United States. We also benefit from strong brand recognition in our multiple 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 brands.

*Strong value proposition for our customers.* We provide our customers with title insurance and escrow and other title-related 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 competitive operating margins in part by monitoring our businesses in a disciplined manner through continual evaluation of title order activity and management of our cost structure. When compared to our industry competitors, we also believe that our structure is more efficiently designed, which allows us to operate with lower overhead costs.

*Commercial title insurance.* While residential title insurance comprises the majority of our business, we are also a significant 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 that require the underwriting and issuing of larger commercial title policies.

*Corporate principles.* A cornerstone of our management philosophy and operating success is the six fundamental precepts upon which we were founded, which are:

- Autonomy and entrepreneurship;
- Bias for action;
- Customer-oriented and motivated;
- Minimize bureaucracy;
- Employee ownership; and
- Highest standard of conduct.

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

We believe that our competitive strengths position us well to take advantage of future changes to the real estate market.

***Strategy***

***Fidelity National Title Group***

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 do the following:

- *Continue to operate multiple title brands independently* . We believe that in order to maintain and strengthen our title insurance customer base, we must operate our strongest brands in a given marketplace independently of each other. Our national and regional brands include Fidelity National Title, Chicago Title, Commonwealth Land Title, Lawyers Title, Ticor Title, and Alamo Title. In our largest markets, we operate multiple brands. This approach allows us to continue to attract customers who identify with a particular brand 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 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 industry 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. We continue to monitor, evaluate and execute upon the consolidation of administrative functions, legal entity structure, and office consolidation, as necessary, to respond to the continually changing marketplace. We maintain shorter durations on our investment portfolio to mitigate our interest rate risk. A more detailed discussion of our investment strategies is included in "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 continuing to deploy new information system technologies to our direct and agency operations. We expect to improve the process of ordering title and escrow services and improve the delivery of our products to our customers.

- *Maintain values supporting our strategy.* We believe that our continued focus on and support of our long-established corporate culture will reinforce and support our business strategy. Our goal is to foster and support a corporate culture where our employees and agents 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.

***Acquisitions, Dispositions, Minority Owned Operating Subsidiaries and Financings***

Acquisitions have been an important part of our growth strategy. On an ongoing basis, with assistance from our advisors, we actively evaluate possible transactions, such as acquisitions and dispositions of business units and operating assets and business combination transactions.

In the future, we may seek to sell certain investments or other assets to increase our liquidity. Further, our management has stated that we may make acquisitions in lines of business that are not directly tied to or synergistic with our core operating segments. In the past we have obtained majority and minority investments in entities and securities where we see the potential to achieve above market returns. Fundamentally our goal is to acquire quality companies that are well-positioned in their respective industries, run by best in class management teams in industries that have attractive organic and acquired growth opportunities. We leverage our operational expertise and track record of growing industry leading companies and also our active interaction with the acquired company's management directly or through our board of directors, to ultimately provide value for our shareholders.

There can be no assurance that any suitable opportunities will arise or that any particular transaction will be completed. We have made a number of acquisitions over the past three years to strengthen and expand our service offerings and customer base in our various businesses, and to expand into other businesses or where we otherwise saw value.

***Black Knight and ServiceLink***

On January 2, 2014, we completed the purchase of Lender Processing Services, Inc. ("LPS"). The purchase consideration paid was $37.14 per share, of which $28.10 per share was paid in cash and the remaining $9.04 was paid in FNF common shares. The purchase consideration represented an exchange ratio of 0.28742 per share of LPS common stock. Total consideration paid for LPS was $3.4 billion, which consisted of $2,535 million in cash and $836 million in FNF common stock. In order to pay the stock component of the consideration, we issued 25,920,078 shares to the former LPS shareholders.

Subsequent to our announcement of the LPS acquisition, we formed a wholly-owned subsidiary, Black Knight Financial Services, Inc. (now known as Black Knight Holdings, Inc., "Black Knight"). Black Knight is the mortgage and finance industries' leading provider of integrated technology, data and analytics solutions, and transaction services. Black Knight has two operating segments, ServiceLink Holdings, LLC ("ServiceLink") and Black Knight Financial Services, LLC ("BKFS"). We retained a 65% ownership interest in each of the subsidiaries and issued the remaining 35% ownership interest to funds affiliated with Thomas H. Lee Partners, and certain related entities on January 3, 2014. Black Knight, through ServiceLink and BKFS, now owns and operates the former LPS businesses and our ServiceLink business. Fidelity National Title Group, BKFS and ServiceLink will be our core operating subsidiaries in the future.

*Black Knight Financial Services*

Our Black Knight Financial Services segment offers technology and data and analytics services through leading software systems and information solutions that facilitate and automate many of the business processes across the life cycle of a mortgage. Our customers use our technology and services to reduce their operating costs, improve their customer service and enhance the quality and consistency of various aspects of their mortgage servicing. We continually work with our customers to customize and integrate our software and services in order to assist them in achieving the value proposition that we offer to them.

Our principal technology solutions are software applications provided to mortgage lenders and other lending institutions, together with related support and services. Our technology solutions primarily consist of mortgage processing and workflow management software applications. The long term nature of most of our contracts in this business provides us with substantial recurring revenues. Our revenues from servicing technology are generally based on the number of active mortgages on our mortgage servicing platform in a given period. Our other technology solutions include our origination and default technology, from which we generally earn revenues on a per transaction basis. Our data and analytics offerings primarily consist of our alternative valuation services, real estate and mortgage data, modeling and forecasting and analytical tools.

*ServiceLink*

Our ServiceLink segment offers customized outsourced business process and information solutions. We work with our customers to set specific parameters regarding the services they require, and where practicable, provide a single point of contact with us for these services.

The ServiceLink segment consists of our origination services, valuation services and our default services. Our origination services are provided to mortgage lenders to support many of the business processes necessary to originate a mortgage loan. Each of these services is provided through a centralized delivery channel in accordance with a lender’s specific requirements, regardless of the geographic location of the borrower or property. Our valuation services include providing traditional property appraisals for the origination market and for assets in default as well as providing appraisal management services. Our default services are provided to national lenders, loan servicers and other real estate professionals to enable them to better manage some or all of the business processes necessary to take a loan and the underlying property through the default, foreclosure and disposition process.

***Portfolio Company Investments***

Through our portfolio company investments we actively manage a group of companies and investments with a net asset value of approximately $1.2 billion. Our portfolio company investments primarily consist of our majority ownership positions in Remy, ABRH, J. Alexander's, and Digital Insurance and our 32% minority investment in Ceridian. On January 31, 2014 we announced the future formation of a new tracking stock for Fidelity National Financial Ventures (“FNFV”), and the portfolio company investments will comprise FNFV in the future.

*Remy*

During the third quarter of 2012, we acquired 1.5 million additional shares of Remy, increasing our ownership interest to 16.3 million shares or 51% of Remy's total outstanding common shares. As a result of this acquisition we began to consolidate the results of Remy effective August 14, 2012. We previously held a 47% ownership interest in Remy. Total consideration paid for the additional 1.5 million shares was $31 million and cash acquired upon consolidation of Remy was $96 million.

Remy's strategy is to be the leading global manufacturer and remanufacturer of starters and alternators, yielding superior financial returns, as well as seeking to be a leading participant in the growing production of hybrid electric motors and to utilize their distribution network to supply complementary aftermarket products. We believe there are significant opportunities for future growth in this industry.

Remy's strategies for capitalizing on these opportunities include the following:

- Building on market-leading positions in commercial vehicle products by producing durable, high-output starters and alternators for commercial vehicles in both original equipment ("OE") and aftermarket.
- Commitment to expanding manufacturing in growth markets in Asia and South America.
- Continue to invest in hybrid electric motors for commercial vehicles.
- Continue to leverage the benefits of having an OE and aftermarket presence, seeking to provide its aftermarket customers with new products faster than competitors and providing its OE business with useful knowledge regarding long-term product performance and durability.
- Continue to provide value-added services that enhance customer performance, including category management services that strengthen its customer relationships, support customer growth and improve product category profitability.
- Selectively pursue strategic partnerships and acquisitions that leverage its core competencies.

On January 13, 2014, Remy announced that it acquired substantially all of the assets of United Starters and Alternators Industries, Inc. ("USA Industries") pursuant to the terms and conditions of the Asset Purchase Agreement, effective as of January 13, 2014. USA Industries is a leading worldwide distributor of premium quality re-manufactured and new alternators, starters, constant velocity axles and disc brake calipers for the light-duty aftermarket. Total consideration paid was $41million.

*Restaurant Group*

On February 25, 2013, we formed J. Alexander's, a restaurant company which is focused on the upscale-casual dining segment. J. Alexander's consists of thirty J. Alexander's locations and ten Stoney River locations. ABRH contributed the ten Stoney River locations to J. Alexander's for an approximate 28% ownership interest in the new company, giving us an overall 87% ownership interest in J. Alexander's. The operations of J. Alexander's are consolidated in our existing Restaurant Group segment. Previously, in September 2012 we purchased all of the outstanding common stock of J. Alexander's Corporation for total consideration of $72 million in cash, net of cash acquired of $7 million.

On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's Inc. ("O'Charley's"). We have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55%. As of December 31, 2013, there were 312 company-owned restaurants in the O'Charley's group of companies and 214 company-owned restaurants in the ABRH group of companies. Total consideration paid for O'Charley's was $122 million in cash, net of cash acquired of $35 million. We consolidated the operations of ABRH with the O'Charley's group of companies, beginning on May 11, 2012.

Our restaurant operations are focused in the family dining, casual dining and upscale-casual dining segments. The Restaurant Group's strategy is to achieve long-term profit growth and drive increases in same store sales and guest counts. We have a highly experienced management team that is focused on enhancing the guest experience at our restaurants and building team member engagement. We also utilize a shared service platform that takes advantage of the combined synergies of our operating companies to provide purchasing power and other shared service functions. We expect to continue to maintain a strong balance sheet for our Restaurant Group to support future acquisitions and to provide stability in all operating environments.

On December 31, 2012, we acquired Digital Insurance. Total consideration paid was $98 million in cash, net of cash acquired of $3 million. We have consolidated the operations of Digital Insurance as of December 31, 2012. Digital Insurance is a leading employee benefits platform specializing in health insurance distribution and benefits management for small and mid-sized businesses. The operations of Digital Insurance are included in our Portfolio Company Investments.

On May 1, 2012, we completed the sale of an 85% interest in our remaining subsidiaries that write personal lines insurance to WT Holdings, Inc. for $ 120 million . Accordingly, the results of this business through the date of sale (which we refer to as our "at-risk" insurance business) for all periods presented are reflected in the Consolidated Statements of Earnings as discontinued operations. The at-risk insurance business sale resulted in a pre-tax loss of $ 15 million , which was recorded in the fourth quarter of 2011.

**Title Insurance**

*Market for title insurance.* According to Demotech Performance of Title Insurance Companies 2013 Edition, an annual compilation of financial information from the title insurance industry that is published by Demotech Inc., an independent firm ("Demotech"), total operating income for the entire U.S. title insurance industry has decreased from its highest at $17.8 billion in 2005 to $12.2 billion in 2012. The size of the industry is closely tied to various macroeconomic factors, including, but not limited to, growth in the gross domestic product, inflation, unemployment, the availability of credit, consumer confidence, interest rates, and sales volumes and prices for new and existing homes, as well as the volume of 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 the 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 or depreciation in the overall value of the real estate market are major factors in total industry revenues. Industry revenues are also driven by factors affecting the volume of real estate closings, such as the state of the economy, the availability of mortgage funding, and changes in interest rates, which affect demand for new mortgage loans and refinancing transactions. Both the volume and the average price of residential real estate transactions declined from 2007-2011. Beginning in 2008 and continuing through 2011, the mortgage delinquency and default rates caused negative operating results at a number of banks and financial institutions. Multiple banks failed during this time, reducing the capacity of the mortgage industry to make loans. Since this time, lenders have tightened their underwriting standards which has made it more difficult for buyers to qualify for new loans. However, during this same period, interest rates declined to historically low levels, which spurred higher refinance activity in the period 2009 through 2012. During 2013 refinance activity declined; however, we experienced an increase in the purchase volume and average price of residential real estate. Our revenues in future periods will continue to be subject to these and other factors which are beyond our control and, as a result, are likely to fluctuate.

The U.S. title insurance industry is concentrated among a handful of industry participants. According to Demotech, the top four title insurance groups accounted for 86 % of net premiums written in 2012 . Approximately 30 independent title insurance companies accounted for the remaining 14 % of net premiums written in 2012 . In December 2008, we acquired LandAmerica Financial Group’s two principal title insurance underwriters, Commonwealth Land Title Insurance Company and Lawyers Title Insurance Corporation, and in January 2014 we acquired National Title Insurance of New York, Inc. as part of the acquisition of LPS. 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.

*Title Insurance Policies.* Generally, real estate buyers and mortgage lenders purchase title insurance to insure good and marketable title to real estate and priority of lien. 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. In 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 are a percentage of) either the amount of the mortgage loan or the purchase price of the property insured. Applicable state insurance regulations or regulatory practices may limit the maximum, or in some cases the minimum, premium that can be charged on a policy. Title insurance premiums are due in full at the closing of the real estate transaction. A 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. 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. A title insurer also generally does not know when a property has been sold or refinanced except when it issues the replacement coverage. 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 affiliated title agencies, or 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 insurance company typically performs or directs the title 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 title 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 insurance 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 insurance company is obligated to pay title claims in accordance with the terms of its policies, regardless of whether the title insurance 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 title searches and examinations. A title insurance company's predominant expense relates to such searches and examinations, the preparation of preliminary title reports, policies or commitments, the maintenance of "title plants," which are indexed compilations of public records, maps and other relevant historical documents, and the facilitation and closing of real estate transactions. Claim losses generally result from errors made in the title search and examination process, from hidden defects such as fraud, forgery, incapacity, or missing heirs of the property, and from closing related errors.

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. Residential real estate transaction volume is primarily affected by macroeconomic and seasonal factors while commercial real estate transaction volume is affected primarily by fluctuations in local supply and demand conditions for commercial space.

*Direct and Agency Operations.* 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 1,200 offices throughout the U.S. primarily providing residential real estate title insurance. We continuously monitor the number of direct offices to make sure that it remains in line with our strategy and the current economic environment. 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 Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, New York, Philadelphia, Phoenix, Seattle and Washington D.C.

*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, and in some states are fixed by insurance regulatory requirements. 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 and strategically manage the number of agents with which we transact business in an effort to reduce future expenses and manage risks. As of December 31, 2013 , we transact business with approximately 5,000 agents.

*Fees and Premiums.* One method of analyzing our business is to examine 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:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2013 | | 2012 | | 2011 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Direct | $ 1,800 | 43.4% | $ 1,732 | 45.2% | $ 1,427 | 43.8% |
| Agency | 2,352 | 56.6 | 2,101 | 54.8 | 1,830 | 56.2 |
| Total title insurance premiums | $ 4,152 | 100.0% | $ 3,833 | 100.0% | $ 3,257 | 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.

*Escrow, Title-Related and Other Fees.* 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 collection and trust activities, trustee's sales guarantees, recordings and reconveyances, and home warranty services. The escrow and other services provided by us include all of those typically required in connection with residential and commercial real estate purchases and refinance activities. Escrow, title-related and other fees represented approximately 20.3% , 23.4% , and 29.0% of our revenues in 2013 , 2012 , and 2011 , respectively.

*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 are an 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 the ability of service providers to meet their information systems requirements for electronic product delivery.

*Claims.* An important part of our operations is the handling of title and escrow claims. We employ a large staff of attorneys in our claims department. Our claims processing centers are located in Omaha, Nebraska and Jacksonville, Florida. In-house claims counsel are also located in other parts of the country.

Claims result from a wide range of causes. These causes generally include, but are not limited to, search and exam errors, forgeries, incorrect legal descriptions, signature and notary errors, unrecorded liens, mechanics’ liens, the failure to pay off existing liens, mortgage lending fraud, mishandling or theft of settlement funds (including independent agency theft), and mistakes in the escrow process. Under our policies, we are required to defend insureds when covered claims are filed against their interest in the property. Some claimants seek damages in excess of policy limits. Those claims are based on various legal theories, including in some cases allegations of negligence or an intentional tort. We occasionally incur losses in excess of policy limits. Experience shows that most policy claims and claim payments are made in the first five years after the policy has been issued, although claims may also be reported and paid many years later.

Title losses due to independent agency defalcations typically occur when the independent agency misappropriates funds from escrow accounts under its control. Such losses are usually discovered when the independent agency fails to pay off an outstanding mortgage loan at closing (or immediately thereafter) from the proceeds of the new loan. Once the previous lender determines that its loan has not been paid off timely, it will file a claim against the title insurer.

Claims can be complex, vary greatly in dollar amounts and are affected by economic and market conditions and the legal environment existing at the time claims are processed. In our commercial title business, we may issue polices with face amounts well in excess of $100 million, and from time to time claims are submitted with respect to large policies. We believe we are appropriately reserved with respect to all claims (large and small) that we currently face. Occasionally we experience large losses from title policies that have been issued or from our escrow operations, or overall worsening loss payment experience, which require us to increase our title loss reserves. These events are unpredictable and adversely affect our earnings. Claims can result in litigation in which we may represent our insured and/or ourselves. We consider this type of litigation to be an ordinary course aspect of the conduct of our business.

*Reinsurance and Coinsurance.* We limit our maximum loss exposure by reinsuring risks with other insurers under excess of loss and case-by-case (“facultative”) reinsurance agreements. Reinsurance agreements generally provide 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 to the insured whether or not the reinsurer is able to meet its contractual obligations. Facultative reinsurance agreements are entered into with other title insurers when the transaction to be insured will exceed state statutory or self-imposed limits. Excess of loss reinsurance protects us from a loss from a single loss occurrence. Through March 1, 2014, our excess of loss coverage is split into two tiers. The first tier provides coverage for residential and commercial transactions up to $100 million per loss occurrence, subject to a $20 million retention per loss. The second tier provides additional coverage for commercial transactions in excess of $100 million of loss per occurrence up to $400 million per occurrence, with the Company participating at approximately 20%. We are currently in process of negotiating the terms and conditions of our 2014 - 2015 coverages.

In addition to reinsurance, we carry errors and omissions insurance and fidelity bond coverage, each of which can provide protection to us in the event of certain types of losses that can occur in our businesses.

Our policy is to be selective in choosing our reinsurers, seeking only those companies that we consider to be financially stable and adequately capitalized. In an effort to minimize exposure to the insolvency of a reinsurer, we periodically review the financial condition of our reinsurers.

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 assume.

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.

*Competition.* 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 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 First American Financial Corporation, Old Republic International Corporation and Stewart Information Services Corporation, as well as numerous smaller title insurance companies, underwritten title companies and independent agency operations at the regional and local level. Independent agency operations accounted for 56.6% of our total title insurance premiums in 2013. Several of the smaller competitors have closed their operations in the past few years as a result of the significant decrease in activity in the residential real estate market. The addition or removal of regulatory barriers might result in changes to competition in the title insurance business. 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.

*Regulation.* Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, are subject to extensive regulation under applicable state laws. Each of the insurers is subject to a holding company act in its state of domicile, which regulates, among other matters, the ability to pay dividends and enter into transactions with affiliates. 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. The process of state regulation of changes in rates ranges from states which set rates, to states where individual companies or associations of companies prepare rate filings which are submitted for approval, to a few states in which rate changes do not need to be filed for approval.

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

Pursuant to statutory accounting requirements of the various states in which our title insurers are domiciled, these insurers must defer a portion of premiums as an unearned premium reserve for the protection of policyholders (in addition to their reserves for known claims) 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 a 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, 2013 , the combined statutory unearned premium reserve required and reported for our title insurers was $ 1,734 million. In addition to statutory unearned premium reserves and reserves for known claims, each of our insurers maintains surplus funds for policyholder protection and business operations.

Each of our insurance subsidiaries is regulated by the insurance regulatory authority in its respective state of domicile, as well as that of each state in which it is licensed. The insurance commissioners of their respective states of domicile are the primary regulators of our insurance subsidiaries. Each of the insurers is subject to periodic regulatory financial examination by regulatory authorities.

Under the statutes governing insurance holding companies in most states, insurers may not enter into certain transactions, including sales, reinsurance agreements and service or management contracts, with their affiliates unless the regulatory authority 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 to, 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, and to pay any dividends to our stockholders. The payment of dividends or other distributions to us by our insurers 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 to or has approved the payment within the 30-day period. In general, an "extraordinary" dividend or distribution is statutorily defined as a dividend or distribution that, together with other dividends and distributions made within the preceding 12 months, exceeds the greater of:

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

The laws and regulations of some jurisdictions also prohibit an insurer from declaring or paying a dividend except out of its earned surplus or require the insurer to obtain prior regulatory approval. During 2014 , our directly owned title insurers can pay dividends or make distributions to us of approximately $ 308 million without prior regulatory approval; however, insurance regulators have the authority to prohibit the payment of ordinary dividends or other payments by our title insurers 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. There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders.

The combined statutory capital and surplus of our title insurers was approximately $ 1,409 million and $ 1,381 millio n as of December 31, 2013 and 2012 , respectively. The combined statutory earnings (loss) of our title insurers were $ 352 million, $ 281 million, and $ 151 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively.

As a condition to continued authority to underwrite policies in the states in which our insurers 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 insurers are domiciled, such insurers must maintain certain levels of minimum capital and surplus. Required levels of minimum capital and surplus are not significant to the insurers individually or in the aggregate. Each of our insurers has complied with the minimum statutory requirements as of December 31, 2013 .

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 requirements for each underwritten title company is less than $1 million. These companies were in compliance with their respective minimum net worth requirements at December 31, 2013 .

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions. For further discussion, see item 3, Legal Proceedings.

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 in which the 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 acquirer's plans for the insurer's Board of Directors and executive officers, the acquirer'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 insurers, the insurance change of control laws would likely apply to such a transaction.

The National Association of Insurance Commissioners ("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 insurers are domiciled require adherence to NAIC filing procedures, each such insurer, unless it qualifies for an exemption, must file an actuarial opinion with respect to the adequacy of its reserves.

**Ratings**

Our title insurance underwriters are regularly assigned ratings by independent agencies designed to indicate their financial condition and/or claims paying ability. The rating agencies determine ratings by quantitatively and qualitatively analyzing financial data and other information. Our title subsidiaries include Alamo Title, Chicago Title, Commonwealth Land Title, and Fidelity National Title. Standard & Poor's Ratings Group ("S&P"), Moody's Investors Service ("Moody's"), and A. M. Best Company ("A.M. Best") provide ratings for the entire FNF family of companies as a whole as follows:

| | S&P | Moody's | A.M. Best |
|---|---|---|---|
| FNF family of companies | A- | A3 | A- |

The relative position of each of our ratings among the ratings scale assigned by each rating agency is as follows:

- An S&P "A-" rating is the eighth highest rating of 25 ratings for S&P. 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.
- A Moody's "A3" rating is the twelfth highest rating of 33 ratings for Moody's. Moody's states that insurance companies rated "A3" offer good financial security.
- An A.M. Best "A-" rating is the fourth highest rating of 15 ratings for A.M. Best. 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.

Demotech provides financial strength/stability ratings for each of our principal title insurance underwriters individually, as follows:

| | |
|---|---|
| Alamo Title Insurance | A' |
| Chicago Title Insurance Company | A" |
| Commonwealth Land Title Insurance Company | A |
| Fidelity National Title Insurance Company | A' |

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" rating reflects Demotech's opinion that, regardless of the severity of a general economic downturn or deterioration in the insurance cycle, the insurers assigned such rating possess "Exceptional" financial stability related to maintaining positive surplus as regards policyholders. The "A´´ (A double prime)", "A´ (A prime)" and "A" ratings are the three highest ratings of Demotech's five ratings.

The ratings of S&P, Moody's, A.M. Best, and Demotech described above are not designed to be, and do not serve as, measures of protection or valuation offered to investors. These financial strength ratings should not be relied on with respect to making an investment in our securities. See "Item 1A. *Risk Factors* — If the rating agencies downgrade our Company, our results of operations and competitive position in the title insurance industry may suffer" for further information.

**Intellectual Property**

We rely on a combination of contractual restrictions, internal security practices, and copyright and trade secret law to establish and protect our software, technology, and expertise across our businesses. Further, we have developed a number of brands that have accumulated substantial goodwill in the marketplace, and we rely on trademark law to protect our rights in that area. We intend to continue our policy of taking all measures we deem necessary to protect our copyright, trade secret, and trademark rights. These legal protections and arrangements afford only limited protection of our proprietary rights, and there is no assurance that our competitors will not independently develop or license products, services, or capabilities that are substantially equivalent or superior to ours.

**Technology and Research and Development**

As a national provider of real estate transaction products and services, we participate in an industry that is subject to significant regulatory requirements, frequent new product and service introductions, and evolving industry standards. We believe that our future success depends in part on our ability to anticipate industry changes and offer products and services that meet evolving industry standards. In connection with our title segment service offerings, we are continuing to deploy new information system technologies to our direct and agency operations. We continue to improve the process of ordering title and escrow services and improve the delivery of our products to our customers. In order to meet new regulatory requirements, we also continue to expand our data collection and reporting abilities.

Remy believes that a continued focus on research, development and engineering activities is critical to maintaining their leadership position in their industry and meeting their long-term objectives. As a result, Remy continues their commitment to invest in facilities and infrastructure in order to support new business awards and achieve their long-term growth plans.

**Investment Policies and Investment Portfolio**

Our investment policy is designed to maximize total return through investment income and capital appreciation consistent with moderate risk of principal, while providing adequate liquidity. Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, are subject to extensive regulation under applicable state laws. The various states in which we operate our underwriters regulate the types of assets that qualify for purposes of capital, surplus, and statutory unearned premium reserves. Our investment policy specifically limits duration and non-investment grade allocations in the core fixed-income portfolio. Maintaining shorter durations on the investment portfolio allows for the mitigation of interest rate risk. Equity securities and preferred stock are utilized to take advantage of perceived value or for strategic purposes. Due to the magnitude of the investment portfolio in relation to our claims loss reserves, durations of investments are not specifically matched to the cash outflows required to pay claims.

As of December 31, 2013 and 2012 , the carrying amount, which approximates the fair value, of total investments, excluding investments in unconsolidated affiliates, was $ 3.4 billion and $ 3.7 billion, respectively.

We purchase investment grade fixed maturity securities, selected non-investment grade fixed maturity securities, preferred stock 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 securities and preferred stock portfolio at December 31, 2013 and 2012 :

| | December 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | | | | 2012 | | | |
| Rating(1) | Amortized Cost | % of Total | Fair Value | % of Total | Amortized Cost | % of Total | Fair Value | % of Total |
| | (Dollars in millions) | | | | | | | |
| Aaa/AAA | $ 377 | 12.4% | $ 388 | 12.5% | $ 439 | 13.7% | $ 464 | 13.8% |
| Aa/AA | 668 | 22.0 | 690 | 22.2 | 1,005 | 31.4 | 1,054 | 31.4 |
| A | 1,032 | 34.0 | 1,056 | 34.0 | 799 | 24.9 | 843 | 25.1 |
| Baa/BBB | 787 | 25.9 | 803 | 25.8 | 722 | 22.5 | 758 | 22.6 |
| Ba/BB/B | 87 | 2.9 | 85 | 2.7 | 200 | 6.2 | 203 | 6.1 |
| Lower | 84 | 2.8 | 87 | 2.8 | 14 | 0.4 | 8 | 0.2 |
| Other (2) | 1 | — | 1 | — | 28 | 0.9 | 27 | 0.8 |
| | $ 3,036 | 100.0% | $ 3,110 | 100.0% | $ 3,207 | 100.0% | $ 3,357 | 100.0% |

(1) Ratings as assigned by Moody’s Investors Service or Standard & Poor’s Ratings Group if a Moody's rating is unavailable.

(2) This category is composed of unrated securities.

The following table presents certain information regarding contractual maturities of our fixed maturity securities:

| Maturity | December 31, 2013 Amortized Cost | % of Total | Fair Value | % of Total |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| One year or less | $ 363 | 13% | $ 368 | 12% |
| After one year through five years | 1,845 | 64 | 1,906 | 65 |
| After five years through ten years | 559 | 19 | 571 | 19 |
| After ten years | 5 | — | 5 | — |
| Mortgage-backed/asset-backed securities | 105 | 4 | 109 | 4 |
| | $ 2,877 | 100% | $ 2,959 | 100% |

At December 31, 2013 , all of our mortgage-backed and asset-backed securities are rated AAA by Moody's. The mortgage-backed and asset-backed securities are made up of $ 77 million of agency-backed mortgage-backed securities, $ 27 million of agency-backed collateralized mortgage obligations, and $ 5 million in asset-backed securities.

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. Because of the potential for prepayment on mortgage-backed and asset-backed securities, they are not categorized by contractual maturity. Fixed maturity securities with an amortized cost of $ 1,572 million and a fair value of $ 1,606 million were callable or had make-whole call provisions at December 31, 2013 .

Our equity securities at December 31, 2013 and 2012 consisted of investments at a cost basis of $ 71 million and $ 103 million , respectively, and fair value of $ 136 million and $ 138 million , respectively. The balance of equity securities at December 31, 2013 and 2012 contains an investment in Fidelity National Information Services ("FIS") stock, a related party. During the fourth quarter of 2013, we sold 300,000 shares for a realized gain of $11 million. As of December 31, 2013 we owned 1,303,860 shares of FIS stock and the fair value of our investment in FIS stock was $ 70 million and $56 million as of December 31, 2013 and 2012 , respectively.

At December 31, 2013 and 2012 , we also held $ 357 million and $ 392 million, respectively, in investments that are accounted for using the equity method of accounting, principally our ownership interests in Ceridian.

As of December 31, 2013 and 2012 , Other long-term investments included structured notes at a fair value of $38 million and $ 41 million, respectively, which were purchased in the third quarter of 2009. Also included in Other long-term investments were investments accounted for using the cost method of accounting of $ 124 million and $ 64 million, as of December 31, 2013 and 2012 , respectively.

Short-term investments, which consist primarily of 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, 2013 and 2012 , short-term investments amounted to $ 26 million and $ 62 million, respectively.

Our investment results for the years ended December 31, 2013 , 2012 and 2011 were as follows:

| | December 31, 2013 | 2012 | 2011 |
|---|---|---|---|
| | (Dollars in millions) | | |
| Net investment income (1) | $ 147 | $ 163 | $ 165 |
| Average invested assets | $ 3,627 | $ 3,698 | $ 3,792 |
| Effective return on average invested assets | 4.1% | 4.4% | 4.3% |

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

### Loss Reserves

For information about our loss reserves, see Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* — Critical Accounting Estimates.

**Geographic Operations**

Our direct title operations are divided into approximately 150 profit centers. 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 approximately 5,000 agents, primarily in those areas in which agents are the more prevalent title insurance provider. Substantially all of our revenues are generated in the United States.

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

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2013 | | 2012 | | 2011 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| California | $ 632 | 15.2% | $ 660 | 17.2% | $ 515 | 15.8% |
| Texas | 597 | 14.4 | 496 | 12.9 | 401 | 12.3 |
| New York | 305 | 7.4 | 282 | 7.4 | 263 | 8.1 |
| Florida | 316 | 7.6 | 255 | 6.6 | 212 | 6.5 |
| Illinois | 222 | 5.3 | 183 | 4.8 | 147 | 4.5 |
| All others | 2,080 | 50.1 | 1,957 | 51.1 | 1,719 | 52.8 |
| Totals | $ 4,152 | 100.0% | $ 3,833 | 100.0% | $ 3,257 | 100.0% |

Remy generates revenue in multiple geographic locations. Revenues are attributed to geographic locations based on the point of sale.

Auto parts revenue in our Remy segment by region was as follows:

| | 2013 | 2012 |
|---|---|---|
| United States | 66.1% | 66.0% |
| Asia Pacific | 20.7% | 20.0% |
| Europe | 7.9% | 8.8% |
| Other America | 5.3% | 5.2% |
| Total | 100.0% | 100.0% |

Our Restaurant Group operates and franchises restaurants in 43 states throughout the United States. All of our Restaurant Group's revenues are generated in those states.

**Employees**

As of January 24, 2014 , we had approximately 63,861 full-time equivalent employees, which includes 15,929 in our Fidelity National Title segment, 32,861 in our Restaurant Group segment, 6,605 in our Remy segment, 8,084 in Black Knight and 382 in our remaining segments. We monitor our staffing levels based on current economic activity. Except for approximately 3,700 of Remy's employees, none of our employees are subject to collective bargaining agreements. We believe that our relations with employees are generally good.

**Financial Information by Operating Segment**

For financial information by operating segment, see Note R of the Notes to Consolidated Financial Statements.

**Statement Regarding Forward-Looking Information**

The statements contained in this Form 10-K or in our other documents or in oral presentations or other statements made by our management that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding our expectations, hopes, intentions, or strategies regarding the future. These statements relate to, among other things, future financial and operating results of the Company. In many cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of these terms and other comparable terminology. Actual results could differ materially from those anticipated in these statements as a result of a number of factors, including, but not limited to the following:

- changes in general economic, business, and political conditions, including changes in the financial markets;

- the severity of our title insurance claims;
- downgrade of our credit rating by rating agencies;
- adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding, increased mortgage defaults, or a weak U.S. economy;
- compliance with extensive government regulation of our operating subsidiaries and adverse changes in applicable laws or regulations or in their application by regulators;
- regulatory investigations of the title insurance industry;
- loss of key personnel that could negatively affect our financial results and impair our operating abilities;
- our business concentration in the State of California, the source of approximately 15.2% of our title insurance premiums;
- our potential inability to find suitable acquisition candidates, as well as the risks associated with acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus, or difficulties integrating acquisitions;
- our dependence on distributions from our title insurance underwriters as our main source of cash flow;
- competition from other title insurance companies; and
- other risks detailed in "Risk Factors" below and elsewhere in this document and in our other filings with the SEC.

We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider the possibility that actual results may differ materially from our forward-looking statements.

**Additional Information**

Our website address is www.fnf.com. We make available free of charge on or through our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. However, the information found on our website is not part of this or any other report.

**Item 1A. *Risk Factors***

In addition to the normal risks of business, we are subject to significant risks and uncertainties, including those listed below and others described elsewhere in this Annual Report on Form 10-K. Any of the risks described herein could result in a significant or material adverse effect on our results of operations or financial condition.

**General**

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

Title insurance revenue is closely related to the level of real estate activity which includes sales, mortgage financing 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, including high unemployment levels.

Declines in the level of real estate activity or the average price of real estate sales are likely to adversely affect our title insurance revenues. The Mortgage Bankers Association's ("MBA") Mortgage Finance Forecast currently estimates an approximately $ 1.1 trillion mortgage origination market for 2014 , which would be a decrease of 38.9% from 2013 . The MBA forecasts that the 38.9% decrease will result almost entirely from decreased refinance activity. Our revenues in future periods will continue to be subject to these and other factors which are beyond our control and, as a result, are likely to fluctuate.

***We have recorded goodwill as a result of prior acquisitions, and an economic downturn could cause these balances to become impaired, requiring write-downs that would reduce our operating income.***

Goodwill aggregated approximately $ 1,901 million, or 18.1% of our total assets, as of December 31, 2013 . Current accounting rules require that goodwill be assessed for impairment at least annually or whenever changes in circumstances indicate that the carrying amount may not be recoverable from estimated future cash flows. Factors that may be considered a change in circumstance indicating the carrying value of our intangible assets, including goodwill, may not be recoverable include, but are not limited to, significant underperformance relative to historical or projected future operating results, a significant decline in our stock price and market capitalization, and negative industry or economic trends. No goodwill impairment charge was recorded in 2013 . However, if there is an economic downturn in the future, the carrying amount of our goodwill may no longer be recoverable, and we may be required to record an impairment charge, which would have a negative impact on our results of operations and financial condition. We will continue to monitor our market capitalization and the impact of the economy to determine if there is an impairment of goodwill in future periods.

***If economic and credit market conditions deteriorate, it could have a material adverse impact on our investment portfolio.***

Our investment portfolio is exposed to economic and financial market risks, including changes in interest rates, credit markets and prices of marketable equity and fixed-income securities. Our investment policy is designed to maximize total return through investment income and capital appreciation consistent with moderate risk of principal, while providing adequate liquidity and complying with internal and regulatory guidelines. To achieve this objective, our marketable debt investments are primarily investment grade, liquid, fixed-income securities and money market instruments denominated in U.S. dollars. We make investments in certain equity securities and preferred stock in order to take advantage of perceived value and for strategic purposes. In the past, economic and credit market conditions have adversely affected the ability of some issuers of investment securities to repay their obligations and have affected the values of investment securities. If the carrying value of our investments exceeds the fair value, and the decline in fair value is deemed to be other-than-temporary, we will be required to write down the value of our investments, which could have a material negative impact on our results of operations and financial condition. W e own a minority interest in Ceridian, a leading provider of global human capital management and payment solutions. If the fair value of this company were to decline below book value, we would be required to write down the value of our investment, which could have a material negative impact on our results of operations and financial condition. If this company were to experience significant negative volatility in its results of operations it would have a material adverse effect on our own results of operations due to our inclusion of our portion of its earnings in our results of operations.

***If financial institutions at which we hold escrow funds fail, it could have a material adverse impact on our company.***

We hold customers' assets in escrow at various financial institutions, pending completion of real estate transactions. These assets are maintained in segregated bank accounts and have not been included in the accompanying Consolidated Balance Sheets. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to $ 8.8 billion at December 31, 2013 . Failure of one or more of these financial institutions may lead us to become liable for the funds owed to third parties and there is no guarantee that we would recover the funds deposited, whether through Federal Deposit Insurance Corporation coverage or otherwise.

***If we experience changes in the rate or severity of title insurance claims, it may be necessary for us to record additional charges to our claim loss reserve. This may result in lower net earnings and the potential for earnings volatility.***

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. From time to time, we experience large losses or an overall worsening of our loss payment experience in regard to the frequency or severity of claims that require us to record additional charges to our claims loss reserve. There are currently pending several large claims which we believe can be defended successfully without material loss payments. However, if unanticipated material payments are required to settle these claims, it could result in or contribute to additional charges to our claim loss reserves. These loss events are unpredictable and adversely affect our earnings.

At each quarter end, our recorded reserve for claim losses is initially the result of taking the prior recorded reserve for claim losses, adding the current provision to that balance and subtracting actual paid claims from that balance, resulting in an amount that management then compares to our actuary's central estimate provided in the actuarial calculation. Due to the uncertainty and judgment used by both management and our actuary, our ultimate liability may be greater or less than our current reserves and/or our actuary's calculation. If the recorded amount is within a reasonable range of the actuary's central estimate, but not at the central estimate, management assesses other factors in order to determine our best estimate. These factors, which are both qualitative and quantitative, can change from period to period and include items such as current trends in the real estate industry (which management can assess, but for which there is a time lag in the development of the data used by our actuary), any adjustments from the actuarial estimates needed for the effects of unusually large or small claims, improvements in our claims management processes, and other cost saving measures. Depending upon our assessment of these factors, we may or may not adjust the recorded reserve. If the recorded amount is not within a reasonable range of the actuary's central estimate, we would record a charge or credit and reassess the provision rate on a go forward basis.

Our provision for claim losses was 7.0% of title premiums in 2013 . We will reassess the provision to be recorded in future periods consistent with this methodology and can make no assurance that we will not need to record additional charges in the future to increase reserves in respect of prior periods.

***Our insurance subsidiaries must comply with extensive regulations. These regulations may increase our costs or impede or impose burdensome conditions on actions that we might seek to take to increase the revenues of those subsidiaries.***

Our insurance businesses are subject to extensive regulation by state insurance authorities in each state in which they 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. In addition, we may incur significant costs in the course of complying with regulatory requirements. Further, various state legislatures have in the past considered offering a public alternative to the title industry in their states, as a means to increase state government revenues. Although we think this situation is unlikely, if one or more such takeovers were to occur they could adversely affect our business. We cannot be assured that future legislative or regulatory changes will not adversely affect our business operations. See "Item 1. *Business* — Regulation."

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

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

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

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

***Because we are dependent upon California for approximately 15.2 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 2013 , California-based premiums accounted for 35.0% of premiums earned by our direct operations and 0.4% of our agency premium revenues. In the aggregate, California accounted for approximately 15.2% of our total title insurance premiums for 2013 . 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.

***If the rating agencies downgrade our Company, our results of operations and competitive position in the title insurance industry may suffer.***

Ratings have always been an important factor in establishing the competitive position of insurance companies. Our title insurance subsidiaries are rated by S&P, Moody's, A.M. Best, and Demotech. Ratings reflect the opinion of a rating agency with regard to an insurance company's or insurance holding company's financial strength, operating performance and ability to meet its obligations to policyholders and are not evaluations directed to investors. Our ratings are subject to continued periodic review by rating agencies 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.

***Our management has articulated a willingness to seek growth through acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus or geographic areas. This expansion of our business subjects us to associated risks, such as the diversion of management's attention and lack of experience in operating such businesses, and may affect our credit and ability to repay our debt.***

Our management has stated that we may make acquisitions in lines of business that are not directly tied to or synergistic with our core operating segments. Accordingly, we have in the past acquired, and may in the future acquire, businesses in industries or geographic areas with which management is less familiar than we are with our core businesses. These activities involve risks that could adversely affect our operating results, such as diversion of management's attention and lack of substantial experience in operating such businesses. There can be no guarantee that we will not enter into transactions or make acquisitions that will cause us to incur additional debt, increase our exposure to market and other risks and cause our credit or financial strength ratings to decline.

***We are a holding company and depend on distributions from our subsidiaries for cash.***

We are a holding company whose primary assets are the securities of our operating subsidiaries. Our ability to pay interest on our outstanding debt and our other obligations and to pay dividends is dependent on the ability of our subsidiaries to pay dividends or make other distributions or payments to us. If our operating subsidiaries are not able to pay dividends to us, we may not be able to meet our obligations or pay dividends on our common stock.

Our title insurance subsidiaries must comply with state 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 2014 , our title insurers may pay dividends or make distributions to us without prior regulatory approval of approximately $ 308 million.

The maximum dividend permitted by law is not necessarily indicative of an insurer's actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer's ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in interpretation of statutory accounting requirements by regulators.

***We could have conflicts with Fidelity National Information Services ("FIS"), and our chairman of our Board of Directors and other officers and directors could have conflicts of interest due to their relationships with FIS.***

FIS and FNF were under common ownership by another publicly traded company, also called Fidelity National Financial, Inc. ("Old FNF") until October 2006, when Old FNF distributed all of its FNF shares to the stockholders of Old FNF (the "2006 Distribution"). In November 2006, Old FNF then merged into FIS.

Conflicts may arise between us and FIS as a result of our ongoing agreements and the nature of our respective businesses. Certain of our executive officers and directors could be subject to conflicts of interest with respect to such agreements and other matters due to their relationships with FIS.

Some of our executive officers and directors own substantial amounts of FIS stock and stock options. Such ownership could create or appear to create potential conflicts of interest when our directors and officers are faced with decisions that involve FIS or any of its subsidiaries.

William P. Foley, II, is the executive chairman of our Board of Directors and the Vice Chairman of the Board of FIS. As a result of these roles, he has obligations to us and FIS and may have conflicts of interest with respect to matters potentially or actually involving or affecting our and FIS's respective businesses. In addition, Mr. Foley may also have conflicts of time with respect to his multiple responsibilities. If his duties to either of these companies require more time than Mr. Foley is able to allot, then his oversight of that company's activities could be diminished. Finally, in addition to Mr. Foley, FIS and FNF have two overlapping directors.

Matters that could give rise to conflicts between us and FIS include, among other things:

- our ongoing and future relationships with FIS, including related party agreements and other arrangements with respect to the information technology support services, administrative corporate support and cost sharing services, indemnification, and other matters; and
- the quality and pricing of services that we have agreed to provide to FIS or that it has agreed to provide to us.

We seek to manage these potential conflicts through dispute resolution and other provisions of our agreements with FIS and through oversight by independent members of our Board of Directors. However, there can be no assurance that such measures will be effective or that we will be able to resolve all potential conflicts with FIS, or that the resolution of any such conflicts will be no less favorable to us than if we were dealing with a third party.

***The loss of key personnel could negatively affect our financial results and impair our operating abilities.***

Our success substantially depends on our ability to attract and retain key members of our senior management team and officers. If we lose one or more of these key employees, our operating results and in turn the value of our common stock could be materially adversely affected. Although we have employment agreements with many of our officers, there can be no assurance that the entire term of the employment agreement will be served or that the employment agreement will be renewed upon expiration.

***Although we expect that our acquisition of LPS will result in cost savings, synergies and other benefits to us, we may not realize those benefits because of integration difficulties and other challenges.***

The success of our acquisition of LPS will depend in large part on the success of the management of the combined company in integrating the operations, strategies, technologies and personnel of the two companies following the completion of the merger. We may fail to realize some or all of the anticipated benefits of the merger if the integration process takes longer than expected or is more costly than expected. Our failure to meet the challenges involved in successfully integrating the operations of LPS or to otherwise realize any of the anticipated benefits of the merger, including additional cost savings and synergies, could impair our operations. In addition, we anticipate that the overall integration of LPS will be a time-consuming and expensive process that, without proper planning and effective and timely implementation, could significantly disrupt our business.

Potential difficulties the combined company may encounter in the integration process include the following:

- the integration of management teams, strategies, technologies and operations, products and services;
- the disruption of ongoing businesses and distraction of their respective management teams from ongoing business concerns;
- the retention of and possible decrease in business from the existing clients of both companies;
- the creation of uniform standards, controls, procedures, policies and information systems;
- the reduction of the costs associated with each company’s operations;
- the consolidation and rationalization of information technology platforms and administrative infrastructures;
- the integration of corporate cultures and maintenance of employee morale;
- the retention of key employees; and
- potential unknown liabilities associated with the merger.

The anticipated cost savings, synergies and other benefits include the combination of offices in various locations and the elimination of numerous technology systems, duplicative personnel and duplicative market and other data sources. However, these anticipated cost savings, synergies and other benefits assume a successful integration and are based on projections, which are inherently uncertain, and other assumptions. Even if integration is successful, anticipated cost savings, synergies and other benefits may not be achieved.

***Failure of our information security systems or processes could result in a loss or disclosure of confidential information, damage to our reputation, monetary losses, additional costs and impairment of our ability to conduct business effectively.***

Our core operations are highly dependent upon the effective operation of our computer systems. As part of our core operations, we electronically receive, process, store and transmit sensitive personal consumer data (such as names and addresses, social security numbers, driver's license numbers, credit card and bank account information) and important business information of our customers. We also electronically manage substantial cash, investment asset and escrow account balances on behalf of ourselves and our customers, as well as financial information about our businesses generally. The integrity of our information systems and the protection of the information that resides on such systems are important to our successful operation. If we fail to maintain an adequate security infrastructure, adapt to emerging security threats or follow our internal business processes with respect to security, the information or assets we hold could be compromised. Further, even if we (or third parties to which we outsource certain IT services) maintain a reasonable, industry standard information security infrastructure, it is possible that unauthorized persons still could obtain access to information or assets we hold. These risks are increased when we transmit information over the Internet and due to increasing security risks posed by organized crime. While, to date, we believe that we have not experienced a material breach of our information security systems, the existence or scope of such events is not always apparent. If additional information regarding an incident previously considered immaterial is discovered, or a new event were to occur, it could potentially have a material adverse effect on us. In addition, some laws and certain of our contracts require notification of various parties, including consumers or customers, in the event that confidential or personal information has or may have been taken or accessed by unauthorized third parties. Such notifications can result, among other things, in adverse publicity, distraction of managements’ time and energy, the attention of regulatory authorities, fines and disruptions in sales, the effects of which may be material.

Further, our financial institution customers have obligations to safeguard their information technology systems and information. In certain of our businesses, we are bound contractually and/or by regulation to comply with the same requirements. If we fail to comply with these regulations and requirements, we could be exposed to suits for breach of contract, governmental proceedings or the imposition of fines. In addition, if more restrictive privacy laws, rules or industry security requirements are adopted in the future on the federal or state level or by a specific industry in which we do business, that could have an adverse impact on us through increased costs or restrictions on business processes. Any inability to prevent security or privacy breaches, or the perception that such breaches may occur, could inhibit our ability to retain existing customers or attract new customers and/or result in financial losses, litigation, increased costs or other adverse consequences to our business.

***Our operations could be adversely affected by the results of our acquired restaurant companies due to the risks inherent in that segment.***

Our acquired restaurant companies face certain risks that could negatively impact their results of operations. These risks include such things as the risks of unfavorable economic conditions, changing consumer preferences, unfavorable publicity, increasing food and labor costs, effectiveness of marketing campaigns, and the ability to compete successfully with other restaurants. In addition, risks related to supply chain, food quality, and protecting guests' personal information are inherent to the restaurant business. These companies are also subject to compliance with extensive government laws and regulations related to employment practices and policies and the manufacture, preparation, and sale of food and alcohol. If our restaurant companies are not able to respond effectively to one or more of these risks, it could have a material adverse impact on the results of operations of those businesses.

***Our business, financial condition and results of operations could be adversely affected by risks affecting Remy.***

Any material adverse change in Remy's financial position or results of operations could adversely affect our financial position or results of operations. Remy's results are affected by factors such as general economic conditions, levels of demand for new light and commercial vehicles, fuel prices, the product life of new and replacement parts, product liability and warranty claims related to its products, litigation and other disputes, and changes in the cost and availability of raw materials and components utilized in the manufacturing of its products. In addition, Remy's results also are influenced by technological innovations, relationships with its key customers and their success in the marketplace, and Remy's ability to compete successfully with its competitors. If Remy is not able to respond effectively to one or more of these risks, it could have a material adverse impact on its results of operations, which, in turn, would adversely impact our financial condition and results of operations.

Given the international reach of its business, Remy is also subject to risks inherent in conducting business outside the United States, including foreign currency fluctuations, local political climates, export and import restrictions, and compliance with government laws and regulations such as the U.S. Foreign Corrupt Practices Act and the U.S. Export Administration Act. Any failure to manage these risks and requirements could harm Remy's business, financial condition or results of operations, which would similarly affect our financial condition and results of operations.

**Item 1B.** ***Unresolved Staff Comments***

None.

**Item 2.** ***Properties***

*Fidelity National Title Group*

Fidelity National Title Group's corporate headquarters are on our campus in Jacksonville, Florida. The majority of our branch offices are leased from third parties (see Note M to Notes to Consolidated Financial Statements). Our subsidiaries conduct their business operations primarily in leased office space in 42 states, Washington, DC, Puerto Rico, Canada, India and Mexico.

*Black Knight*

Black Knight corporate headquarters are located in Jacksonville, Florida, in an owned facility. Black Knight also owns one facility in Sharon, Pennsylvania, and leases office space throughout the United States.

*Remy*

Remy's world headquarters are located in Pendleton, Indiana. The majority of Remy's facilities, including the world headquarters are leased from third parties (see Note M to Notes to Consolidated Financial Statements). Remy's subsidiaries conduct their business operations in 10 countries including the United States, Belgium, Hungary, the United Kingdom, Brazil, Canada, China, Mexico, South Korea and Tunisia.

*Restaurant Group*

The Restaurant Group's headquarters are located in Nashville, Tennessee with other office locations in Woburn, Massachusetts and Denver, Colorado. The majority of the restaurants are leased from third parties, and are located in 43 states.

**Item 3.** ***Legal Proceedings***

For a description of our legal proceedings see discussion of *Legal and Regulatory Contingencies* in Note M to the Consolidated Financial Statements included in Item 8 of Part II of this Report, which is incorporated by reference into this Part I, Item 3.

**Item 4.** ***Mine Safety Disclosure***

Not applicable.

## PART II

**Item 5.** ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our common stock trades on the New York Stock Exchange under the ticker symbol "FNF." The table set forth below provides the high and low closing sales prices of the common stock and cash dividends declared per share of common stock for each quarter during 2013 and 2012.

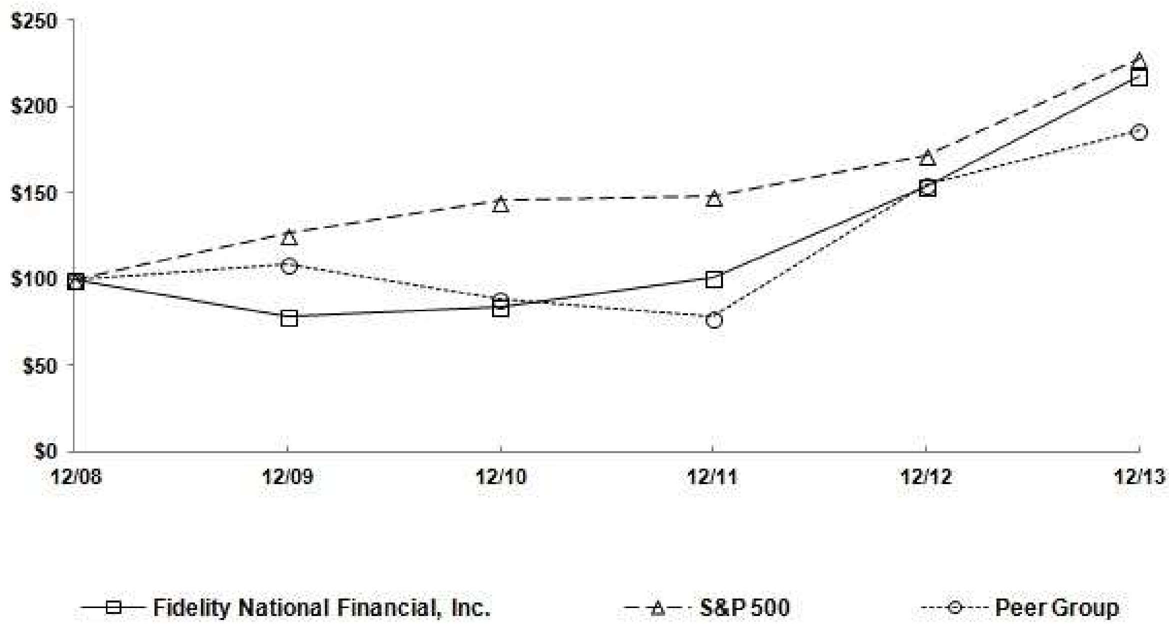
| | Stock Price High | Stock Price Low | Cash Dividends Declared |
|---|---|---|---|
| Year ended December 31, 2013 | | | |
| First quarter | $ 26.41 | $ 23.45 | $ 0.16 |
| Second quarter | 27.17 | 21.99 | 0.16 |
| Third quarter | 26.75 | 23.23 | 0.16 |
| Fourth quarter | 33.80 | 25.50 | 0.18 |
| | | | |
| Year ended December 31, 2012 | | | |
| First quarter | $ 18.54 | $ 15.66 | $ 0.14 |
| Second quarter | 19.70 | 17.62 | 0.14 |
| Third quarter | 21.48 | 18.07 | 0.14 |
| Fourth quarter | 24.30 | 20.71 | 0.16 |

Information concerning securities authorized for issuance under our equity compensation plans will be included in Item 12 of Part III of this report.

## PERFORMANCE GRAPH

Set forth below is a graph comparing cumulative total shareholder return on our common stock against the cumulative total return on the S & P 500 Index and against the cumulative total return of a peer group index consisting of certain companies in the primary industry in which we compete (SIC code 6361 — Title Insurance) for the period ending December 31, 2013 . This peer group consists of the following companies: First American Financial Corporation and Stewart Information Services Corp. The peer group comparison has been weighted based on their stock market capitalization . The graph assumes an initial investment of $100.00 on December 31, 2008, with dividends reinvested over the periods indicated.

**Comparison of 5 Year Cumulative Total Return**
**Among Fidelity National Financial, Inc., the S&P 500 Index**
**and Peer Group**




| | 12/31/2008 | 12/31/2009 | 12/31/2010 | 12/31/2011 | 12/31/2012 | 12/31/2013 |
|---|---|---|---|---|---|---|
| Fidelity National Financial, Inc. | 100.00 | 78.95 | 84.24 | 101.25 | 154.10 | 217.89 |
| S&P 500 | 100.00 | 126.46 | 145.51 | 148.59 | 172.37 | 228.19 |
| Peer Group | 100.00 | 108.97 | 89.23 | 78.41 | 155.48 | 187.00 |

On January 31, 2014, the last reported sale price of our common stock on the New York Stock Exchange was $31.54 per share and we had approximately 10,119 stockholders of record.

On January 28, 2014, our Board of Directors formally declared an $0.18 per share cash dividend that is payable on March 31, 2014 to stockholders of record as of March 17, 2014.

Our current dividend policy anticipates the payment of quarterly dividends in the future. The declaration and payment of dividends will be at the discretion of our Board of Directors and will be dependent upon our future earnings, financial condition and capital requirements. There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders, although there are limits on the ability of certain subsidiaries to pay dividends to us, as described below. Our ability to declare dividends is subject to restrictions under our existing credit agreement. We do not believe the restrictions contained in our credit agreement will, in the foreseeable future, adversely affect our ability to pay cash dividends at the current dividend rate.

Since we are a holding company, our ability to pay dividends will depend largely on the ability of our subsidiaries to pay dividends to us, and the ability of our title insurance subsidiaries to do so is subject to, among other factors, their compliance with applicable insurance regulations. As of December 31, 2013 , $ 1,909 million of our net assets are restricted from dividend payments without prior approval from the Departments of Insurance in the States where our title insurance subsidiaries are domiciled. During

2014 , our directly owned title insurance subsidiaries can pay dividends or make distributions to us of approximately $ 308 million without prior approval. The limits placed on such subsidiaries' abilities to pay dividends affect our ability to pay dividends.

Subsequent to year end, on January 2, 2014 as part of the LPS Acquisition, we issued $837 million or 25,920,078 shares of FNF common stock as consideration for the LPS Acquisition to the former shareholders of LPS.

On October 24, 2013, we offered 17,250,000 shares of our common stock at an offering price of $26.75 per share, pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. We granted the underwriters a 30-day option to purchase 2,587,500 additional shares at the offering price, which was subsequently exercised in full. A total of 19,837,500 shares were issued on October 30, 2013, for net proceeds of approximately $511 million. The net proceeds from this offering were used to pay a portion of the cash consideration for the LPS Acquisition on January 2, 2014.

On July 21, 2009, the Board of Directors approved a three-year stock repurchase program under which we can repurchase up to 15 million shares of our common stock through July 31, 2012. On January 27, 2011, our Board of Directors approved an additional 5 million shares that may be repurchased under the program. This program expired July 31, 2012, and we repurchased a total of 16,528,512 shares for $ 243 million, or an average of $ 14.73 per share under this program.

On July 21, 2012, our Board of Directors approved a three-year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our common stock through July 31, 2015. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2013 , we repurchased a total of 1,400,000 shares for $34 million , or an average of $24.14 per share under this program. Subsequent to year-end we did not repurchase any shares through market close on February 27, 2014. Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 2,080,000 shares for $ 50 million , or an average of $ 23.90 per share, and there are 12,920,000 shares available to be repurchased under this program. For more information, see "Liquidity and Capital Resources" in Item 7 of this Form 10-K.

The following table summarizes repurchases of equity securities by FNF during the year ending December 31, 2013 :

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2) |
|---|---|---|---|---|
| 1/1/2013 - 1/31/2013 | 60,000 | $ 24.46 | 60,000 | 14,260,000 |
| 2/1/2013 - 2/28/2013 | 80,000 | 25.17 | 80,000 | 14,180,000 |
| 3/1/2013 - 3/31/2013 | 1,260,000 | 24.06 | 1,260,000 | 12,920,000 |
| 4/1/2013 - 4/30/2013 | — | — | — | 12,920,000 |
| 5/1/2013 - 5/31/2013 | — | — | — | 12,920,000 |
| 6/1/2013 - 6/30/2013 | — | — | — | 12,920,000 |
| 7/1/2013 - 7/31/2013 | — | — | — | 12,920,000 |
| 8/1/2013 - 8/31/2013 | — | — | — | 12,920,000 |
| 9/1/2013 - 9/30/2013 | — | — | — | 12,920,000 |
| 10/1/2013 - 10/31/2013 | — | — | — | 12,920,000 |
| 11/1/2013 - 11/30/2013 | — | — | — | 12,920,000 |
| 12/1/2013 - 12/31/2013 | — | — | — | 12,920,000 |
| | 1,400,000 | $ 24.14 | 1,400,000 | |

(1) On July 21, 2012, our Board of Directors approved a new three-year stock repurchase program, effective August 1, 2012. Under the stock repurchase program, we can repurchase up to 15 million shares of our common stock.

(2)As of the last day of the applicable month.

**Item 6.** ***Selected Financial Data***

The information set forth below should be read in conjunction with the consolidated financial statements and related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Form 10-K. Certain reclassifications have been made to the prior year amounts to conform with the 2013 presentation.

During the third quarter of 2012, we acquired 1.5 million additional shares of Remy International, Inc. ("Remy"), increasing our ownership interest to 16.3 million shares or 51% of Remy's total outstanding common shares. As a result of this acquisition we began to consolidate the results of Remy effective August 14, 2012.

On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's Inc. We have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55%. We have consolidated the operations of ABRH with the O'Charley's group of companies, beginning on May 11, 2012.

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 | 2009(1) |
| | (Dollars in millions, except share data) | | | | |
| **Operating Data:** | | | | | |
| Revenue | $ 8,565 | $ 7,165 | $ 4,800 | $ 5,413 | $ 5,521 |
| Expenses: | | | | | |
| Personnel costs | 2,134 | 1,863 | 1,568 | 1,579 | 1,620 |
| Agent commissions | 1,789 | 1,600 | 1,411 | 1,758 | 1,952 |
| Other operating expenses | 1,319 | 1,287 | 1,064 | 1,145 | 1,228 |
| Cost of auto parts revenue | 947 | 350 | — | — | — |
| Cost of restaurant revenues | 1,204 | 773 | — | — | — |
| Depreciation and amortization | 137 | 104 | 73 | 87 | 105 |
| Provision for title claim losses | 291 | 279 | 222 | 249 | 265 |
| Interest expense | 93 | 74 | 57 | 46 | 36 |
| | 7,914 | 6,330 | 4,395 | 4,864 | 5,206 |
| Earnings before income taxes, equity in (loss) earnings of unconsolidated affiliates, and noncontrolling interest | 651 | 835 | 405 | 549 | 315 |
| Income tax expense | 205 | 245 | 131 | 190 | 97 |
| Earnings before equity in (loss) earnings of unconsolidated affiliates | 446 | 590 | 274 | 359 | 218 |
| Equity in (loss) earnings of unconsolidated affiliates | (26) | 10 | 10 | (1) | (12) |
| Earnings from continuing operations, net of tax | 420 | 600 | 284 | 358 | 206 |
| (Loss) earnings from discontinued operations, net of tax | (1) | 12 | 95 | 18 | 18 |
| Net earnings | 419 | 612 | 379 | 376 | 224 |
| Less: net earnings attributable to noncontrolling interests | 17 | 5 | 10 | 6 | 2 |
| Net earnings attributable to FNF common shareholders | $ 402 | $ 607 | $ 369 | $ 370 | $ 222 |

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 | 2009(1) |
| | (Dollars in millions, except share data) | | | | |
| **Per Share Data:** | | | | | |
| Basic net earnings per share attributable to FNF common shareholders | $ 1.75 | $ 2.75 | $ 1.68 | $ 1.64 | $ 0.99 |
| Weighted average shares outstanding, basic basis (2) | 230 | 221 | 219 | 226 | 225 |
| Diluted net earnings per share attributable to FNF common shareholders | $ 1.71 | $ 2.69 | $ 1.65 | $ 1.62 | $ 0.97 |
| Weighted average shares outstanding, diluted basis (2) | 235 | 226 | 223 | 229 | 229 |
| Dividends declared per share | $ 0.66 | $ 0.58 | $ 0.48 | $ 0.69 | $ 0.60 |
| **Balance Sheet Data:** | | | | | |
| Investments (3) | $ 3,791 | $ 4,053 | $ 4,052 | $ 4,359 | $ 4,686 |
| Cash and cash equivalents (4) | 1,969 | 1,132 | 665 | 581 | 202 |
| Total assets | 10,524 | 9,903 | 7,862 | 7,888 | 7,934 |
| Notes payable | 1,323 | 1,344 | 916 | 952 | 862 |
| Reserve for title claim losses (5) | 1,636 | 1,748 | 1,913 | 2,270 | 2,539 |
| Equity | 5,542 | 4,749 | 3,655 | 3,444 | 3,345 |
| Book value per share (6) | $ 22.14 | $ 20.78 | $ 16.57 | $ 15.39 | $ 14.53 |
| **Other Data:** | | | | | |
| Orders opened by direct title operations (in 000's) | 2,181 | 2,702 | 2,140 | 2,385 | 2,611 |
| Orders closed by direct title operations (in 000's) | 1,708 | 1,867 | 1,514 | 1,574 | 1,792 |
| Provision for title insurance claim losses as a percent of title insurance premiums (5) | 7.0% | 7.0% | 6.8% | 6.8% | 5.1% |
| Title related revenue (7): | | | | | |
| Percentage direct operations | 60.1% | 61.9% | 60.6% | 55.6% | 54.2% |
| Percentage agency operations | 39.9% | 38.1% | 39.4% | 44.4% | 45.8% |

(1) Our financial results for the year ended December 31, 2009, include a decrease to our provision for claim losses of $74 million ($47 million net of income taxes) as a result of favorable claim loss development on prior policy years, offset by an increase to the provision for claim losses of $63 million ($40 million net of income taxes) as a result of unfavorable developments in the third quarter on a previously recorded insurance receivable.

(2) Weighted average shares outstanding as of December 31, 2013 includes 19,837,500 shares that were issued as part of an equity offering by FNF on October 31, 2013 and weighted average shares outstanding as of December 31, 2009 includes 18,170,000 shares that were issued as part of an equity offering by FNF on April 20, 2009.

(3) Long-term investments as of December 31, 2013 , 2012 , 2011 , 2010 , and 2009 , include securities pledged to secured trust deposits of $261 million , $275 million , $274 million , $252 million , and $289 million , respectively.

(4) Cash and cash equivalents as of December 31, 2013 , 2012 , 2011 , 2010 , and 2009 include cash pledged to secured trust deposits of $339 million , $266 million , $162 million , $146 million , and $97 million , respectively.

(5) As a result of favorable title insurance claim loss development on prior policy years, we recorded a credit in 2009 totaling $74 million, ($47 million net of income taxes) to our provision for claims losses. This credit was recorded in addition to our average provision for claim losses of 7.3% for the year ended December 31, 2009.

(6) Book value per share is calculated as equity at December 31 of each year presented divided by actual shares outstanding at December 31 of each year presented.

(7) Includes title insurance premiums and escrow, title-related and other fees.

**Selected Quarterly Financial Data (Unaudited)**

Selected quarterly financial data is as follows:

| | Quarter Ended | | | |
|---|---|---|---|---|
| | March 31, | June 30, | September 30, | December 31, |
| | (Dollars in millions, except per share data) | | | |
| **2013** | | | | |
| Revenue | $ 2,041 | $ 2,279 | $ 2,174 | $ 2,071 |
| Earnings from continuing operations before income taxes, equity in (loss) earnings of unconsolidated affiliates, and noncontrolling interest | 137 | 223 | 168 | 123 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 89 | 139 | 98 | 76 |
| Basic earnings per share attributable to Fidelity National Financial, Inc. common shareholders | 0.40 | 0.62 | 0.43 | 0.30 |
| Diluted earnings per share attributable to Fidelity National Financial, Inc. common shareholders | 0.39 | 0.61 | 0.43 | 0.28 |
| Dividends paid per share | 0.16 | 0.16 | 0.16 | 0.18 |
| **2012** | | | | |
| Revenue | $ 1,180 | $ 1,727 | $ 2,033 | $ 2,225 |
| Earnings from continuing operations before income taxes, equity in (loss) earnings of unconsolidated affiliates, and noncontrolling interest | 102 | 220 | 301 | 212 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 74 | 147 | 234 | 152 |
| Basic earnings per share attributable to Fidelity National Financial, Inc. common shareholders | 0.34 | 0.67 | 1.06 | 0.68 |
| Diluted earnings per share attributable to Fidelity National Financial, Inc. common shareholders | 0.33 | 0.65 | 1.04 | 0.67 |
| Dividends paid per share | 0.14 | 0.14 | 0.14 | 0.16 |

**Item 7.** ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with the Consolidated Financial Statements and the Notes thereto and Selected Financial Data included elsewhere in this Form 10-K.

## Overview

We are a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. We are the nation’s largest title insurance company through our title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title and Alamo Title - that collectively issue more title insurance policies than any other title company in the United States. We also provide industry-leading mortgage technology solutions and transaction services, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through our majority-owned subsidiaries, Black Knight Financial Services, LLC ("BKFS") and ServiceLink Holdings, LLC ("ServiceLink"). In addition, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), J. Alexander’s, LLC ("J. Alexander's"), Remy International, Inc. ("Remy"), Ceridian HCM, Inc., Comdata Inc. (collectively "Ceridian") and Digital Insurance, Inc. ("Digital Insurance").

As of December 31, 2013 , we had five reporting segments as follows:

FNF Core Operations

- *Fidelity National Title Group.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee’s sales guarantees, recordings and reconveyances, and home warranty insurance.

- *FNF Corporate and Other.* The FNF corporate and other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

Portfolio Company Investments

- *Remy.* This segment consists of the operations of Remy, in which we have a 51% ownership interest. Remy is a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment components for automobiles, light trucks, heavy-duty trucks and other vehicles.

- *Restaurant Group.* The Restaurant Group segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Bakers Square concepts. This segment also includes J. Alexander's, which includes the Stoney River Legendary Steaks ("Stoney River") concept.

- *Portfolio Company Corporate and Other.* The Portfolio Company Corporate and Other segment primarily consists of our share in the operations of certain equity investments, including Ceridian, Digital Insurance and other smaller operations which are not title related.

## Recent Developments

On January 31, 2014 we announced our plans to form a new tracking stock for Fidelity National Financial Ventures (“FNFV”). As a result, we have decided to begin separately reporting the results of our core operations, which includes Fidelity National Title Group, Inc. (“FNT”), BKFS, ServiceLink and the portfolio company investments which include Remy, the Restaurant Group, Digital Insurance and other smaller operations. The portfolio company investments will comprise FNFV in the future.

On January 13, 2014, Remy announced that they acquired substantially all of the assets of United Starters and Alternators Industries, Inc. ("USA Industries") pursuant to the terms and conditions of the Asset Purchase Agreement, effective as of January 13, 2014. USA Industries is a leading worldwide distributor of premium quality re-manufactured and new alternators, starters, constant velocity axles and disc brake calipers for the light-duty aftermarket. Total consideration paid was $41million.

On January 2, 2014, we completed the purchase of Lender Processing Services, Inc. ("LPS"). The purchase consideration paid was $37.14 per share, of which $28.10 per share was paid in cash and the remaining $9.04 was paid in FNF common shares. The purchase consideration represented an exchange ratio of 0.28742 per share of LPS common stock. Total consideration paid for LPS was $3.4 billion, which consisted of $2,535 million in cash and $836 million in FNF common stock. In order to pay the stock component of the consideration, we issued 25,920,078 shares to the former LPS shareholders.

On October 24, 2013, we offered 17,250,000 shares of our common stock at an offering price of $26.75 per share, pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. We granted the underwriters a 30-day option to purchase 2,587,500 additional shares at the offering price, which was subsequently exercised in full. A total of 19,837,500 shares were issued on October 30, 2013, for net proceeds of approximately $511 million. The net proceeds from this offering were used to pay a portion of the cash consideration for the LPS Acquisition on January 2, 2014.

Subsequent to our announcement of the LPS acquisition, we formed a wholly-owned subsidiary, Black Knight Financial Services, Inc. (now known as Black Knight Holdings, Inc., "Black Knight"). Black Knight is the mortgage and finance industries' leading provider of integrated technology, data and analytics solutions, and transaction services. Black Knight has two operating segments, ServiceLink and BKFS. We retained a 65% ownership interest in each of the subsidiaries and issued the remaining 35% ownership interest to funds affiliated with Thomas H. Lee Partners, and certain related entities on January 3, 2014. Black Knight, through ServiceLink and BKFS, now owns and operates the former LPS businesses and our ServiceLink business. Fidelity National Title Group, BKFS and ServiceLink will be our core operating subsidiaries in the future.

On February 25, 2013, we formed J. Alexander's, a restaurant company which is focused on the upscale-casual dining segment. J. Alexander's consists of thirty J. Alexander's locations and ten Stoney River locations. ABRH contributed the ten Stoney River locations to J. Alexander's for an approximate 28% ownership interest in the new company, giving us an overall 87% ownership interest in J. Alexander's. The operations of J. Alexander's are consolidated in our existing Restaurant Group segment. Previously, in September 2012 we purchased all of the outstanding common stock of J. Alexander's Corporation for total consideration of $72 million in cash, net of cash acquired of $7 million.

**Related Party Transactions**

Our financial statements reflect transactions with Fidelity National Information Services ("FIS"), which is a related party. See Note A of the Notes to Consolidated Financial Statements.

**Business Trends and Conditions**

*FNF Core Operations*

Title insurance revenue is closely related to the level of real estate activity which includes sales, mortgage financing 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. Declines in the level of real estate activity or the average price of real estate sales will adversely affect our title insurance revenues.

We have found that residential real estate activity is generally dependent on the following:

- mortgage interest rates;
- the mortgage funding supply; and
- the strength of the United States economy, including employment levels.

In 2007, as interest rates on adjustable rate mortgages reset to higher rates, foreclosures on subprime mortgage loans increased to record levels. This resulted in a significant decrease in levels of available mortgage funding as investors became wary of the risks associated with investing in subprime mortgage loans. In addition, tighter lending standards and a bearish outlook on the real estate environment caused potential home buyers to become reluctant to purchase homes. In 2008, the increase in foreclosure activity, which had previously been limited to the subprime mortgage market, became more widespread as borrowers encountered difficulties in attempting to refinance their adjustable rate mortgages. In the last three years, the elevated mortgage delinquency and default rates caused negative operating results at a number of banks and financial institutions and, as a result, significantly reduced the level of lending activity. Multiple banks have failed from 2009-2012, further reducing the capacity of the mortgage industry to make loans.

Since December 2008, the Federal Reserve has held the federal funds rate at 0.0%-0.25%, and has indicated that rates will stay at this level at least until unemployment rates improve. Mortgage interest rates remained at historically low levels throughout 2013, however, in September 2013 interest rates rose to their highest level since 2011.

As of January 14, 2014, the Mortgage Banker's Association ("MBA") estimated the size of the U.S. mortgage originations market as shown in the following table for 2013 - 2015 in their "Mortgage Finance Forecast" (in trillions):

| | 2015 | | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| Purchase transactions | $ 0.8 | 1.1 | $ 0.7 | $ 0.7 | $ 0.6 |
| Refinance transactions | 0.4 | | 0.4 | 1.1 | 1.4 |
| Total U.S. mortgage originations | $ 1.2 | | $ 1.1 | $ 1.8 | $ 2.0 |

As shown above, the originations in 2013 and 2012 were driven primarily by refinance transactions, which coincides with the historically low interest rates experienced during those years. In 2014, the MBA predicts a 38.9% decrease in the total market, primarily due to a 63.6% decrease in refinance transactions in 2014, with the originations in 2015 remaining relatively consistent with those in 2014.

Several pieces of legislation were enacted to address the struggling mortgage market and the current economic and financial environment. On October 24, 2011, the Federal Housing Finance Agency ("FHFA") announced a series of changes to the Home Affordable Refinance Program ("HARP") that would make it easier for certain borrowers who owe more than their home is worth and who are current on their mortgage payments to refinance their mortgages at lower interest rates. The program reduces or eliminates the risk-based fees Fannie Mae and Freddie Mac charge on many loans, raises the loan-to-home value ratio requirement for refinancing, and streamlines the underwriting process. According to the Federal Housing Authority ("FHA"), lenders began taking refinancing applications on December 1, 2011 under the modified HARP. On April 11, 2013, the FHFA announced that the modified HARP program had been extended through December 2015. We believe the modified HARP program had a positive effect on our results during 2013 and 2012, but are uncertain to what degree the program may impact our results in the future.

During 2010, a number of lenders imposed freezes on foreclosures in some or all states as they reviewed their foreclosure practices. In response to these freezes, the Office of the Comptroller of the Currency ("OCC") reviewed the foreclosure practices in the residential mortgage loan servicing industry. On April 13, 2011, the OCC and other federal regulators (collectively the "banking agencies") announced formal consent orders against several national bank mortgage servicers and third-party servicer providers for inappropriate practices related to residential mortgage loan servicing and foreclosure processing. The consent orders require the servicers to promptly correct deficiencies and make improvements in practices for residential mortgage loan servicing and foreclosure processing, including improvements to future communications with borrowers and a comprehensive "look back" to assess whether foreclosures complied with federal and state laws and whether any deficiencies in the process or related documentation resulted in financial injury to borrowers. Our title insurance underwriters were not involved in these enforcement actions and we do not believe that our title insurance underwriters are exposed to significant losses resulting from faulty foreclosure practices. Our title insurance underwriters issue title policies on real estate owned properties to new purchasers and lenders to those purchasers. We believe that these policies will not result in significant additional claims exposure to us because even if a court sets aside a foreclosure due to a defect in documentation, the foreclosing lender would be required to return to our insureds all funds obtained from them, resulting in reduced exposure under the title insurance policy. Further, we believe that under current law and the rights we have under our title insurance policies, we would have the right to seek recovery from the foreclosing lender in the event of a failure to comply with state laws or local practices in connection with a foreclosure. The former LPS and certain of its subsidiaries entered into a consent order with the banking agencies in relation to its default operations, now part of ServiceLink. As part of the consent order, LPS agreed to further study the issues identified in the review and enhance its compliance, internal audit, risk management and board oversight plans with respect to the related businesses, among additional agreed undertakings. In January 2013, ten large mortgage servicers concluded the reviews required by the 2011 consent orders and agreed to monetary settlements, and LPS also entered into settlement agreements, in January 2013 with 49 States and the District of Columbia relating to certain practices within its default operations and in February 2014, Black Knight (formerly LPS) also settled with the State of Nevada and the Federal Deposit Insurance Corporation. In April 2013, these mortgage servicers began making restitution under these settlements. We cannot predict whether these settlements may result in more normalized foreclosure timelines in the future. Moreover, we cannot predict whether any additional legislative or regulatory changes will be implemented as a result of the findings of the banking agencies or whether the U.S. federal government may take additional action to address the current housing market and economic uncertainty. Some states have enacted or are considering adopting legislation, such as the California Homeowner Bill of Rights, that places additional responsibilities and restrictions on servicers with respect to the foreclosure process. Any such actions could further extend foreclosure timelines. Moreover, as the processing of foreclosures in accordance with applicable law becomes more onerous, many lenders are addressing loans in default through other means, such as short sales, in order to avoid the risks and liability now associated with the foreclosure process. If foreclosure timelines continue to be extended and servicers address delinquent loans through other processes, the results of our default operations within ServiceLink may be adversely affected.

On February 9, 2012, federal officials, state attorneys general and representatives of Bank of America, JP Morgan Chase, Wells Fargo, Citigroup and Ally Financial agreed to a $25 billion settlement of federal and state investigations into the foreclosure practices of banks and other mortgage servicers from September 2008 to December 2011. Under the settlement, approximately 1,000,000 underwater borrowers will have their mortgages reduced by lenders and 300,000 homeowners will be able to refinance their homes at lower interest rates. We are uncertain to what degree these initiatives have affected our results or may affect our results in the future.

In addition to state-level regulation, segments of our core businesses are subject to regulation by federal agencies, including the Consumer Financial Protection Bureau (“CFPB”). The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 established the CFPB, and in January 2012, President Obama appointed its first director. The CFPB has been given broad authority to regulate, among other areas, the mortgage and real estate markets in matters pertaining to consumers. This authority includes the enforcement of the Real Estate Settlement Procedures Act formerly placed with the Department of Housing and Urban Development. On July 9, 2012, the CFPB introduced a number of proposed rules related to the enforcement of the Real Estate Settlement Procedures Act and the Truth in Lending Act, including, among others, measures designed to (i) simplify financing documentation and (ii) require lenders to deliver to consumers a statement of final financing charges (and the related annual percentage rate) at least three business days prior to the closing. These rules became effective on January 10, 2014 . We cannot be certain what impact, if any, these new rules, or the CFPB generally, will have on our core businesses.

Historically, real estate transactions have produced seasonal revenue levels for the real estate industry including 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 third calendar quarter has been typically the strongest in terms of revenue primarily due to a higher volume of home sales in the summer months and the fourth quarter is usually also strong due to commercial entities desiring to complete transactions by year-end. We have noted short term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates and the implementation and subsequent expiration of government programs designed to stimulate the real estate market. In 2013, we have seen seasonality trends return to historical patterns. During 2012 and 2013, we experienced an increase in existing home sales to the highest volume levels since 2007. We have also seen a decline in total housing inventory to the lowest levels since 2005.

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, we believe that our commercial real estate title insurance business is less dependent on the industry cycles discussed above than our residential real estate title business. From 2010 to 2013, we have experienced an increase in fee per file of commercial transactions from the previous years, indicating improvement in the commercial markets.

*Portfolio Company Investments*

*Remy*

Remy manufactures and sells auto parts, principally starter motors and alternators, as well as hybrid electric motors and multi-line products, including steering gear, constant velocity (CV) axles, and brake calipers, for sale to original equipment manufacturers (OEM) and aftermarket customers. Remy manufactures products for automobiles as well as light and heavy duty commercial vehicles. The OEM market for auto parts is dependent on levels of new vehicle production, which in turn, is affected by the overall economy, consumer confidence, discounts and incentives offered by automakers and the availability of funds to finance purchases.

In its aftermarket operations, Remy's results are affected by the strength of the economy and by gas prices, but do not follow the same cycles as original equipment market sales. In a weaker economy, drivers tend to keep their vehicles and repair them rather than buying new vehicles. Lower gas prices have historically tended to result in more miles driven, which increases the frequency with which auto repairs are needed. Nevertheless, a weak economy also may reduce miles driven. Over the long term, improvements in the durability of original equipment and aftermarket parts has reduced, and is expected to further reduce, the number of units sold in the aftermarket. Aftermarket revenues are also affected by other factors, including severe weather (which tends to lead to increased sales) and competitive pressures. Many parts retailers and warehouse distributors purchase starters and alternators from only one or two suppliers, under contracts that run for five years or less. Pressure from customers to reduce prices is characteristic of the automotive supply industry. Remy is currently negotiating several customer agreements which are anticipated to be finalized during the first quarter of 2014. Due to the competitive nature of the business, the revised terms with customers are expected to impact Remy's ongoing profitability. Remy has taken and expects to continue to take steps to improve operating efficiencies and minimize or resist price reductions.

*Restaurant Group*

The restaurant industry is highly competitive and is often affected by changes in consumer tastes and discretionary spending patterns; changes in general economic conditions; public safety conditions or concerns; demographic trends; weather conditions; the cost of food products, labor, energy and other operating costs; and governmental regulations. The restaurant industry is also characterized by high capital investments for new restaurants and relatively high fixed or semi-variable restaurant operating expenses. Because of the high fixed and semi-variable expenses, changes in sales in existing restaurants are generally expected to significantly affect restaurant profitability because many restaurant costs and expenses are not expected to change at the same rate as sales. Restaurant profitability can also be negatively affected by inflationary and regulatory increases in operating costs and other factors. The most significant commodities that may affect our cost of food and beverage are beef, seafood, poultry, and dairy, which accounted for almost 44 percent of our overall cost of food and beverage in the past. Generally, temporary increases in these costs are not passed on to guests; however, in the past, we have adjusted menu prices to compensate for increased costs of a more permanent nature.

Average weekly sales per restaurant are typically higher in the first and fourth quarters than in other quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

In 2010, the Patient Protection and Affordable Care Act ("Affordable Care Act") was passed and becomes effective for businesses in 2014. In July 2013, compliance with the employer mandate and certain reporting requirements under the Affordable Care Act were delayed until January 1, 2015. We are continuing to assess the impact of the Affordable Care Act on our health care benefit costs. The imposition of any requirement that we provide health insurance benefits to employees that are more extensive than the health insurance benefits we currently provide, or the imposition of additional employer paid employment taxes on income earned by our employees, will have an adverse effect on our results of operations in the future, however, we do not expect the impact to materially affect our financial condition. The Affordable Care Act is likely to similarly affect the restaurant industry in general. Additionally, our Restaurant Group and suppliers may also be affected by higher minimum wage and benefit standards, which could result in higher costs for goods and services supplied to us.

Our revenues in future periods will continue to be subject to these and other factors that are beyond our control and, as a result, are likely to fluctuate.

**Critical Accounting Estimates**

The accounting estimates described below are those we consider critical in preparing our Consolidated 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 Consolidated 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 Consolidated Financial Statements for additional description of the significant accounting policies that have been followed in preparing our Consolidated Financial Statements.

*Reserve for Title Claim Losses.* Title companies issue two types of policies, owner's and lender's policies, since both the new owner and the 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 buyer against such defects for as long as he or she owns the property (as well as against warranty claims arising out of the sale of the property by such owner). 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, however, occasionally we do incur losses in excess of policy limits. 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 for events that predate 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 title claim losses includes reserves for known claims as well as for losses that have been incurred but not yet reported to us ("IBNR"), net of recoupments. We reserve for each known claim based on our review of the estimated amount of the claim and the costs required to settle the claim. Reserves for IBNR claims 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 title-related and other fees relating to 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 related to title insurance:

| | December 31, 2013 | % | December 31, 2012 | % |
|---|---|---|---|---|
| | | (in millions) | | |
| Known claims | $ 240 | 14.7% | $ 286 | 16.4% |
| IBNR | 1,396 | 85.3 | 1,462 | 83.6 |
| Total Reserve for Title Claim Losses | $ 1,636 | 100.0% | $ 1,748 | 100.0% |

Although claims against title insurance policies can be reported relatively soon after the policy has been issued, claims may be reported many years later. Historically, approximately 60% of claims are paid within approximately five years of the policy being written. By their nature, claims are often complex, vary greatly in dollar amounts and are affected by economic and market conditions, as well as 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.

Our process for recording our reserves for title claim losses begins with analysis of our loss provision rate. We forecast ultimate losses for each policy year based upon historical policy year loss emergence and development patterns and adjust these to reflect policy year and policy type differences which affect the timing, frequency and severity of claims. We also use a technique that relies on historical loss emergence and on a premium-based exposure measurement. The latter technique is particularly applicable to the most recent policy years, which have few reported claims relative to an expected ultimate claim volume. After considering historical claim losses, reporting patterns and current market information, and analyzing quantitative and qualitative data provided by our legal, claims and underwriting departments, we determine a loss provision rate, which is recorded as a percentage of current title premiums. This loss provision rate is set to provide for losses on current year policies, but due to development of prior years and our long claim duration, it periodically includes amounts of estimated adverse or positive development on prior years' policies. Any significant adjustments to strengthen or release loss reserves resulting from the comparison with our actuarial analysis are made in addition to this loss provision rate. We recorded our periodic loss provision rate at 7.0% of title premiums in 2013 and 2012 and 6.8% of title premiums in 2011. Of such amounts, 5.3%, 5.5% and 5.8% related to losses on policies written in the current year, and the remainder relates to developments on prior year policies. In 2013 and 2012 , adverse development of prior year losses of $71 million or 1.7% of 2013 premium and $58 million or 1.5% of 2012 premium was accounted for in the loss provision rate. At each quarter end, our recorded reserve for title claim losses is initially the result of taking the prior recorded reserve for title claim losses, adding the current provision and subtracting actual paid claims, resulting in an amount that management then compares to the range of reasonable estimates provided by the actuarial calculation.

Due to the uncertainty inherent in the process and due to the judgment used by both management and our actuary, our ultimate liability may be greater or less than our carried reserves. If the recorded amount is within the actuarial range but not at the central estimate, we assess the position within the actuarial range by analysis of other factors in order to determine that the recorded amount is our best estimate. These factors, which are both qualitative and quantitative, can change from period to period, and include items such as current trends in the real estate industry (which we can assess, but for which there is a time lag in the development of the data used by our actuary), any adjustments from the actuarial estimates needed for the effects of unusually large or small claims, improvements in our claims management processes, and other cost saving measures. If the recorded amount is not within a reasonable range of our actuary's central estimate, we may have to record a charge or credit and reassess the loss provision rate on a go forward basis. We will continue to reassess the provision to be recorded in future periods consistent with this methodology.

The table below presents our title insurance loss development experience for the past three years:

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| | | (In millions) | |
| Beginning balance | $ 1,748 | $ 1,913 | $ 2,211 |
| Claims loss provision related to: | | | |
| Current year | 220 | 210 | 189 |
| Prior years | 71 | 58 | 33 |
| Total title claims loss provision (1) | 291 | 268 | 222 |
| Claims paid, net of recoupments related to: | | | |
| Current year | (9) | (4) | (10) |
| Prior years | (394) | (429) | (510) |
| Total title claims paid, net of recoupments | (403) | (433) | (520) |
| Ending balance | $ 1,636 | $ 1,748 | $ 1,913 |
| Title premiums | $ 4,152 | $ 3,833 | $ 3,257 |

(1) Included in the provision for title claim losses in the 2012 period is an $11 million impairment recorded on an asset previously recouped as part of a claim settlement.

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| Provision for claim losses as a percentage of title insurance premiums: | | | |
| Current year | 5.3% | 5.5% | 5.8% |
| Prior years | 1.7 | 1.5 | 1.0 |
| Total provision | 7.0% | 7.0% | 6.8% |

Actual claims payments are made up of loss payments and claims management expenses offset by recoupments and were as follows (in millions):

| | Loss Payments | Claims Management Expenses | Recoupments | Net Loss Payments |
|---|---|---|---|---|
| Year ending December 31, 2013 | $ 323 | $ 162 | $ (82) | $ 403 |
| Year ending December 31, 2012 | 345 | 182 | (94) | 433 |
| Year ending December 31, 2011 | 361 | 215 | (56) | 520 |

As of December 31, 2013 , the recorded reserve for title insurance claims losses was $1.6 billion, which was approximately $0.07 billion below the central estimate provided by our actuary, but within the provided actuarial range of $1.5 billion to $1.8 billion. We believe that our recorded reserves are reasonable and represent our best estimate. In reaching this conclusion, we considered the following qualitative factors.

As noted above, our recorded reserves were below the mid-point of the range of our actuarial estimates as of December 31, 2013 . Management is comfortable with our recorded position as we have seen significant positive developments in certain actuarial models relating primarily to the acceleration of claims processing and claims related expense development which are not given full weight in our actuary's consolidated model. Claims management expenses have decreased due to management initiatives related to use of outside counsel and their fees and additional use of internal counsel in handling claims matters. These developments are not yet fully reflected in our actuarial analysis. This positive development in claims management expenses has been somewhat offset by claim loss payments that were greater than the claims projected to be paid in the model utilized by our actuary primarily related to the high volume policy years 2005-2008. We believe that this development related to the fact that these policy years have higher loss ratios and that the reporting of these claims has been accelerated. The reasons for higher loss payments and payment acceleration are as follows:

- Historical high prices for real estate (thus higher policy limits as compared to premiums earned)
- Increased volume of real estate transactions increased likelihood of errors in the examination and closing process
- Increased values and volumes of real estate transactions and weaker loan underwriting standards increased the likelihood of fraudulent transactions
- Subsequent declines in home equity values resulted in lender losses that would not have been losses had home equity been maintained
- Increased foreclosures resulted in higher litigation costs and acceleration in reporting of claims
- Increased exposure to mechanic lien claims from failures of builders and developers

Some traditional actuarial methods, such as paid loss development, are particularly sensitive to distortions in payment activity. We believe that the high level of foreclosure activity over the past four years is accelerating the reporting of claims, particularly lender claims, thereby increasing paid losses and expenses. As a result, a paid loss development approach may temporarily overstate ultimate cost projections. We believe that losses and expenses related to this accelerated claims activity, specifically losses relating to lender policies, will have a shorter duration and that expected payments relating to these policy years will eventually return to or perhaps even drop below historical levels. We have also seen positive development relating to the 2009 through 2013 policy years, which we believe is indicative of more stringent underwriting standards by us and the lending industry. In addition we have seen significant positive development in residential owners policies due to increased payments on residential lenders policies which inherently limit the potential loss on the related owners policy to the differential in coverage amount between the amount insured under the owner's policy and the amount paid under the residential lender's policy. Also, any residential lender policy claim paid relating to a property that is in foreclosure negates any potential loss under an owner's policy previously issued on the property as the owner has no equity in the property. Along with the positive development on claims management expenses, our ending open claim inventory decreased from approximately 30,000 claims at December 31, 2012 to approximately 24,000 claims at December 31, 2013 . If actual claims loss development is worse than currently expected and is not offset by other positive factors, such as continued improvement in claims management expenses and the other factors mentioned above, it is reasonably possible that our recorded reserves may fall outside a reasonable range of our actuary's central estimate, which may require additional reserve strengthening in future periods.

As of December 31, 2012 and 2011 , our recorded reserves were $1.7 billion and $1.9 billion, which we determined were reasonable and represented our best estimate and these recorded amounts were within a reasonable range of the central estimates provided by our actuaries.

An approximate $ 42 million increase (decrease) in our annualized provision for title claim losses would occur if our loss provision rate were 1% higher (lower), based on 2013 title premiums of $ 4,152 million. A 10% increase (decrease) in our reserve for title claim losses, as of December 31, 2013, would result in an increase (decrease) in our provision for title claim losses of approximately $ 164 million.

*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 intent and need to sell the investment prior to 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 or by using other qualitative factors. Fixed maturity investments that have unrealized losses caused by interest rate movements are not at risk as we do not anticipate having the need or intent to sell prior to maturity. Unrealized losses on investments in equity securities, preferred stock 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 intent or 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 our monitoring and analysis has provided 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.

The fair value hierarchy established by the standard on fair value includes three levels, which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

In accordance with the standard on fair value, our financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

*Level 1.* Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

*Level 2.* Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3.* Financial assets and liabilities whose values are based on model inputs that are unobservable.

The following table presents our fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2013 and 2012 , respectively:

| | December 31, 2013 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Assets: | | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 126 | $ — | $ 126 |
| State and political subdivisions | — | 1,075 | — | 1,075 |
| Corporate debt securities | — | 1,606 | — | 1,606 |
| Foreign government bonds | — | 43 | — | 43 |
| Mortgage-backed/asset-backed securities | — | 109 | — | 109 |
| Preferred stock available for sale | 73 | 78 | — | 151 |
| Equity securities available for sale | 136 | — | — | 136 |
| Other long-term investments | — | — | 38 | 38 |
| Foreign exchange contracts | — | 4 | — | 4 |
| Interest rate swap contracts | — | 2 | — | 2 |
| Total assets | $ 209 | $ 3,043 | $ 38 | $ 3,290 |
| Liabilities: | | | | |
| Commodity contracts | $ — | $ 2 | $ — | $ 2 |
| Interest rate swap contracts | — | 1 | — | 1 |
| Total liabilities | $ — | $ 3 | $ — | $ 3 |

| | December 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 139 | $ — | $ 139 |
| State and political subdivisions | — | 1,300 | — | 1,300 |
| Corporate debt securities | — | 1,499 | — | 1,499 |
| Foreign government bonds | — | 48 | — | 48 |
| Mortgage-backed/asset-backed securities | — | 154 | — | 154 |
| Preferred stock available for sale | 109 | 108 | — | 217 |
| Equity securities available for sale | 138 | — | — | 138 |
| Other long-term investments | — | — | 41 | 41 |
| Foreign exchange contracts | — | 6 | — | 6 |
| Commodity contracts | — | 1 | — | 1 |
| Total | $ 247 | $ 3,255 | $ 41 | $ 3,543 |
| Liabilities: | | | | |
| Commodity contracts | $ — | $ 2 | $ — | $ 2 |
| Total liabilities | $ — | $ 2 | $ — | $ 2 |

Our Level 2 fair value measures for fixed-maturities available for sale are provided by third-party pricing services. We utilize one firm for our taxable bond and preferred stock portfolio and another for our tax-exempt bond portfolio. These pricing services are leading global providers of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are:

- U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.
- State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.
- Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, or any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.
- Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.
- Mortgage-backed/asset-backed securities: These securities are comprised of commercial mortgage-backed securities, agency mortgage-backed securities, collaterized mortgage obligations, and asset-backed securities. They are valued based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.
- Preferred stock: Preferred stocks are valued by calculating the appropriate spread over a comparable US Treasury security. Inputs include benchmark quotes and other relevant market data.

Our Level 2 fair value measures for our interest rate swap, foreign exchange contracts, and commodity contracts are valued using the income approach. This approach uses techniques to convert future amounts to a single present value amount based upon market expectations (including present value techniques, option-pricing and excess earnings models).

Our Level 3 investments consist of structured notes that were purchased in the third quarter of 2009. The structured notes had a par value of $ 38 million at December 31, 2013 and 2012, and fair value of $38 million and $ 41 million at December 31, 2013 and 2012 , respectively. The structured notes are held for general investment purposes and represent one percent of our total investment portfolio. The structured notes are classified as Other long-term investments and are measured in their entirety at fair value with changes in fair value recognized in earnings. The fair value of these instruments are the product of a proprietary valuation model utilized by the trading desk of the broker-dealer and contain assumptions relating to volatility, the level of interest rates, and the underlying value of the indexes, exchange-traded funds, and foreign currencies. We review the pricing methodologies for our Level 3 investments to ensure that they are reasonable and believe they represent an exit price as of December 31, 2013 .

During the years ended December 31, 2013 , 2012 and 2011, we incurred impairment charges relating to investments that were determined to be other-than-temporarily impaired, which resulted in impairment charges of $1 million , $ 3 million, and $17 million , respectively. Impairment charges during all three years, related to fixed maturity securities primarily related to our conclusion that the credit risk of these holdings was high and the ability of the issuer to pay the full amount of the principal outstanding was unlikely.

Included in our Investments as of December 31, 2013 are various holdings in Foreign securities as follows (in millions):

| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Fair Value |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Available for sale securities: | | | | | |
| Australia | $ 50 | $ 48 | $ 2 | $ — | $ 50 |
| Belgium | 19 | 18 | 1 | — | 19 |
| Canada | 60 | 61 | 1 | (2) | 60 |
| France | 6 | 6 | — | — | 6 |
| Germany | 33 | 33 | — | — | 33 |
| Ireland | 14 | 14 | — | — | 14 |
| Japan | 31 | 31 | — | — | 31 |
| Netherlands | 20 | 20 | — | — | 20 |
| Norway | 2 | 2 | — | — | 2 |
| Spain | 5 | 5 | — | — | 5 |
| Switzerland | 5 | 5 | — | — | 5 |
| United Kingdom | 60 | 59 | 1 | — | 60 |
| Other long-term investments: | | | | | |
| France | 25 | 25 | — | — | 25 |
| United Kingdom | 13 | 13 | — | — | 13 |
| Total | $ 343 | $ 340 | $ 5 | $ (2) | $ 343 |

We have reviewed all of these securities as of December 31, 2013 and do not believe that there is a risk of credit loss as these securities are in a gross unrealized gain position of $5 million and a gross unrealized loss position of $2 million . We held no European sovereign debt at December 31, 2013 .

*Goodwill.* We have made acquisitions in the past that have resulted in a significant amount of goodwill. As of December 31, 2013 and 2012 , goodwill aggregated $ 1,901 million and $ 1,908 million, respectively. The majority of our goodwill as of December 31, 2013 and 2012 relates to goodwill recorded in connection with the Chicago Title merger in 2000. In evaluating the recoverability of goodwill, we perform a qualitative analysis to determine whether it is more likely than not that our fair value exceeds our carrying value. Based on the results of this analysis, an annual goodwill impairment test may be completed based on an analysis of the discounted future cash flows generated by the underlying assets. The process of determining whether or not goodwill is impaired or recoverable relies on projections of future cash flows, operating results and market conditions. Future cash flow estimates are based partly on projections of market conditions such as the volume and mix of refinance and purchase transactions and interest rates, which are beyond our control and are likely to fluctuate. 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 our impairment tests. 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 in the future.We have completed our annual goodwill impairment analysis in each of the past three years and as a result, no impairment charges were recorded to goodwill in 2013 , 2012 , or 2011 . As of December 31, 2013 , we have determined that our goodwill has a fair value which substantially exceeds our carrying value.

*Other Intangible Assets.* We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts and trademarks which are generally recorded in connection with acquisitions at their fair value, and debt issuance costs relating to the issuance of our long-term notes payable. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method which takes into consideration expected customer attrition rates. 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. Debt issuance costs are amortized on a straight line basis over the contractual life of the related debt instrument.

In our Remy segment, upon entering into new or extending existing contracts, we may be required to purchase certain cores and inventory from our customers at retail prices, or be obligated to provide certain agreed support. The excess of the prices paid for the cores and inventory over fair value, and the value of any agreed support, are recorded as contract intangibles and amortized as a reduction to auto parts revenue on a method to reflect the pattern of economic benefit consumed. Customer contract intangibles which are not paid to customers, are amortized and recorded in cost of auto parts revenue.

We recorded no impairment expense related to other intangible assets in 2013 , 2012 , or 2011 .

*Revenue Recognition.* Our direct title insurance premiums and escrow, title-related and other 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. Historically, the time lag between the closing of these transactions by our agents and the reporting of these policies, or premiums, to us has been up to 15 months, with 70-80% reported within three months following closing, an additional 10-20% reported within the next three months and the remainder within seven to fifteen months. In addition to accruing these earned but unreported agency premiums, we also accrue agent commission expense, which was 76.1% , of agent premiums earned in 2013 , 76.2 % of agent premiums earned in 2012 and 77.1% of agent premiums earned in 2011 .We also record provision for claim losses at our average provision rate at the time we record the accrual for the premiums, which was 7.0% for 2013 and 2012 , and 6.8% for 2011 , and accruals for premium taxes and other expenses relating to our premium accrual. The resulting impact to pretax earnings in any period is less than 10% of the accrued premium amount. The impact of the change in the accrual for agency premiums and related expenses on our pretax earnings was a decrease of $ 7 million for the year ended December 31, 2013 , less than $ 1 million for the year ended 2012 and an increase of $ 8 million for the year ended 2011 . The amount due from our agents relating to this accrual, i.e., the agent premium less their contractual retained commission, was approximately $ 74 million and $ 90 million at December 31, 2013 and 2012 , respectively, which represents agency premiums of approximately $ 364 million and $ 438 million at December 31, 2013 and 2012 , respectively, and agent commissions of $ 290 million and $ 348 million at December 31, 2013 and 2012 , respectively. We may have changes in our accrual for agency revenue in the future if additional relevant information becomes available.

*Accounting for Income Taxes.* As part of the process of preparing the consolidated financial statements, we are required to determine income taxes in each of the jurisdictions in which we operate. This process involves estimating actual current tax expense together with assessing temporary differences resulting from differing recognition of items for income tax and accounting purposes. These differences result in deferred income tax assets and liabilities, which are included within the Consolidated Balance Sheets. We must then assess the likelihood that deferred income tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not likely, establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must reflect this increase as expense within Income tax expense in the Consolidated Statement of Earnings. Determination of income tax expense requires estimates and can involve complex issues that may require an extended period to resolve. Further, the estimated level of annual pre-tax income can cause the overall effective income tax rate to vary from period to period. We believe that our tax positions comply with applicable tax law and that we adequately provide for any known tax contingencies. We believe the estimates and assumptions used to support our evaluation of tax benefit realization are reasonable. Final determination of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different than estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income or cash flows in the period that determination is made.

**Certain Factors Affecting Comparability**

*Year ended December 31, 2012.* During the third quarter of 2012, we acquired 51% of Remy's total outstanding common shares. As a result of this acquisition we began to consolidate the results of Remy effective August 14, 2012. On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's; we have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55%. We have consolidated the results of ABRH as of May 11, 2012.

## Results of Operations

### *Consolidated Results of Operations*

*Net earnings.* The following table presents certain financial data for the years indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | | (Dollars in millions) | |
| Revenue: | | | |
| Direct title insurance premiums | $ 1,800 | $ 1,732 | $ 1,427 |
| Agency title insurance premiums | 2,352 | 2,101 | 1,830 |
| Escrow, title-related and other fees | 1,737 | 1,676 | 1,393 |
| Auto parts revenue | 1,127 | 417 | — |
| Restaurant revenue | 1,408 | 908 | — |
| Interest and investment income | 129 | 144 | 143 |
| Realized gains and losses, net | 12 | 187 | 7 |
| Total revenue | 8,565 | 7,165 | 4,800 |
| Expenses: | | | |
| Personnel costs | 2,134 | 1,863 | 1,568 |
| Agent commissions | 1,789 | 1,600 | 1,411 |
| Other operating expenses | 1,319 | 1,287 | 1,064 |
| Cost of auto parts revenue | 947 | 350 | — |
| Cost of restaurant revenue | 1,204 | 773 | — |
| Depreciation and amortization | 137 | 104 | 73 |
| Provision for title claim losses | 291 | 279 | 222 |
| Interest expense | 93 | 74 | 57 |
| Total expenses | 7,914 | 6,330 | 4,395 |
| Earnings from continuing operations before income taxes and equity in (loss) earnings of unconsolidated affiliates | 651 | 835 | 405 |
| Income tax expense | 205 | 245 | 131 |
| Equity in (loss) earnings of unconsolidated affiliates | (26) | 10 | 10 |
| Net earnings from continuing operations | $ 420 | $ 600 | $ 284 |
| Orders opened by direct title operations (in 000's) | 2,181 | 2,702 | 2,140 |
| Orders closed by direct title operations (in 000's) | 1,708 | 1,867 | 1,514 |

*Revenues.*

Total revenue in 2013 increased $1,400 million compared to 2012 , reflecting an incr ease in the Fidelity National Title Group, Remy, and Restaurant Group segments and both the FNF and Portfolio Company Corporate and Other segments. Total revenue in 2012 increased $2,365 million compared to 2011 , reflecting an increase in the Fidelity National Title Group segment and the FNF Corporate and Other segment as well as the addition of the Remy and Restaurant group segments, offset by a slight decrease in the Portfolio Company Corporate and Other segment.

Escrow, title-related and other fees increased $61 million in 2013 compared to 2012 , consisting of a decrease of $16 million in the Fidelity National Title Group segment and increases of $5 million in the FNF Corporate and Other segment and $72 in the Portfolio Company Corporate and Other segment. Escrow, title-related and other fees increased $283 million in 2012 compared to 2011 , consisting of an increase of $276 million in the Fidelity National Title Group segment and $11 million in the FNF Corporate and Other segment and offset by a decrease of $4 million in the Portfolio Company Corporate and Other segment.

Restaurant revenue includes the consolidated results of operations of ABRH and J. Alexander's. Auto parts revenue includes the consolidated results of operations of Remy.

The change in revenue from operations is discussed in further detail at the segment level below.

Interest and investmen t income levels are primarily a function of securities markets, interest rates and the amount of cash available for investment. Interest and investment income was $129 million , $144 million , and $143 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively. The decrease in 2013 as compared to 2012 is due to decreased bond yield and holdings. Effective return on average invested assets, excluding realized gains and losses, was 4.1% , 4.4% , and 4.3% for the years ended December 31, 2013 , 2012 , and 2011 , respectively.

Net realized gains and losses totaled $12 million , $187 million , and $7 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively. The net realized gain for the year ended December 31, 2013 includes an $11 million gain on the sale of FIS stock, a $10 million gain on individually insignificant portfolio sales, a $5 million net gain on sales of preferred stock, and a $3 million gain on the settlement of a mortgage loan at J. Alexander's. These gains were offset by a $3 million loss on the structured notes, $4 million in title plant impairments, a $3 million loss on debt extinguishment at Remy, and $7 million in other individually immaterial impairments and net losses. The net realized gain for the year ended December 31, 2012 includes a $ 73 million gain on the consolidation of ABRH and O'Charley's, a $ 48 million bargain purchase gain on the acquisition of O'Charley's, a $ 78 million gain on the consolidation of Remy, and $16 million in net gains from the sale of other various investments and assets, offset by a $6 million impairment on land held at our majority-owned affiliate Cascade Timberlands, a $6 million loss on the early extinguishment of our 5.25% bonds, $3 million impairment charges on investments determined to be other-than-temporarily impaired and a $13 million impairment for title plants no longer in use. The net realized gain for the year ended December 31, 2011 includes $28 million net gains on various investments and other assets, offset by a $4 million decrease in the value of our structured notes and $17 million in impairment charges on investments determined to be other-than-temporarily impaired.

*Expenses.*

Our operating expenses consist primarily of personnel costs and other operating expenses, which in our title insurance business are incurred as orders are received and processed, and agent commissions, which are incurred as revenue is recognized, as well as cost of auto parts revenue and cost of restaurant revenue. Title insurance premiums, escrow and title-related fees are generally recognized as income at the time the underlying transaction closes. As a result, direct title 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 exists in reducing variable costs and certain fixed costs are incurred regardless of revenue levels.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. Personnel costs totaled $2,134 million , $1,863 million , and $1,568 million for the years ended December 31, 2013 , 2012 and 2011 , respectively. Personnel costs increased $271 million, or 14.5%, for the year ended December 31, 2013 from the 2012 period, with increases of $94 million in the Fidelity National Title Group segment, $8 million in the FNF Corporate and Other segment,$22 million from the Restaurant Group segment , $57 million from the Remy segment and $90 million in the Portfolio Company Corporate and Other segment. Personnel costs increased $295 million, or 18.8% for the year ended December 31, 2012 from the 2011 period, with an increase of $226 million in the Fidelity National Title Group segment, $13 million in the Portfolio Company Corporate and Other segment, and an additional $29 million and $43 million from the Remy and Restaurant Group segments, respectively. These increases were offset by a $16 million decrease in the FNF Corporate and Other segment. Personnel costs as a percentage of total revenues were 24.9% , 26.0% , and 32.7% for the years ended December 31, 2013 , 2012 , and 2011 , respectively. Average employee count, excluding Remy and the Restaurant Group, was 19,722, 18,719 and 17,330 for the years ended December 31, 2013 , 2012 , and 2011 , respectively. In 2012 t here were 33,859 employees added with the consolidation of the Restaurant group and 6,631 employees added with the consolidation of Remy. As of December 31, 2013, average employee count was 6,602 at Remy and 33,389 at the Restaurant Group. Included in personnel costs is stock-based compensation expense of $ 35 million, $ 27 million, and $ 27 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively. The change in personnel costs is discussed in further detail at the segment level below.

Agent commissions represent the portion of premiums retained by agents pursuant to the terms of their respective agency contracts. The change in agent commissions is discussed in further detail at the segment level below.

O ther operating expenses consist primarily of facilities expenses, title plant maintenance, 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, travel expenses, general insurance, and trade and notes receivable allowances. Other operating expenses as a percentage of direct title insurance premiums and escrow, title-related and other fees were 37.3% , 37.8% , and 37.7% for the years ended December 31, 2013 , 2012 , and 2011 , respectively. Other operating expenses increased $32 million or 2.5% in 2013 from 2012 , reflecting increases of $34 million in the FNF Corporate and Other segment, $28 million in the Remy segment, and $8 million in the Portfolio Company Corporate and Other segment, offset by decreases of $32 million in the Fidelity National Title Group segment, and $6 million in the Restaurant Group segment. The increase in the FNF Corporate and Other segment is due mainly to a $20 million charge related to an employee litigation matter as well as $16 million in expenses related to the acquisition of LPS. The increase in the Remy segment is mainly due to the fact that 2013 is the first full year for which the results of Remy have been consolidated. The increase in the Portfolio Company Corporate and Other segment is mainly due to $11 million additional expenses related to Digital Insurance. In the Fidelity National Title Group segment, the decrease in other operating expenses was due mainly to decreases in cost of sales, title plant maintenance and premium taxes. The decrease in the Restaurant Group is primarily related to a decrease in transaction and integration costs from 2012 to 2013. Other operating expenses increased $223 million or 21.0% in 2012 from 2011 , reflecting increases of $122 million in the Fidelity National Title Group segment and $9 million in the FNF Corporate and Other segment, $3 million in the Portfolio Company Corporate and Other segment, as well as an additional $18 million from the Remy segment and $71 million from the Restaurant Group segment. In the Fidelity National Title Group segment, the increase was due mainly to increases in cost of sales, consistent with the increases in revenue. Other operating expenses for the years ended December 31, 2013 , 2012 and 2011 , included $ 1 million, $ 2 million and $ 1 million, respectively, in abandoned lease charges relating to office closures.

Cost of auto parts revenue includes cost of raw materials, payroll and related costs and expenses directly related to manufacturing, and overhead expenses allocated to the costs of production such as depreciation and amortization at Remy. Remy results of operations are discussed in further detail at the segment level below.

Cost of restaurant revenue includes cost of food and beverage, primarily the costs of beef, seafood, poultry, dairy and alcoholic and non-alcoholic beverages net of vendor discounts and rebates, payroll and related costs and expenses directly relating to restaurant level activities and restaurant operating costs including occupancy and other expenses at the restaurant level. The Restaurant Group results of operations are discussed in further detail at the segment level below.

Depreciation and amortization increased $33 million in 2013 from 2012 , mainly due to additional expense of $21 million in the Remy and Restaurant group segments as 2013 includes a full year of depreciation and amortization for these segments. Depreciation and amortization increased $31 million in 2012 from 2011 mainly relating to the additional $36 million depreciation expense from our Remy and Restaurant Group segments added during the year, offset by a decrease due to older assets being fully depreciated.

The provision for title claim losses includes an estimate of anticipated title and title-related claims, and escrow losses. The provision for title claim losses is discussed in further detail below at the segment level.

Interest expense for the years ended December 31, 2013 , 2012 , and 2011 was $93 million , $74 million , and $57 million , respectively. The increase in 2013 from 2012 is due to additional expense of $14 million from the interest incurred on the 5.50% notes issued in August of 2012, as 2013 included a full year of interest on these notes. Also contributing to the increase was increased expense from Remy and the Restaurant Group of $15 million versus 2012, as 2013 was the first full year that we have consolidated these operations. This was offset by $9 million less in interest expense on the 5.25% notes that were paid during the third quarter of 2012. T he increase in 2012 from 2011 is due to additional interest incurred on the 5.50% notes issued in August of 2012, as well as additional interest expense of $13 million from our Remy and Restaurant Group segments added during the year.

Income tax expense was $205 million , $245 million , and $131 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively. Income tax expense as a percentage of earnings from continuing operations before income taxes for the years ended December 31, 2013 , 2012 , and 2011 was 31.5% , 29.3% , and 32.4% , respectively. The fluctuation in income tax expense as a percentage of earnings from continuing operations 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 the weighting of operating income versus investment income. The increase in the effective tax rate in 2013 from 2012 is due to the inclusion of a one-time tax benefit related to the bargain purchase gain on the O'Charley's acquisition and the consolidation of Remy in the 2012 rate.

Equity in (losses) earnings of unconsolidated affiliates was $ (26) million, $ 10 million, and $ 10 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively, and consisted of our equity in the net earnings (losses) of Ceridian, Remy prior to its consolidation in August 2012, and other investments in unconsolidated affiliates. The decrease in 2013 is due mainly to our share of the larger losses at Ceridian, which include $17 million in non-recurring costs relating to the write off of a deferred tax asset and debt extinguishment costs.

## ***Segment Results of Operations***

### ***FNF Core Operations***

*Fidelity National Title Group*

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

| | Year Ended December 31, 2013 | 2012 | 2011 |
|---|---|---|---|
| | | (In millions) | |
| Revenues: | | | |
| Direct title insurance premiums | $ 1,800 | $ 1,732 | $ 1,427 |
| Agency title insurance premiums | 2,352 | 2,101 | 1,830 |
| Escrow, title-related and other fees | 1,597 | 1,613 | 1,337 |
| Interest and investment income | 127 | 139 | 142 |
| Realized gains and losses, net | 18 | 1 | 7 |
| Total revenue | 5,894 | 5,586 | 4,743 |
| Expenses: | | | |
| Personnel costs | 1,832 | 1,738 | 1,512 |
| Other operating expenses | 1,096 | 1,128 | 1,006 |
| Agent commissions | 1,789 | 1,600 | 1,411 |
| Depreciation and amortization | 65 | 64 | 70 |
| Provision for title claim losses | 291 | 279 | 222 |
| Interest expense | — | 1 | 1 |
| Total expenses | 5,073 | 4,810 | 4,222 |
| Earnings before income taxes | $ 821 | $ 776 | $ 521 |

Total revenues in 2013 increased $308 million or 5.5% compared to 2012 . Total revenues in 2012 in creased $843 million or 17.8% compared to 2011 .

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

| | Year Ended December 31, 2013 | | 2012 | | 2011 | |
|---|---|---|---|---|---|---|
| | Amount | % | Amount | % | Amount | % |
| | | | (Dollars in millions) | | | |
| Title premiums from direct operations | $ 1,800 | 43.4% | $ 1,732 | 45.2% | $ 1,427 | 43.8% |
| Title premiums from agency operations | 2,352 | 56.6 | 2,101 | 54.8 | 1,830 | 56.2 |
| Total title premiums | $ 4,152 | 100.0% | $ 3,833 | 100.0% | $ 3,257 | 100.0% |

In 2013 , the proportion of agency premiums to direct premiums increased, with agency premiums comprising 56.6% of total premiums in 2013 , compared with 54.8% in 2012 . In 2012 the proportion of agency premiums to direct premiums decreased to 54.8% of total premiums, compared with 56.2% in 2011 .

The following table presents the percentages of opened and closed title insurance orders generated by purchase and refinance transactions by our direct operations:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| Opened title insurance orders from purchase transactions (1) | 46.1% | 34.7% | 42.8% |
| Opened title insurance orders from refinance transactions (1) | 53.9 | 65.3 | 57.2 |
| | 100.0% | 100.0% | 100.0% |
| | | | |
| Closed title insurance orders from purchase transactions (1) | 42.6% | 35.9% | 41.8% |
| Closed title insurance orders from refinance transactions (1) | 57.4 | 64.1 | 58.2 |
| | 100.0% | 100.0% | 100.0% |

(1) Percentages exclude consideration of an immaterial number of non-purchase and non-refinance orders.

The increase of $68 million in title premiums from direct operations in 2013 was primarily due to an increase in fee per file. In 2013, mortgage interest rates have remained consistent with the low levels experienced in 2012 and 2011. Closed order volumes were 1,708,000 and 1,867,000 in the years ending 2013 and 2012 , respectively. The average fee per file in our direct operations was $ 1,660 and $ 1,487 in the years ending 2013 and 2012 , respectively, with the increase reflecting a higher volume of purchase transactions, which have a higher fee per file, as well as a higher average fee per file on commercial transactions in 2013 versus the 2012 period. The increase of $305 million in title premiums from direct operations in 2012 compared to 2011 was due primarily to an increase in refinance orders and an increase in commercial transactions during the year. Closed order volumes were 1,867,000 and 1,514,000 in the years ending 2012 and 2011 , respectively. The average fee per file in our direct operations was $ 1,487 and $ 1,489 in the years ending 2012 and 2011 , respectively. The fee per file tends to change as the mix of refinance and purchase transactions changes, because purchase transactions generally involve the issuance of both a lender's policy and an owner's policy, resulting in higher fees, whereas refinance transactions typically only require a lender's policy, resulting in lower fees. The fee per file will also increase as the proportion of commercial orders increases and as residential properties appreciate, which increases the value of the amount insured.

The increase of $251 million and $271 million in agency premiums in 2013 and 2012 is primarily the result of an increase in remitted agency premiums related to the mix of business. Our percentage of title premiums from agency operations compared to direct operations has increased due to our agency operations typically garnering a higher percentage of purchase transactions and a lower percentage of commercial and refinance transactions. The increase in 2013 and 2012 was primarily due to strengthening in the residential purchase market.

In the Fidelity National Title Group segment, escrow fees, which are more directly related to our direct operations, decreased $ 16 million, or 2.3% , in 2013 compared to 2012 primarily due to a decrease at a division of our ServiceLink business that handles default services. Escrow fees in the Fidelity National Title Group segment increased $148 million , or 26.4% , in 2012 compared to 2011 due to the increase in direct title premiums over the prior year. Other fees in the Fidelity National Title Group segment, excluding escrow fees, increased $128 million , or 16.5% , in 2012 compared to 2011 primarily due to an increase in revenues from refinance and commercial transactions as well as increases in our other title related businesses, consistent with the title operations.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. In the Fidelity National Title Group segment the increase of $94 million in 2013 from 2012 is due to an increase in employee levels, higher bonuses and commissions, as well as an increase in average annualized personnel cost which correspond to increases in closed order counts and revenues. The increase in personnel costs of $226 million in 2012 from 2011 is due mainly to increases in open and closed order counts. Average employee count in the title segment in creased to 19,722 in 2013 from 18,509 in 2012 and increased in 2012 from 17,036 in 2011 . Personnel costs in the title segment as a percentage of total revenues from direct title premiums and escrow, title-related and other fees were 53.9% , 52.0% and 54.7% for the years ended December 31, 2013 , 2012 , and 2011 , respectively .

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, | | | | | |
|---|---|---|---|---|---|---|
| | 2013 | | 2012 | | 2011 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Agent title premiums | $ 2,352 | 100.0% | $ 2,101 | 100.0% | $ 1,830 | 100.0% |
| Agent commissions | 1,789 | 76.1 | 1,600 | 76.2 | 1,411 | 77.1 |
| Net retained agent premiums | $ 563 | 23.9% | $ 501 | 23.8% | $ 419 | 22.9% |

Net margin from agency title insurance premiums retained as a percentage of total agency premiums remained consistent with 2012. Net margin from agency title insurance premiums we retain as a percentage of total agency premiums increased from 22.9% in 2011 to 23.8% in 2012 . The increase in 2012 is due primarily to the modification of various agency agreements since 2010 which resulted in an increase to our retained premium including our move to an 80%/20% split in New York.

The provision for title claim losses includes an estimate of anticipated title and title-related claims and escrow losses. T he 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 title claim losses accordingly as new information becomes known, new loss patterns emerge, or as other contributing factors are considered and incorporated into the analysis of the reserve for claim losses. The claim loss provision for title insurance was $ 291 million, $ 279 million, and $ 222 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively. These amounts reflected average claim loss provision rates of 7.0% for 2013 and 2012 , and 6.8% of title premiums for 2011 . The claim loss provision for 2012 also includes an $11 million impairment recorded on an asset previously recouped as part of a claim settlement. We will continue to monitor and evaluate our loss provision level, actual claims paid, and the loss reserve position.

*FNF Corporate and Other*

The FNF Corporate and Other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations. The FNF Corporate and Other segment generated revenues of $56 million, $45 million and $39 million f or the years ended December 31, 2013 , 2012 , and 2011 , respectively.

Revenues increased $11 million, or 24.4%, and $6 million, or 15.4%, in 2013 and 2012, respectively.

Personnel costs were $37 million, $29 million, and $45 million f or the years ended December 31, 2013 , 2012 , and 2011 , respectively.

This segment generated pretax losses of $145 million, $107 million and $115 million f or the years ended December 31, 2013 , 2012 , and 2011 , respectively. The 2013 period includes a $20 million charge related to an employee litigation matter as well as $16 million in expenses related to the acquisition of LPS, and a $10 million executive separation charge.

***Portfolio Company Investments***

*Remy*

The results of this segment reflected in the year ended December 31, 2013 , reflect results of Remy and subsidiaries which were initially consolidated on August 14, 2012.

| | Year Ended December 31, 2013 | Year Ended December 31, 2012 |
|---|---|---|
| | (In millions) | |
| Revenues: | | |
| Auto parts revenue | $ 1,127 | $ 417 |
| Interest and investment income | 2 | 1 |
| Realized gains and losses, net | (4) | 79 |
| Total revenues | 1,125 | 497 |
| Expenses: | | |
| Personnel costs | 86 | 29 |
| Cost of auto parts revenue, includes $72 and $27 of depreciation and amortization in the years ended December 31, 2013 and 2012 | 947 | 350 |
| Other operating expenses | 46 | 18 |
| Depreciation and amortization | 4 | 1 |
| Interest expense | 20 | 10 |
| Total expenses | 1,103 | 408 |
| Earnings from continuing operations before income taxes | $ 22 | $ 89 |

The year ended December 31, 2013 is the first full twelve-month period for which operating results for Remy have been consolidated. Remy's 2013 revenues decreased due to decreased volume in the original equipment and hybrid divisions, partially offset by an increase in light vehicle aftermarket and favorable foreign currency effects. Remy's cost of sales remained flat at 84% of revenue. The results of the Remy segment for the year ending December 31, 2013 were negatively affected by $3 million in debt extinguishment charges, $4 million of restructuring charges and a $7 million charge to Personnel costs for a one-time executive separation payment made to Remy's former Chief Executive Officer. Prior to consolidation of Remy on August 14, 2012, we previously held a $179 million investment in Remy, which was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheet. As a result of the difference between our basis in these investments and the fair value at the time of consolidation, we recognized a $78 million realized gain during the year ended December 31, 2012. Results for the year ended December 31, 2012, were negatively affected by a one-time mark-to-market fair value adjustment to Remy's finished goods inventory recorded in the third quarter as a result of the purchase accounting related to the Remy acquisition, and $5 million of restructuring costs incurred during the year.

*Restaurant Group*

The year ended December 31, 2013 is the first full twelve-month period for which operating results for the Restaurant Group segment have been consolidated. The results for the year ended December 31, 2012 reflect results of O'Charley's Inc. and subsidiaries as of the date of acquisition, April 9, 2012 through December 31, 2012 , the results of ABRH as of the date of merger with O'Charley's, May 11, 2012 through December 31, 2012 , as well as the results of J. Alexander's as of the date of acquisition, September 26, 2012 through December 31, 2012 .

| | Year Ended December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| Revenues: | | |
| Restaurant revenue | $ 1,408 | $ 908 |
| Realized gains and losses, net | (1) | 119 |
| Total revenues | 1,407 | 1,027 |
| Expenses: | | |
| Personnel costs | 65 | 43 |
| Cost of restaurant revenue | 1,204 | 773 |
| Other operating expenses | 65 | 71 |
| Depreciation and amortization | 53 | 35 |
| Interest expense | 8 | 3 |
| Total expenses | 1,395 | 925 |
| Earnings from continuing operations before income taxes | $ 12 | $ 102 |

During 2013, the Restaurant Group achieved moderate revenue growth from operating activities since 2012 including positive same store sales in the fourth quarter at O'Charley's for the first time since its acquisition. The Restaurant Group also completed their integration and began to see expense savings from synergies identified between the legacy ABRH and O'Charley's companies. Also included in the Restaurant Group's 2013 results were $7 million of transaction and integration costs included in Other operating expenses.

Prior to its consolidation on April 9, 2012, we held a $14 million investment in common stock of O'Charley's, Inc., which was included in Equity securities available for sale on the Consolidated Balance Sheet and a $37 million investment in ABRH which was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheet. As a result of the difference between our basis in these investments and the fair value at the time of consolidation, we recognized a $73 million realized gain during the year ended December 31, 2012 . We also recognized a $48 million bargain purchase gain relating to the acquisition of O'Charley's. See Note B in the Notes to Consolidated Financial Statements for further discussion. Also included in the results of operations of the Restaurant Group for the year ended December 31, 2012 were $19 million of acquisition, transaction, and integration costs related to the O'Charley's tender offer and the subsequent merger with ABRH.

*Portfolio Company Corporate and Other*

The Portfolio Company Corporate and Other segment includes our share in the operations of certain equity investments, including Ceridian, Digital Insurance, Cascade Timberlands and other smaller operations. This segment also includes our Long Term Incentive Plan ("LTIP") established during 2012 which is tied to the fair value of certain of our Portfolio Company investments. The Portfolio Company Corporate and Other segment generated revenues of $90 million, $11 million, and $18 million f or the years ended December 31, 2013 , 2012 , and 2011 , respectively.

Revenues increased $79 million in 2013 compared to 2012 and decreased $7 million in 2012 compared to 2011 . The increase in 2013 was mainly attributable to the addition of Digital Insurance at the end of 2012, which contributed $69 million in revenue during 2013.

Personnel costs were $114 million in 2013, $24 million in 2012 and $11 million in 2011. Personnel costs in 2013 include a $54 million accrual for our LTIP. Also included in 2013 were $43 million of personnel costs at Digital Insurance. Personnel costs in 2012 include an $10 million accrual for the LTIP.

This segment generated pretax losses of $59 million, $25 million, and $1 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively. The change in pretax earnings in all periods is primarily related to the additional LTIP expense. The 2012 period includes a $6 million impairment on land held at Cascade Timberlands.

*Intercompany Eliminations*

In our segment results, which are documented above, we have eliminated transactions between our operating segments which mainly relate to intercompany notes between Fidelity National Financial, Inc., the parent company, and subsidiaries which were entered into during 2012. The related interest has also been eliminated. For the year ending December 31, 2013, interest income on the FNF Corporate and Other segment of $7 million was eliminated against interest expense of $3 million, $1 million and $3 million on the Portfolio Company Corporate and Other, Remy and Restaurant Group segments, respectively. For the year ending December 31, 2012, interest income on the FNF Corporate and Other segment of $1 million was eliminated against interest expense of $1 million on Remy segments.

**Liquidity and Capital Resources**

*Cash Requirements.* Our current cash requirements include personnel costs, operating expenses, claim payments, taxes, payments of interest and principal on our debt, capital expenditures, business acquisitions, stock repurchases and dividends on our common stock. We paid dividends of $ 0.66 per share during 2013 , or approximately $ 153 million. On January 28, 2014 , our Board of Directors formally declared an $0.18 per share cash dividend that is payable on March 31, 2014 to stockholders of record as of March 17, 2014 . There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders, although there are limits on the ability of certain subsidiaries to pay dividends to us, as described below. The declaration of any future dividends is at the discretion of our Board of Directors. Additional uses of cash flow are expected to include stock repurchases, acquisitions, and debt repayments.

We continually assess our capital allocation strategy, including decisions relating to the amount of our dividend, reducing debt, repurchasing our stock, and/or conserving cash. 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, potential sales of non-strategic assets, and borrowings on 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 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 such forecasts.

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 claims 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 receive cash from our subsidiaries in the form of dividends and as reimbursement for operating and other administrative expenses we incur. The reimbursements are paid within the guidelines of management agreements 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 distributions. As of December 31, 2013 , $ 1,909 million of our net assets were restricted from dividend payments without prior approval from the relevant departments of insurance. During 2014 , our title insurance subsidiaries can pay or make distributions to us of approximately $ 308 million without prior regulatory approval. Our underwritten title companies and non-title insurance subsidiaries collect revenue and pay operating expenses. However, they are not regulated to the same extent as our insurance subsidiaries.

The maximum dividend permitted by law is not necessarily indicative of an insurer’s actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer’s ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in interpretation of statutory accounting requirements by regulators.

We are focused on evaluating our non-core assets and investments as potential vehicles for creating liquidity. Our intent is to use that liquidity for general corporate purposes, including payment of dividends as declared by the Board of Directors and potentially reducing debt, repurchasing shares of our stock, other strategic initiatives and/or conserving cash. On January 31, 2014, our Board of Directors approved a plan to create a tracking stock for our Portfolio Company Investments. We would contribute these Portfolio Company Investments into a new subsidiary, FNFV, and create and distribute a class of shares to FNF shareholders that tracks the performance of FNFV. The primary portfolio company investments that will be contributed to FNFV includes our equity interests in Remy, ABRH, J. Alexander's, Ceridian, and Digital Insurance. We also intend to provide $200 million in financial support to FNFV comprised of $100 million in cash and $100 million in an intercompany loan upon formation of the tracking stock. All additional investments in existing portfolio companies and any new portfolio company investments will be funded and managed by FNFV. Cash flow from FNF's core operations will be used to reinvest in core operations, repay debt, pay dividends and repurchase stock. During 2011, we were able to increase our liquidity through the sale of our flood and at-risk insurance businesses, which generated approximately $120 million during 2011 and $195 million in 2012 in net cash proceeds. During 2011, we were able to create additional liquidity through the 2010 sale of our 32% interest in Sedgwick, which generated cash proceeds of approximately $32 million in 2011.

Our cash flows provided by operations for the years ended December 31, 2013 , 2012 , and 2011 were $484 million , $620 million and $110 million , respectively. The decrease in cash provided by operations of $136 million from 2013 to 2012 is primarily due to $16 million in transaction costs related to the acquisition of LPS, a $20 million employee litigation payment, a $12 million increase in prepaid assets, a $7 million payment for an executive severance payment at Remy, a $14 million final payment on a legal settlement and the remainder is attributable to the decrease in operating earnings.The increase in cash provided by operations of $510 million from 2011 to 2012 is due primarily to increased earnings from continuing operations in 2012 as well as lower title claim payments in 2012 compared to 2011 .

*Capital Expenditures.* Total capital expenditures for property and equipment and capitalized software were $145 million , $79 million and $36 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively. The increase from 2012 to 2013 is due to increased capital expenditures of $30 million in the Fidelity National Title Group segment, $10 million of which related to building a new headquarters building for our ServiceLink division during 2013 and $11 million of software development costs at our ServiceLink division in 2013. An additional $36 million of capital expenditures were made in our Remy and Restaurant Group segment, primarily related to remodeling efforts in our Restaurant Group and Remy's expansion of a manufacturing facility in China. The increase from 2011 to 2012 is mainly due to $36 million in additions from our Remy and Restaurant Group segments, including capital expenditures in our Restaurant Group segment to remodel existing locations.

*Financing.* For a description of our financing arrangements see Note J to the Consolidated Financial Statements included in Item 8 of Part II of this Report, which is incorporated by reference into this Part II, Item 7.

*Seasonality.* H istorically, real estate transactions have produced seasonal revenue levels for the real estate industry including 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 third calendar quarter has been typically the strongest in terms of revenue primarily due to a higher volume of home sales in the summer months and the fourth quarter is usually also strong due to commercial entities desiring to complete transactions by year-end. We have noted short term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates and the implementation and subsequent expiration of government programs designed to stimulate the real estate market. In 2013, we have seen seasonality trends return to historical patterns. During 2012 and 2013, we experienced an increase in existing home sales to the highest volume levels since 2007. We have also seen a decline in total housing inventory to the lowest levels since 2005.

In our Restaurant Group, average weekly sales per restaurant are typically higher in the first and fourth quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

*Contractual Obligations.* Our long term contractual obligations generally include our loss reserves, our credit agreements and other debt facilities, operating lease payments on certain of our premises and equipment and purchase obligations of Remy and the Restaurant Group.

As of December 31, 2013 , our required annual payments relating to these contractual obligations were as follows:

| | 2014 | 2015 | 2016 | 2017 | 2018 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| | | | | (In millions) | | | |
| Notes payable | $ 18 | $ 13 | $ 13 | $ 332 | $ 304 | $ 661 | $ 1,341 |
| Operating lease payments | 178 | 150 | 123 | 101 | 76 | 298 | 926 |
| Pension and other benefit payments | 21 | 22 | 21 | 20 | 19 | 125 | 228 |
| Title claim losses | 325 | 260 | 185 | 144 | 105 | 617 | 1,636 |
| Unconditional purchase obligations | 178 | 45 | 23 | 4 | — | — | 250 |
| Other | 69 | 68 | 68 | 54 | 30 | 126 | 415 |
| Total | $ 789 | $ 558 | $ 433 | $ 655 | $ 534 | $ 1,827 | $ 4,796 |

As of December 31, 2013 , we had title insurance reserves of $1,636 million. The amounts and timing of these obligations are estimated and are not set contractually. 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, escrow theft, multiple property title defects, foreclosure rates and individual large loss events that can substantially and unexpectedly cause increases in both the amount and timing of estimated title insurance loss payments; and
- 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.

Based on historical title insurance claim experience, we anticipate the above payment patterns. The uncertainty and variation in the timing and amount of claim payments could have a material impact on our cash flows from operations in a particular period.

The Restaurant Group has unconditional purchase obligations with various vendors. These purchase obligations are primarily food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. We used both historical and projected volume and pricing as of December 31, 2013 to determine the amount of the obligations.

Remy has long-term customer obligations related to outstanding customer contracts. These contracts designate Remy to be the exclusive supplier to the respective customer, product line or distribution center and require Remy to compensate these customers over several years for store support. Remy has also entered into arrangements with certain customers under which cores, a key component in its remanufacturing operations, are purchased and held in inventory. Credits to be issued to these customers for these arrangements are recorded at net present value and are reflected as long-term customer obligations.

We sponsor multiple pension plans and other post-retirement benefit plans. See Note O of the Notes to Consolidated Financial Statements.

Other contractual obligations include estimated future interest payments on our outstanding debt and an investment commitment entered into in 2013 for $35 million to be made in the future, of which $29 million is outstanding as of December 31, 2013.

The above table does not include the debt we incurred on January 2, 2014 in connection with the LPS acquisition, as described above in Note J of the Notes to Consolidated Financial Statements.

*Capital Stock Transactions.* Subsequent to year end, on January 2, 2014 as part of the LPS Acquisition, we issued 25,920,078 shares of FNF common stock as consideration for the LPS Acquisition to the former shareholders of LPS.

On October 24, 2013, we offered 17,250,000 shares of our common stock at an offering price of $26.75 per share, pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. We granted the underwriters a 30-day option to purchase 2,587,500 additional shares at the offering price, which was subsequently exercised in full. A total of 19,837,500 shares were issued on October 30, 2013, for net proceeds of approximately $511 million. The net proceeds from this offering were used to pay a portion of the cash consideration for the LPS Acquisition on January 2, 2014.

On July 21, 2009, the Board of Directors approved a three-year stock repurchase program under which we could repurchase up to 15 million shares of our common stock through July 31, 2012. On January 27, 2011, our Board of Directors approved an additional 5 million shares that could be repurchased under the program. This program expired July 31, 2012, and we repurchased a total of 16,528,512 shares for $ 243 million, or an average of $ 14.73 per share under this program.

On July 21, 2012, our Board of Directors approved a three-year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our common stock through July 31, 2015. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2013 , we repurchased a total of 1,400,000 shares for $34 million , or an average of $24.14 per share, under this program. Subsequent to year-end we did not repurchase any shares through market close on February 27, 2014. Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 2,080,000 shares for $ 50 million , or an average of $ 23.90 per share, and there are 12,920,000 shares available to be repurchased under this program.

*Equity Security and Preferred Stock Investments.* Our equity security and preferred stock investments may be subject to significant volatility. Should the fair value of these investments fall below our cost basis and/or the financial condition or prospects of these companies deteriorate, we may determine in a future period that this decline in fair value is other-than-temporary, requiring that an impairment loss be recognized in the period such a determination is made.

The balance of equity securities includes an investment in FIS stock, which we purchased on October 1, 2009 pursuant to an investment agreement between us and FIS dated March 31, 2009 in connection with a merger between FIS and Metavante Technologies, Inc. During the fourth quarter of 2013, we sold 300,000 shares for a realized gain of $11 million. As of December 31, 2013, we owned 1,303,860 shares. The fair value of this investment was $ 70 million and $ 56 million as of December 31, 2013 and 2012 , respectively .

*Off-Balance Sheet Arrangements.* We do not engage in off-balance sheet activities other than facility and equipment leasing arrangements. On June 29, 2004 we entered into an off-balance sheet financing arrangement (commonly referred to as a “synthetic lease”). The owner/lessor in this arrangement acquired land and various real property improvements associated with new construction of an office building in Jacksonville, Florida, at our corporate campus and headquarters. The lessor financed the acquisition of the facilities through funding provided by third-party financial institutions. On June 27, 2011, we renewed and amended the synthetic lease for the facilities. The amended synthetic lease provides for a five year term ending June 27, 2016 and had an outstanding balance as of December 31, 2013 of $ 71 million. The amended lease includes guarantees by us of up to 83.0% of the outstanding lease balance, and options to purchase the facilities at the outstanding lease balance. The guarantee becomes effective if we decline to purchase the facilities at the end of the lease and also decline to renew the lease. The lessor is a third-party company and we have no affiliation or relationship with the lessor or any of its employees, directors or affiliates, and transactions with the lessor are limited to the operating lease agreements and the associated rent expense that have been included in Other operating expenses in the Consolidated Statements of Earnings. We do not believe the lessor is a variable interest entity, as defined in the FASB standard on consolidation of variable interest entities.

**Recent Accounting Pronouncements**

For a description of recent accounting pronouncements, see Note S of Notes to Consolidated Financial Statements included elsewhere herein.

**Item 7A.** ***Quantitative and Qualitative Disclosure about Market Risk***

In the normal course of business, we are routinely subject to a variety of risks, as described in the Risk Factors section of this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission. For example, we are exposed to the risk that decreased real estate activity, which depends in part on the level of interest rates, may reduce our title insurance revenues.

The risks related to our business also include certain market risks that may affect our debt and other financial instruments. At present, we face the market risks associated with our marketable equity securities subject to equity price volatility and with interest rate movements on our outstanding debt and fixed income investments.

We regularly assess these market risks and have established policies and business practices designed to protect against the adverse effects of these exposures.

At December 31, 2013 , we had $1,323 million in long-term debt, of which $ 319 million bears interest at a floating rate. Our fixed maturity investments, certain preferred stocks and our floating rate debt are subject to an element of market risk from changes in interest rates. 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. We manage interest rate risk through a variety of measures. We monitor our interest rate risk and make investment decisions to manage the perceived risk. However, except for Remy as described below, we do not currently use derivative financial instruments to hedge these risks.

On March 27, 2013, Remy entered into a new undesignated interest rate swap agreement of $72 million of the outstanding principal loan balance under which Remy will swap a variable LIBOR rate with a floor of 1.25% to a fixed rate of 4.05% with an effective date of December 30, 2016 and expiration date of December 31, 2019. The notional value of this interest rate swap is $72 million. This interest rate swap is an undesignated hedge and changes in the fair value are recorded as Interest expense in the accompanying Condensed Consolidated Statements of Earnings.

On March 27, 2013, Remy also entered into a designated interest rate swap agreement for $72 million of the outstanding principal balance of its long term debt. Under the terms of the new interest rate swap agreement, Remy will swap a variable LIBOR rate with a floor of 1.25% to a fixed rate of 2.75% with an effective date of December 30, 2016 and expiration date of December 31, 2019. The notional value of this interest rate swap is $72 million. This interest rate swap has been designated as a cash flow hedging instrument.

The interest rate swaps reduce Remy's overall interest rate risk.

Remy production processes are dependent upon the supply of certain components whose raw materials are exposed to price fluctuations on the open market. The primary purpose of Remy's commodity price forward contract activity is to manage the volatility associated with forecasted purchases. Remy monitors commodity price risk exposures regularly to maximize the overall effectiveness of commodity forward contracts. The principal raw material hedged is copper. Forward contracts are used to mitigate commodity price risk associated with raw materials, generally related to purchases forecast for up to twenty-four months in the future. Additionally, Remy purchases certain commodities during the normal course of business which result in physical delivery and are excluded from hedge accounting.

Remy had thirty-two commodity price hedge contracts outstanding at December 31, 2013 , with combined notional quantities of 6,368 metric tons of copper. These contracts mature within the next eighteen months. These contracts were designated as cash flow hedging instruments.

Equity price risk is the risk that we will incur economic losses due to adverse changes in equity prices. In the past, our exposure to changes in equity prices primarily resulted from our holdings of equity securities. At December 31, 2013 , we held $ 136 million in marketable equity securities (not including our investments in preferred stock of $ 151 million at December 31, 2013 and our Investments in unconsolidated affiliates, which amounted to $ 357 million at December 31, 2013 ). 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.

In addition to our equity securities, fixed maturity investments and borrowings, we hold structured notes which were purchased during 2009 with a par value of $ 38 million and fair value of $ 41 million at December 31, 2013 . These instruments are subject to market risks including commodity price risk. The fair value of these instruments represents exit prices obtained from a proprietary valuation model utilized by the trading desk of a broker-dealer. The fair value of the structured notes is subject to various assumptions utilized in the valuation model, including the underlying value of the relevant commodities index. The structured notes are held for general investment purposes and represent one percent of our tot al investment portfolio. In part because of the relatively small size of this investment, we do not believe that an adverse change in the relevant commodity prices, foreign exchange rates or interest rates on which the value of the notes depends would likely have a material effect on our financial position, and therefore we have not provided a sensitivity analysis for these instruments.

Financial instruments, which potentially subject us to concentrations of credit risk, consist primarily of accounts receivable and cash investments. We require placement of cash in financial institutions evaluated as highly creditworthy. Remy's customer base includes global light and commercial vehicle manufacturers and a large number of retailers, distributors and installers of automotive aftermarket parts. Remy evaluates the credit and the geographical dispersion of sales transactions to help mitigate credit risk concentration.

Remy manufactures and sells products primarily in North America, South America, Asia, Europe and Africa. As a result Remy's financial results could be significantly affected by factors such as changes in foreign currency exchange rates or weak economic conditions in foreign markets in which we manufacture and sell our products. Remy generally uses natural hedges within its foreign currency activities, including the matching of revenues and costs, to minimize foreign currency risk. Where natural hedges are not in place, Remy considers managing certain aspects of its foreign currency activities through the use of foreign exchange contracts. Remy primarily utilizes forward exchange contracts with maturities generally within twenty-four months to hedge against currency rate fluctuations, some of which are designated as hedges. See Note E for further discussion.

For purposes of this Annual Report on Form 10-K, we perform a sensitivity analysis to determine the effects that market risk exposures may have on the fair values of our debt and other financial instruments.

The financial instruments that are included in the sensitivity analysis with respect to interest rate risk include fixed maturity investments, preferred stock and notes payable. The financial instruments that are included in the sensitivity analysis with respect to equity price risk include marketable equity securities. With the exception of our equity method investments, 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 were a change in market conditions, based on the nature and duration of the financial instruments involved.

To perform the sensitivity analysis, we assess the risk of loss in fair values from the effect of hypothetical changes in interest rates and equity prices on market-sensitive instruments. The changes in fair values for interest rate risks are determined by estimating the present value of future cash flows using various models, primarily duration modeling. The changes in fair values for equity price risk are determined by comparing the market price of investments against their reported values as of the balance sheet date.

Information provided by the sensitivity analysis does not necessarily represent the actual changes in fair value that we would incur under normal market conditions because, due to practical limitations, all variables other than the specific market risk factor are held constant. For example, our reserve for title claim losses (representing 32.8% of total liabilities at December 31, 2013 ) is not included in the hypothetical effects.

We have no market risk sensitive instruments entered into for trading purposes; therefore, all of our market risk sensitive instruments were entered into for purposes other than trading. The results of the sensitivity analysis at December 31, 2013 and December 31, 2012 , are as follows:

**Interest Rate Risk**

At December 31, 2013 , an increase (decrease) in the levels of interest rates of 100 basis points, with all other variables held constant, would result in a (decrease) increase in the fair value of our fixed maturity securities and certain of our investments in preferred stock which are tied to interest rates of $ 89 million as compared with a (decrease) increase of $ 111 million at December 31, 2012 .

Additionally, for the years ended December 31, 2013 and 2012, a decrease of 100 basis points in the levels of interest rates, with all other variables held constant, would result in no decrease in the interest expense on our average outstanding floating rate debt as the current LIBOR rate is less than 1%. An increase of 100 basis points in the levels of interest rates, with all other variables held constant, would result in an increase in the interest expense of our average outstanding floating rate debt of $1 million for the year ended December 31, 2013 , which is consistent with the increase of $1 million for the year ended December 31, 2012 .

**Equity Price Risk**

At December 31, 2013 , a 20% increase (decrease) in market prices, with all other variables held constant, would result in an increase (decrease) in the fair value of our equity securities portfolio of $ 27 million, as compared with an increase (decrease) of $ 28 million at December 31, 2012 .

**Item 8.** ***Financial Statements and Supplementary Data***

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**

**INDEX TO FINANCIAL INFORMATION**

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

We have audited Fidelity National Financial, Inc.'s internal control over financial reporting as of December 31, 2013 , based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Fidelity National Financial, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Fidelity National Financial, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013 , based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2013 and 2012 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2013 , and our report dated February 28, 2014 expressed an unqualified opinion on those Consolidated Financial Statements.

/s/ KPMG LLP

February 28, 2014
Jacksonville, Florida
Certified Public Accountants

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

We have audited the accompanying Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2013 and 2012 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2013 . These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated 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 Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2013 and 2012 , and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2013 , in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Fidelity National Financial, Inc.'s internal control over financial reporting as of December 31, 2013 , based on criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 28, 2014 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

February 28, 2014
Jacksonville, Florida
Certified Public Accountants

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

| | December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions, except share data) | |
| **ASSETS** | | |
| Investments: | | |
| Fixed maturities available for sale, at fair value, at December 31, 2013 and 2012, includes pledged fixed maturities of $261 and $275, respectively, related to secured trust deposits | $ 2,959 | $ 3,140 |
| Preferred stock available for sale, at fair value | 151 | 217 |
| Equity securities available for sale, at fair value | 136 | 138 |
| Investments in unconsolidated affiliates | 357 | 392 |
| Other long-term investments | 162 | 104 |
| Short-term investments | 26 | 62 |
| Total investments | 3,791 | 4,053 |
| Cash and cash equivalents, at December 31, 2013 and 2012, includes pledged cash of $339 and $266, respectively, related to secured trust deposits | 1,969 | 1,132 |
| Trade and notes receivables, net of allowance of $21 and $22 at December 31, 2013 and 2012, respectively | 482 | 479 |
| Goodwill | 1,901 | 1,908 |
| Prepaid expenses and other assets | 721 | 678 |
| Other intangible assets, net | 619 | 651 |
| Title plants | 370 | 374 |
| Property and equipment, net | 645 | 628 |
| Income taxes receivable | 26 | — |
| Total assets | $ 10,524 | $ 9,903 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities, at December 31, 2013 and 2012, includes accounts payable to related parties of $3 and $5, respectively | $ 1,291 | $ 1,308 |
| Income taxes payable | — | 103 |
| Notes payable | 1,323 | 1,344 |
| Reserve for title claim losses | 1,636 | 1,748 |
| Secured trust deposits | 588 | 528 |
| Deferred tax liability | 144 | 123 |
| Total liabilities | 4,982 | 5,154 |
| Equity: | | |
| Common stock, Class A, $0.0001 par value; authorized, 600,000,000 shares as of December 31, 2013 and 2012; issued 292,289,166 shares and 268,541,117 shares at December 31, 2013 and 2012, respectively | — | — |
| Preferred stock, $0.0001 par value; authorized, 50,000,000 shares; issued and outstanding, none | — | — |
| Additional paid-in capital | 4,642 | 4,018 |
| Retained earnings | 1,096 | 849 |
| Accumulated other comprehensive earnings | 37 | 59 |
| Less: treasury stock, 41,948,518 shares and 39,995,513 shares as of December 31, 2013 and 2012, respectively, at cost | (707) | (658) |
| Total Fidelity National Financial, Inc. shareholders' equity | 5,068 | 4,268 |
| Noncontrolling interests | 474 | 481 |
| Total equity | 5,542 | 4,749 |
| Total liabilities and equity | $ 10,524 | $ 9,903 |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF EARNINGS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions, except share data) | | |
| **Revenues:** | | | |
| Direct title insurance premiums | $ 1,800 | $ 1,732 | $ 1,427 |
| Agency title insurance premiums | 2,352 | 2,101 | 1,830 |
| Escrow, title-related and other fees | 1,737 | 1,676 | 1,393 |
| Auto parts revenue | 1,127 | 417 | — |
| Restaurant revenue | 1,408 | 908 | — |
| Interest and investment income | 129 | 144 | 143 |
| Realized gains and losses, net | 12 | 187 | 7 |
| Total revenues | 8,565 | 7,165 | 4,800 |
| **Expenses:** | | | |
| Personnel costs | 2,134 | 1,863 | 1,568 |
| Agent commissions | 1,789 | 1,600 | 1,411 |
| Other operating expenses | 1,319 | 1,287 | 1,064 |
| Cost of auto parts revenue, includes $72 and $27 of depreciation and amortization in the years ended December 31, 2013 and 2012 | 947 | 350 | — |
| Cost of restaurant revenue | 1,204 | 773 | — |
| Depreciation and amortization | 137 | 104 | 73 |
| Provision for title claim losses | 291 | 279 | 222 |
| Interest expense | 93 | 74 | 57 |
| Total expenses | 7,914 | 6,330 | 4,395 |
| Earnings from continuing operations before income taxes and equity in (loss) earnings of unconsolidated affiliates | 651 | 835 | 405 |
| Income tax expense on continuing operations | 205 | 245 | 131 |
| Earnings from continuing operations before equity in (loss) earnings of unconsolidated affiliates | 446 | 590 | 274 |
| Equity in (loss) earnings of unconsolidated affiliates | (26) | 10 | 10 |
| Net earnings from continuing operations | 420 | 600 | 284 |
| (Loss) earnings from discontinued operations, net of tax | (1) | 12 | 95 |
| Net earnings | 419 | 612 | 379 |
| Less: Net earnings attributable to non-controlling interests | 17 | 5 | 10 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 402 | $ 607 | $ 369 |
| **Earnings per share:** | | | |
| *Basic* | | | |
| Net earnings from continuing operations attributable to Fidelity National Financial, Inc. common shareholders | $ 1.75 | $ 2.70 | $ 1.25 |
| Net earnings from discontinued operations attributable to Fidelity National Financial, Inc. common shareholders | — | 0.05 | 0.43 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 1.75 | $ 2.75 | $ 1.68 |
| Weighted average shares outstanding, basic basis | 230 | 221 | 219 |
| *Diluted* | | | |
| Net earnings from continuing operations attributable to Fidelity National Financial, Inc. common shareholders | $ 1.71 | $ 2.64 | $ 1.22 |
| Net earnings from discontinued operations attributable to Fidelity National Financial, Inc. common shareholders | — | 0.05 | 0.43 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 1.71 | $ 2.69 | $ 1.65 |
| Weighted average shares outstanding, diluted basis | 235 | 226 | 223 |
| Dividends per share | $ 0.66 | $ 0.58 | $ 0.48 |
| **Amounts attributable to Fidelity National Financial, Inc., common shareholders:** | | | |
| Net earnings from continuing operations, attributable to Fidelity National Financial, Inc. common shareholders | $ 403 | $ 595 | $ 274 |
| Net earnings from discontinued operations, attributable to Fidelity National Financial, Inc. common shareholders | (1) | 12 | 95 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 402 | $ 607 | $ 369 |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

| | Year Ended December 31, 2013 | 2012 | 2011 |
|---|---|---|---|
| | (In millions) | | |
| Net earnings | $ 419 | $ 612 | $ 379 |
| Other comprehensive earnings (loss) (net of tax): | | | |
| Unrealized (loss) gain on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) | (33) | 41 | 24 |
| Unrealized (loss) gain relating to investments in unconsolidated affiliates | (15) | 23 | (6) |
| Unrealized (loss) gain on foreign currency translation and cash flow hedging | (2) | 6 | (1) |
| Reclassification adjustments for change in unrealized gains and losses included in net earnings | 4 | (13) | (27) |
| Minimum pension liability adjustment | 24 | 8 | (10) |
| Other comprehensive (loss) earnings | (22) | 65 | (20) |
| Comprehensive earnings | 397 | 677 | 359 |
| Less: Comprehensive earnings attributable to noncontrolling interests | 17 | 5 | 10 |
| Comprehensive earnings attributable to Fidelity National Financial Inc. common shareholders | $ 380 | $ 672 | $ 349 |

See Notes to Consolidated Financial Statements.

# FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF EQUITY

| | Fidelity National Financial, Inc. Common Shareholders | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Common Stock | | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Earnings (Loss) | Treasury Stock | | Noncontrolling Interests | Total Equity |
| | Shares | Amount | | | | Shares | Amount | | |
| | | | | | (In millions) | | | | |
| Balance, December 31, 2010 | 252 | $ — | $ 3,745 | $ 110 | $ 13 | 29 | $ (441) | $ 17 | $ 3,444 |
| Exercise of stock options | 1 | — | 8 | — | — | — | — | — | 8 |
| Treasury stock repurchased | — | — | — | — | — | 5 | (86) | — | (86) |
| Issuance of convertible notes, net of deferred taxes of $8 and issuance costs of $1 | — | — | 13 | — | — | — | — | — | 13 |
| Tax benefit associated with the exercise of stock-based compensation | — | — | 6 | — | — | — | — | — | 6 |
| Issuance of restricted stock | 2 | — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized loss on investments and other financial instruments | — | — | — | — | (3) | — | — | — | (3) |
| Other comprehensive earnings — unrealized loss on investments in unconsolidated affiliates | — | — | — | — | (6) | — | — | — | (6) |
| Other comprehensive earnings — unrealized loss on foreign currency | — | — | — | — | (1) | — | — | — | (1) |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | (10) | — | — | — | (10) |
| Stock-based compensation | — | — | 27 | — | | — | — | — | 27 |
| Shares withheld for taxes and in treasury | — | — | — | — | — | — | (5) | — | (5) |
| Dividends declared | — | — | — | (106) | — | — | — | — | (106) |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | (4) | (4) |
| Net earnings | — | — | — | 369 | — | — | — | 10 | 379 |
| Balance, December 31, 2011 | 255 | $ — | $ 3,799 | $ 373 | $ (7) | 34 | $ (532) | $ 23 | $ 3,656 |
| Acquisition of O'Charley's, Inc. | — | — | 11 | — | — | — | — | — | 11 |
| Exercise of stock options | 12 | — | 154 | — | — | 3 | (63) | — | 91 |
| Treasury stock repurchased | — | — | — | — | — | 2 | (38) | — | (38) |
| Tax benefit associated with the exercise of stock-based compensation | — | — | 31 | — | — | — | — | — | 31 |
| Issuance of restricted stock | 1 | — | — — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized gain on investments and other financial instruments | — | — | — | — | 29 | — | — | — | 29 |
| Other comprehensive earnings — unrealized gain on investments in unconsolidated affiliates | — | — | — | — | 23 | — | — | — | 23 |
| Other comprehensive earnings — unrealized gain on foreign currency | — | — | — | — | 6 | — | — | 5 | 11 |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | 8 | — | — | 1 | 9 |
| Stock-based compensation | — | — | 23 | — | — | — | — | 4 | 27 |
| Shares withheld for taxes and in treasury | — | — | — | — | — | 1 | (25) | — | (25) |
| Contributions to noncontrolling interests | — | — | — | — | — | — | — | (7) | (7) |
| Consolidation of previous minority-owned subsidiary | — | — | — | — | — | — | — | 462 | 462 |
| Dividends declared | — | — | — | (131) | — | — | — | — | (131) |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | (12) | (12) |
| Net earnings | — | — | — | 607 | — | — | — | 5 | 612 |
| Balance, December 31, 2012 | 268 | $ — | $ 4,018 | $ 849 | $ 59 | 40 | $ (658) | $ 481 | $ 4,749 |
| Equity offering | 20 | — | 511 | — | — | — | — | — | 511 |
| Exercise of stock options | 3 | — | 61 | — | — | — | — | — | 61 |
| Treasury stock repurchased | — | — | — | — | — | 1 | (34) | — | (34) |
| Tax benefit associated with the exercise of stock-based compensation | — | — | 17 | — | — | — | — | — | 17 |
| Issuance of restricted stock | 1 | — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized loss on investments and other financial instruments | — | — | — | — | (29) | — | — | — | (29) |
| Other comprehensive earnings — unrealized loss on investments in unconsolidated affiliates | — | — | — | — | (15) | — | — | — | (15) |
| Other comprehensive earnings — unrealized loss on foreign currency and cash flow hedging | — | — | — | — | (2) | — | — | 2 | — |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | 24 | — | — | 2 | 26 |
| Stock-based compensation | — | — | 30 | — | — | — | — | 5 | 35 |
| Shares withheld for taxes and in treasury | — | — | — | — | — | 1 | (15) | — | (15) |
| Contributions to noncontrolling interests | — | — | (4) | — | — | — | — | 7 | 3 |
| Consolidation of previous minority-owned subsidiary | — | — | 9 | — | — | — | — | (23) | (14) |
| Dividends declared | — | — | — | (155) | — | — | — | — | (155) |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | (17) | (17) |
| Net earnings | — | — | — | 402 | — | — | — | 17 | 419 |
| Balance, December 31, 2013 | 292 | $ — | $ 4,642 | $ 1,096 | $ 37 | 42 | $ (707) | $ 474 | $ 5,542 |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | | (In millions) | |
| **Cash Flows From Operating Activities:** | | | |
| Net earnings | $ 419 | $ 612 | $ 379 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Depreciation and amortization | 209 | 132 | 76 |
| Equity in losses (earnings) of unconsolidated affiliates | 26 | (10) | (10) |
| Net (gain) loss on sales of investments and other assets, net | (12) | 3 | (11) |
| Gain on consolidation of O'Charley's, Inc. and American Blue Ribbon Holdings, LLC | — | (73) | — |
| Bargain purchase gain on O'Charley's, Inc. | — | (48) | — |
| Gain on consolidation of Remy International, Inc. | — | (79) | — |
| Net gain on sale of at-risk and flood insurance businesses | — | — | (139) |
| Stock-based compensation cost | 35 | 27 | 27 |
| Tax benefit associated with the exercise of stock-based compensation | (17) | (31) | (6) |
| Changes in assets and liabilities, net of effects from acquisitions: | | | |
| Net decrease (increase) in pledged cash, pledged investments and secured trust deposits | 2 | — | (6) |
| Net (increase) decrease in trade receivables | — | (12) | 16 |
| Net decrease (increase) in prepaid expenses and other assets | (3) | 49 | (5) |
| Net (decrease) increase in accounts payable, accrued liabilities, deferred revenue and other | (1) | 63 | (66) |
| Net decrease in reserve for title claim losses | (112) | (159) | (295) |
| Net change in income taxes | (62) | 146 | 150 |
| Net cash provided by operating activities | 484 | 620 | 110 |
| **Cash Flows From Investing Activities:** | | | |
| Proceeds from sales of investment securities available for sale | 745 | 594 | 739 |
| Proceeds from calls and maturities of investment securities available for sale | 306 | 419 | 549 |
| Proceeds from sales of other assets | 1 | 2 | 6 |
| Additions to property and equipment and capitalized software | (145) | (79) | (36) |
| Purchases of investment securities available for sale | (882) | (1,146) | (1,299) |
| Purchases of other long-term investments | (97) | (9) | — |
| Net proceeds from (purchases of) short-term investment activities | 36 | (12) | 78 |
| Net contributions to investments in unconsolidated affiliates | (20) | (23) | (21) |
| Dividends from unconsolidated affiliates | 25 | — | — |
| Net other investing activities | (4) | 3 | (4) |
| Proceeds from the sale of flood insurance business | — | 75 | 120 |
| Proceeds from the sale of Sedgwick CMS | — | — | 32 |
| Acquisition of O'Charley's, Inc. and American Blue Ribbon Holdings, LLC, net of cash acquired | — | (122) | — |
| Acquisition of J. Alexander's Corporation, net of cash acquired | — | (72) | — |
| Acquisition of Remy International, Inc., net of cash acquired | — | 64 | — |
| Proceeds from sale of at-risk insurance business | — | 120 | — |
| Acquisition of Digital Insurance, Inc. net of cash acquired | — | (98) | — |
| Other acquisitions/disposals of businesses, net of cash acquired | (25) | (26) | — |
| Net cash (used in) provided by investing activities | (60) | (310) | 164 |
| **Cash Flows From Financing Activities:** | | | |
| Equity offering | 511 | — | — |
| Borrowings | 341 | 679 | 500 |
| Debt service payments | (359) | (557) | (516) |
| Additional investment in non-controlling interest | (14) | — | — |
| Proceeds from sale of 4% ownership interest of Digital Insurance | 3 | — | — |
| Make-whole call penalty on early extinguishment of debt | — | (6) | — |

| | | | |
|---|---|---|---|
| Debt issuance costs | (16) | (8) | (8) |
| Dividends paid | (153) | (128) | (105) |
| Subsidiary dividends paid to noncontrolling interest shareholders | (17) | (12) | (4) |
| Exercise of stock options | 61 | 91 | 8 |
| Tax benefit associated with the exercise of stock-based compensation | 17 | 31 | 6 |
| Purchases of treasury stock | (34) | (38) | (86) |
| Net cash provided by (used in) financing activities | 340 | 52 | (205) |
| Net increase in cash and cash equivalents, excluding pledged cash related to secured trust deposits | 764 | 362 | 69 |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at beginning of year | 866 | 504 | 435 |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at end of year | $ 1,630 | $ 866 | $ 504 |

See Notes to Consolidated Financial Statements.

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note A. Summary of Significant Accounting Policies**

The following describes the significant accounting policies of Fidelity National Financial, Inc. and its subsidiaries (collectively, “we,” “us,” “our,” or “FNF”) which have been followed in preparing the accompanying Consolidated Financial Statements.

**Description of Business**

We are a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. We are the nation’s largest title insurance company through our title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title and Alamo Title - that collectively issue more title insurance policies than any other title company in the United States. We also provide industry-leading mortgage technology solutions and transaction services, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through our majority-owned subsidiaries, Black Knight Financial Services, LLC ("Black Knight") and ServiceLink Holdings, LLC ("ServiceLink"). In addition, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), J. Alexander’s, LLC ("J. Alexander's"), Remy International, Inc. ("Remy"), Ceridian HCM, Inc., Comdata Inc. (collectively "Ceridian") and Digital Insurance, Inc. ("Digital Insurance").

As of December 31, 2013 , we have five reporting segments as follows:

FNF Core Operations

- *Fidelity National Title Group.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee’s sales guarantees, recordings and reconveyances, and home warranty insurance.

- *FNF Corporate and Other.* The FNF corporate and other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

Portfolio Investment Companies

- *Remy.* This segment consists of the operations of Remy, in which we have a 51% ownership interest. Remy is a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles.

  *Restaurant Group.* The Restaurant Group segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Bakers Square. This segment also includes J. Alexander's, which includes the Stoney River Legendary Steaks ("Stoney River") concept.

- *Portfolio Company Corporate and Other.* The Portfolio Company Corporate and Other segment primarily consists of our share in the operations of certain equity investments, including Ceridian, Digital Insurance and other smaller operations which are not title related.

***Principles of Consolidation and Basis of Presentation***

The accompanying Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and include our accounts as well as our wholly-owned and majority-owned subsidiaries. All intercompany profits, transactions and balances have been eliminated. Our investments in non-majority-owned partnerships and affiliates are accounted for using the equity method until such time that they become wholly or majority-owned. Earnings attributable to noncontrolling interests are recorded on the Consolidated Statements of Earnings relating to majority-owned subsidiaries with the appropriate noncontrolling interest that represents the portion of equity not related to our ownership interest recorded on the Consolidated Balance Sheets in each period.

***Recent Developments***

On January 31, 2014 we announced our plans to form a new tracking stock for Fidelity National Financial Ventures (“FNFV”). As a result, we have decided to begin separately reporting the results of our core operations, which includes Fidelity National Title Group, Inc. (“FNT”), and the portfolio company investments which include Remy, the Restaurant Group, Digital Insurance and other smaller operations. The portfolio company investments will comprise FNFV in the future.

***Discontinued Operations***

The results from two closed J. Alexander's locations and a settlement services company closed in the second quarter of 2013 are reflected in the Consolidated Statements of Earnings as discontinued operations for all periods presented. Total revenues included in discontinued operations were $ 8 million , $ 36 million , and $ 41 million for the years ending December 31, 2013, 2012, and 2011, respectively. Pre-tax (loss) earnings included in discontinued operations were $ (1) million for the year ended December 31, 2013 and $ 9 million for the years ending December 31, 2012, and 2011.

On May 1, 2012, we completed the sale of an 85% interest in our remaining subsidiaries that write personal lines insurance to WT Holdings, Inc. for $ 120 million . Accordingly, the results of this business through the date of sale (which we refer to as our "at-risk" insurance business) for all periods presented are reflected in the Consolidated Statements of Earnings as discontinued operations. The at-risk insurance business sale resulted in a pre-tax loss of $ 15 million , which was recorded in the fourth quarter of 2011. Total revenues from the at-risk insurance business included in discontinued operations are $ 124 million , and $ 163 million for the years ending December 31, 2012 and 2011, respectively. Pre-tax earnings (loss) from the at-risk insurance business included in discontinued operations are $ 10 million and $ (24) million for the years ending December 31, 2012 and 2011, respectively.

On October 31, 2011, we completed the sale of our flood insurance business to WRM America Holdings LLC (“WRM America”) for $ 135 million in cash and dividends, and a $ 75 million seller note. The seller note was paid in full during 2012. Accordingly, the results of this business through the date of sale for all periods presented are reflected in the Consolidated Statements of Earnings as discontinued operations. The flood insurance business sale resulted in a pre-tax gain of approximately $ 154 million ($ 95 million after tax) , which was recorded in 2011. Total revenues from the flood business included in discontinued operations was $ 151 million for the year ending December 31, 2011. Pre-tax earnings from the flood business included in discontinued operations was $ 29 million for the year ending December 31, 2011.

***I nvestments***

Fixed maturity securities are purchased to support our investment strategies, which are developed based on factors including rate of return, maturity, credit risk, duration, tax considerations and regulatory requirements. Fixed maturity securities which may be sold prior to maturity to support our 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 market conditions and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly. Discount or premium is recorded for the difference between the purchase price and the principal amount. The discount or premium is amortized or accreted 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 and preferred stocks held are considered to be available for sale and carried at fair value as of the balance sheet dates. Our equity securities and certain preferred stocks are Level 1 financial assets and fair values are based on quoted prices in active markets. Other preferred stock holdings are Level 2 financial assets and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly.

Investments in unconsolidated affiliates are recorded using the equity method of accounting.

Other long-term investments consist of structured notes and various cost-method investments. The structured notes are carried at fair value as of the balance sheet dates. Fair values are based on exit prices obtained from a broker-dealer. The cost-method investments are carried at historical cost.

Short-term investments, which consist primarily of 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 securities which are classified as available for sale, net of applicable deferred income tax expenses (benefits), are excluded from earnings and credited or charged directly to a separate component of equity. If any unrealized losses on available for sale securities are determined to be other-than-temporary, such unrealized losses are recognized as realized losses. Unrealized losses are considered other-than-temporary if factors exist that cause us to believe that the value will not increase to a level sufficient to recover our cost basis. Some factors considered in evaluating whether or not a decline in fair value is other-than-temporary include: (i) our need and intent to sell the investment prior to 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.

***Cash and Cash Equivalents***

Highly liquid instruments purchased as part of cash management with original maturities of three months or less are considered cash equivalents. The carrying amounts reported in the Consolidated Balance Sheets for these instruments approximate their fair value.

***Fair Value of Financial Instruments***

The fair values of financial instruments presented in the Consolidated 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. We do not necessarily intend to dispose of or liquidate such instruments prior to maturity.

***Trade and Notes Receivables***

The carrying values reported in the Consolidated 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. Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment annually or more frequently if circumstances indicate potential impairment, through a comparison of fair value to the carrying amount. In evaluating the recoverability of goodwill, we perform an annual goodwill impairment analysis based on a review of qualitative factors to determine if events and circumstances exist which will lead to a determination that the fair value of a reporting unit is greater than its carrying amount, prior to performing a full fair-value assessment.

We completed annual goodwill impairment analyses in the fourth quarter of each respective year using a September 30 measurement date and as a result no goodwill impairments have been recorded. For the years ended December 31, 2013 and 2012 , we determined there were no events or circumstances which indicated that the carrying value exceeded the fair value.

***Other Intangible Assets***

We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts and trademarks which are generally recorded in connection with acquisitions at their fair value, and debt issuance costs relating to the issuance of our long-term notes payable. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method which takes into consideration expected customer attrition rates. 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. Debt issuance costs are amortized on a straight line basis over the contractual life of the related debt instrument.

In our Remy segment, upon entering into new or extending existing contracts, we may be required to purchase certain cores and inventory from our customers at retail prices, or be obligated to provide certain agreed support. The excess of the prices paid for the cores and inventory over fair value, and the value of any agreed support, are recorded as contract intangibles and amortized as a reduction to auto parts revenue on a method to reflect the pattern of economic benefit consumed. Customer contract intangibles which are not paid to customers, are amortized and recorded in cost of auto parts revenue.

We recorded no impairment expense related to other intangible assets in 2013 , 2012 , or 2011 .

***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. Title plants are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable. We reviewed title plants for impairment in the years ending December 31, 2013 , 2012 , and 2011 and identified and recorded impairment expense of $ 4 million , $ 13 million and $ 3 million , respectively.

***Property and Equipment***

Property and equipment are recorded at cost, less depreciation. Depreciation is computed primarily using the straight-line method based on the estimated useful lives of the related assets: twenty to thirty years for buildings and three to seven years for furniture, fixtures and 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. Property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable.

*Remy.* Property and equipment within our Remy segment are recorded at cost, less depreciation. Major expenditures that significantly extend the useful life or enhance the usability of the property, plant or equipment are capitalized. Depreciation is calculated primarily using the straight-line method over the estimated useful lives of the related assets (fifteen to forty years for buildings and 3 to 15 years for tooling, machinery and equipment). Capital leases and leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or their estimated useful life.

*Restaurant Group.* Property and equipment within our Restaurant Group segment are recorded at cost, less depreciation. Depreciation is computed on the straight-line method over thirty years for buildings and improvements and three to twenty-five years for furniture, fixtures and equipment. Leasehold improvements are amortized over the lesser of the asset's estimated useful life or the expected lease term, inclusive of renewal periods not to exceed twenty years. Equipment under capitalized leases is amortized on a straight-line basis to its expected residual value at the end of the lease term. All direct external costs associated with obtaining the land, building and equipment for each new restaurant, as well as construction period interest are capitalized. Direct external costs associated with obtaining the dining room and kitchen equipment, signage and other assets and equipment are also capitalized. In addition, for each new restaurant and re-branded restaurant, a portion of the internal direct costs of its real estate and construction department are also capitalized.

***Reserve for Title Claim Losses***

Our reserve for title claim losses includes known claims as well as losses we expect to incur, net of recoupments. Each known claim is reserved based on our review 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 also take into consideration other factors, including industry trends, claim loss history, current legal environment, geographic considerations and the type of policy written.

The reserve for claim losses also includes reserves for losses arising from the escrow title-related and other fees relating to closing and disbursement functions due to fraud or operational error.

If a loss is related to a policy issued by an independent agent, we may proceed against the independent agent pursuant to the terms of the agency agreement. In any event, we 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 its own assets, pending completion of real estate transactions. Accordingly, our Consolidated Balance Sheets reflect a secured trust deposit liability of $ 588 million and $ 528 million at December 31, 2013 and 2012 , respectively, representing customers' assets held by us and corresponding assets including cash and investments pledged as security for those trust balances.

***Income Taxes***

We recognize deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of our 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, is 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, we limit our maximum loss exposure by reinsuring certain risks with other insurers. We also earn a small amount of additional income, which is reflected in our direct premiums, by assuming reinsurance for certain risks of other insurers. We cede 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.

***Core Accounting***

In our Remy segment, remanufacturing is the process where failed or used components, commonly known as cores, are disassembled into subcomponents, cleaned, inspected, tested, combined with new subcomponents and reassembled into salable, finished products. With many customers, a deposit is charged for the core. Upon return of a core, we grant the customer a credit based on the core deposit value. Core deposits are excluded from auto parts revenue. We record a liability for core returns based on cores expected to be returned. This liability is recorded in Accounts payable and other accrued liabilities in the accompanying Consolidated Balance Sheets. The liability represents the difference between the core deposit value to be credited to the customer and the estimated core inventory value of the core to be returned. Revisions to these estimates are made periodically to consider current costs and customer return trends. Upon receipt of a core, we record inventory at lower of cost or fair market value. The value of a core declines over its estimated useful life (ranging from 4 to 30 years) and is devalued accordingly. Carrying value of the core inventory is evaluated by comparing current prices obtained from core brokers to carrying cost. The devaluation of core carrying value is reflected as a charge to Cost of auto parts revenue. Core inventory that is deemed to be obsolete or in excess of current and future projected demand is written down to the lower of cost or market and charged to Cost of auto parts revenue. Core inventories are classified as Prepaid expenses and other assets in the accompanying Consolidated Balance Sheets.

In our Remy segment, when we enter into arrangements to purchase certain cores held in a customer's inventory or when the customer is not charged a deposit for the core, we have the right to receive a core from the customer in return for every exchange unit supplied to them. We classify such rights as "Core return rights" in Prepaid expenses and other assets in the accompanying Consolidated Balance Sheets. The core return rights are valued based on the underlying core inventory values. Devaluation of these rights is charged to Cost of auto parts revenue. On a periodic basis, we settle with customers for cores that have not been returned.

***Research and Development***

In our Remy segment, we conduct research and development programs that are expected to contribute to future earnings. Such costs are included in Other operating expenses in the Consolidated Statements of Earnings. Customer-funded research and development expenses are recorded as an offset to research and development expense in Other operating expenses.

***Foreign Currency Translation***

The functional currency for our foreign operations is either the U.S. Dollar or the local currency, with the exception of our Remy subsidiaries in Hungary for which the Euro is the functional currency, since substantially all of their purchases and sales are denominated in Euro. For foreign operations where the local currency is the functional currency, the translation of foreign currencies into U.S. Dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet date and for revenue and expense accounts using a weighted average exchange rate during the period. The unrealized gains and losses resulting from the translation are included in Accumulated other comprehensive earnings in the Consolidated Financial Statements and are excluded from net earnings. Gains or losses resulting from foreign currency transactions are included in Realized gains and losses, net and are insignificant in 2013 , 2012 , and 2011 . We evaluate our foreign subsidiaries' functional currency on an ongoing basis.

***Derivative Financial Instruments***

In our Remy segment, in the normal course of business, our operations are exposed to continuing fluctuations in foreign currency values, interest rates and commodity prices that can affect the cost of operating, investing and financing. Accordingly, we address a portion of these risks through a controlled program of risk management that includes the use of derivative financial instruments. We have historically used derivative financial instruments for the purpose of hedging currency, interest rate and commodity exposures, which exist as a part of ongoing business operations.

As a policy, we do not engage in speculative or leveraged transactions, nor do we hold or issue derivative financial instruments for trading purposes. Our objective for holding derivatives is to minimize risks using the most effective and cost-efficient methods available. Management routinely reviews the effectiveness of the use of derivative financial instruments.

We recognize all of our derivative instruments as either assets or liabilities at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated, and is effective, as a hedge and further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, we designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge or a hedge of a net investment in a foreign operation. Gains and losses related to a hedge are either recognized in earnings immediately to offset the gain or loss on the hedged item or are deferred and reported as a component of Accumulated other comprehensive earnings (loss) and subsequently recognized in earnings when the hedged item affects earnings. The change in fair value of the ineffective portion of a financial instrument that has been designated as a hedge, determined using the change in fair value method, is recognized in earnings immediately. The gain or loss related to derivative financial instruments that are not designated as hedges is recognized immediately in earnings.

***Warranty***

In our Remy segment, we provide certain warranties relating to quality and performance of our products. An allowance for the estimated future cost of product warranties and other defective product returns is based on management's estimate of product failure rates and customer eligibility and is included in Accounts payable and other accrued liabilities in the Consolidated Balance

Sheet. If these factors differ from management's estimates, revisions to the estimated warranty liability may be required. The specific terms and conditions of the warranties vary depending upon the customer and the product sold.

***Revenue Recognition***

*Fidelity National Title Group.* Our direct title insurance premiums and escrow, title-related and other 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. Historically, the time lag between the closing of these transactions by our agents and the reporting of these policies, or premiums, to us has been up to 15 months, with 70 - 80% reported within three months following closing, an additional 10 - 20% reported within the next three months and the remainder within seven to fifteen months. In addition to accruing these earned but unreported agency premiums, we also accrue agent commission expense, which was 76.1% , of agent premiums earned in 2013 , 76.2 % of agent premiums earned in 2012 and 77.1% of agent premiums earned in 2011 . We also record a provision for claim losses at our average provision rate at the time we record the accrual for the premiums, which was 7.0% for 2013 and 2012 and 6.8% for 2011 , and accruals for premium taxes and other expenses relating to our premium accrual. The resulting impact to pretax earnings in any period is less than 10% of the accrued premium amount. The impact of the change in the accrual for agency premiums and related expenses on our pretax earnings was a decrease of $ 7 million for the year ended December 31, 2013 , less than $ 1 million for the year ended 2012 and an increase of $ 8 million for the year ended 2011 . The amount due from our agents relating to this accrual, i.e., the agent premium less their contractual retained commission, was approximately $ 74 million and $ 90 million at December 31, 2013 and 2012 , respectively, which represents agency premiums of approximately $ 364 million and $ 438 million at December 31, 2013 and 2012 , respectively, and agent commissions of $ 290 million and $ 348 million at December 31, 2013 and 2012 , respectively.

Revenues from home warranty insurance policies are recognized over the life of the policy, which is one year. The unrecognized portion is recorded as deferred revenue in Accounts payable and other accrued liabilities in the Consolidated Balance Sheets .

*Remy.* Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, ownership has transferred, the seller's price to the buyer is fixed and determinable and collectability is reasonably assured. Sales are recorded upon shipment of product to customers and transfer of title and risk of loss under standard commercial terms (typically, F.O.B. shipping point). We recognize shipping and handling costs as Costs of auto parts revenue with the related amounts billed to customers as sales. Accruals for sales returns, price protection and other allowances are provided at the time of shipment based upon past experience. Adjustments to such accruals are made as new information becomes available. We accrue for rebates, price protection and other customer sales allowances in accordance with specific customer arrangements. Such rebates are recorded as a reduction of Auto parts revenue.

*Restaurant Group.* Restaurant revenue on the Consolidated Statements of Earnings consists of restaurant sales and, to a lesser extent, franchise revenue and other revenue. Restaurant sales include food and beverage sales and are net of applicable state and local sales taxes and discounts.

***Earnings Per Share***

Basic earnings per share is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding during the period. In periods when earnings are positive, diluted earnings per share is calculated by dividing net earnings available to common stockholders by the sum of the weighted average number of common shares outstanding and the impact of assumed conversions of potentially dilutive securities. For periods when we recognize a net loss, diluted earnings per share is equal to basic earnings per share as the impact of assumed conversions of potentially dilutive securities is considered to be anti-dilutive. We have granted certain options, warrants, restricted stock, and convertible notes which have been treated as common share equivalents for purposes of calculating diluted earnings per share for periods in which positive earnings have been reported.

For the years ended December 31, 2013 , 2012 , and 2011 , options to purchase 1 million shares, 4 million shares and 8 million shares, respectively, of our common stock were excluded from the computation of diluted earnings per share because they were anti-dilutive.

***Transactions with Related Parties***

We have historically conducted business with Fidelity National Information Services ("FIS") and its subsidiaries.

A summary of the agreements that were in effect with FIS through December 31, 2013 , is as follows:

- Technology ("IT") and data processing services from FIS. These agreements govern IT support services provided to us by FIS, primarily consisting of infrastructure support and data center management. Subject to certain early termination provisions, the agreement expires on or about June 30, 2014 with an option to renew for one additional year. Certain subsidiaries of FIS have also provided technology consulting services to FNF during 2013.

- Administrative corporate support and cost-sharing services to FIS.

A detail of net revenues and expenses between us and FIS that were included in our results of operations for the periods presented is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | | (In millions) | |
| Corporate services and cost-sharing revenue | $ 7 | $ 5 | $ 5 |
| Data processing expense | (34) | (32) | (36) |
| Net expense | $ (27) | $ (27) | $ (31) |

We believe the amounts we earned or were charged under each of the foregoing arrangements are fair and reasonable. The information technology infrastructure support and data center management services provided to us 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 FNF earned or was 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. T he net amounts due to FIS as a result of these agreements were $ 3 million and $ 5 million as of December 31, 2013 and 2012 , respectively.

As of December 31, 2013 and 2012, we owned 1,303,860 and 1,603,860 shares of FIS common stock, respectively, which were purchased pursuant to an investment agreement between us and FIS dated March 31, 2009. During the fourth quarter of 2013, we sold 300,000 shares for a realized gain of $ 11 million . The fair value of this investment is $ 70 million and $ 56 million as of December 31, 2013 and 2012 , respectively, and is recorded in Equity securities available for sale. Changes in fair value of the FIS stock are recorded as other comprehensive earnings.

Also included in fixed maturities available for sale are FIS bonds with a fair value of $ 42 million and $ 53 million as of December 31, 2013 and 2012 , respectively.

***Stock-Based Compensation Plans***

We account for stock-based compensation plans using the fair value method. Using the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date, using the Black-Scholes Model, and recognized over the service period.

***Management Estimates***

The preparation of these Consolidated Financial Statements in conformity with GAAP requires us 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 Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Certain Reclassifications***

Certain reclassifications have been made in the 2012 and 2011 Consolidated Financial Statements to conform to classifications used in 2013 .

**Note B — Acquisitions**

The results of operations and financial position of the entities acquired during any year are included in the Consolidated Financial Statements from and after the date of acquisition.

***Acquisition and Merger with Lender Processing Services***

On January 13, 2014, Remy announced that they acquired substantially all of the assets of United Starters and Alternators Industries, Inc. ("USA Industries") pursuant to the terms and conditions of the Asset Purchase Agreement, effective as of January 13, 2014. USA Industries is a leading worldwide distributor of premium quality re-manufactured and new alternators, starters, constant velocity axles and disc brake calipers for the light-duty aftermarket. Total consideration paid was $ 41 million .

On January 2, 2014, we completed the purchase of Lender Processing Services, Inc. ("LPS"). The purchase consideration paid was $37.14 per share, of which $28.10 per share was paid in cash and the remaining $9.04 was paid in FNF common shares. The purchase consideration represented an exchange ratio of 0.28742 per share of LPS common stock. Total consideration paid for LPS was $ 3.4 billion , which consisted of $ 2,535 million in cash and $ 836 million in FNF common stock. In order to pay the stock component of the consideration, we issued 25,920,078 shares to the former LPS shareholders. We have not completed the initial purchase price allocation due to the timing of the acquisition. We plan to have the initial purchase price allocation recognized during the first quarter of 2014 and the final purchase price allocation completed during 2014.

Subsequent to our announcement of the LPS acquisition, we formed a wholly-owned subsidiary, Black Knight Financial Services, Inc. (now known as Black Knight Holdings, Inc., "Black Knight"). Black Knight is the mortgage and finance industries' leading provider of integrated technology, data and analytics solutions, and transaction services. Black Knight has two operating segments, ServiceLink Holdings, LLC ("ServiceLink") and Black Knight Financial Services, LLC ("BKFS"). We retained a 65% ownership interest in each of the subsidiaries and issued the remaining 35% ownership interest to funds affiliated with Thomas H. Lee Partners, and certain related entities on January 3, 2014. Black Knight, through ServiceLink and BKFS, now owns and operates the former LPS businesses and our ServiceLink business. Fidelity National Title Group, BKFS and ServiceLink will be our core operating subsidiaries in the future.

***Acquisition of Remy International, Inc.***

During the third quarter of 2012, we acquired 1.5 million additional shares of Remy International, Inc. ("Remy"), increasing our ownership interest to 16.3 million shares or 51% of Remy's total outstanding common shares. As a result of this acquisition we began to consolidate the results of Remy effective August 14, 2012. We previously held a 47% ownership interest in Remy. Total consideration paid for the additional 1.5 million shares was $ 31 million and cash acquired upon consolidation of Remy was $ 95 million. Goodwill has been recorded based on the amount that the purchase price exceeded the fair value of the net assets acquired. Our 47% equity method investment prior to consolidation of $ 179 million was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheets. A realized gain of $ 79 million was recognized in 2012 for the difference between our basis in our equity method investment of Remy prior to consolidation and the fair value of our investment in Remy at August 14, 2012, the date we acquired control and began to consolidate its operations.

***Acquisition of O'Charley's Inc. and Merger with ABRH***

On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's Inc. ("O'Charley's"). We have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55% . As of December 31, 2013, there were 312 company-owned restaurants in the O'Charley's group of companies and 214 company-owned restaurants in the ABRH group of companies. Total consideration paid was $ 122 million in cash, net of cash acquired of $ 35 million. Our investment in ABRH, prior to the merger, was $ 37 million and was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheet. Our investment in O'Charley's prior to the tender offer of $ 14 million was included in Equity securities available for sale on the Consolidated Balance Sheet. We have consolidated the operations of ABRH with the O'Charley's group of companies, beginning on May 11, 2012.

A realized gain of $ 66 million, which is included in Realized gains and losses on the Consolidated Statement of Earnings, was recognized in 2012 for the difference between our basis in our equity method investment of ABRH prior to consolidation and the fair value of our investment in ABRH at the date of consolidation. The fair value of our investment in ABRH was estimated using relative market based comparable information. In regards to O'Charley's, we recognized a $ 48 million bargain purchase gain discussed further below, and a gain of $ 7 million for the difference in the basis of our holdings in O'Charley's common stock prior to consolidation and the fair value of O'Charley's common stock at the date of consolidation. As a result of the final valuation, we recognized and measured the identifiable assets acquired and liabilities assumed from the O'Charley's purchase at fair value. Upon completion of the fair value process, the net assets of O'Charley's received by FNF exceeded the purchase price resulting in a bargain purchase gain of $ 48 million, which is included in Realized gains and losses on the Consolidated Statement of Earnings for 2012. The bargain purchase gain was due to the release of a valuation allowance on O'Charley's net deferred tax assets. O'Charley's previously had recorded a valuation allowance on the deferred tax assets, due to its history of net losses and the low probability of being able to utilize these assets. We also recorded a $ 11 million increase to our Additional paid-in capital during 2012, related to the fair value of the non-controlling interest portion of our ownership in O'Charley's.

***Other Acquisitions***

*Digital Insurance, Inc.*

On December 31, 2012, we acquired Digital Insurance, Inc. ("Digital Insurance"). Total consideration paid was $ 98 million in cash, net of cash acquired of $ 3 million. We consolidated the operations of Digital Insurance as of December 31, 2012. Digital Insurance is the nation's leading employee benefits platform specializing in health insurance distribution and benefits management for small and mid-sized businesses.

*J. Alexander's Corporation*

In September 2012, we successfully completed a tender offer for the outstanding common stock of J. Alexander's Corporation, which later became J. Alexander's LLC, for $ 14.50 per share. Total consideration paid was $ 72 million in cash, net of cash acquired of $ 7 million. We have consolidated the operations of J. Alexander's beginning September 26, 2012. J. Alexander's operates 30 J. Alexander's restaurants in 12 states. On February 25, 2013, we merged Stoney River Legendary Steaks into J. Alexander's.

**Note C. Fair Value Measurements**

The fair value hierarchy established by the accounting standards on fair value measurements includes three levels which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

*Level 1.* Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

*Level 2.* Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3.* Financial assets and liabilities whose values are based on model inputs that are unobservable.

The following table presents our fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2013 and 2012 , respectively:

| | December 31, 2013 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Assets: | | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 126 | $ — | $ 126 |
| State and political subdivisions | — | 1,075 | — | 1,075 |
| Corporate debt securities | — | 1,606 | — | 1,606 |
| Foreign government bonds | — | 43 | — | 43 |
| Mortgage-backed/asset-backed securities | — | 109 | — | 109 |
| Preferred stock available for sale | 73 | 78 | — | 151 |
| Equity securities available for sale | 136 | — | — | 136 |
| Other long-term investments | — | — | 38 | 38 |
| Foreign exchange contracts | — | 4 | — | 4 |
| Interest rate swap contracts | — | 2 | — | 2 |
| Total assets | $ 209 | $ 3,043 | $ 38 | $ 3,290 |
| Liabilities: | | | | |
| Commodity contracts | $ — | $ 2 | $ — | $ 2 |
| Interest rate swap contracts | — | 1 | — | 1 |
| Total liabilities | $ — | $ 3 | $ — | $ 3 |

| | December 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 139 | $ — | $ 139 |
| State and political subdivisions | — | 1,300 | — | 1,300 |
| Corporate debt securities | — | 1,499 | — | 1,499 |
| Foreign government bonds | — | 48 | — | 48 |
| Mortgage-backed/asset-backed securities | — | 154 | — | 154 |
| Preferred stock available for sale | 109 | 108 | — | 217 |
| Equity securities available for sale | 138 | — | — | 138 |
| Other long-term investments | — | — | 41 | 41 |
| Foreign exchange contracts | — | 6 | — | 6 |
| Commodity contracts | — | 1 | — | 1 |
| Total | $ 247 | $ 3,255 | $ 41 | $ 3,543 |
| | | | | |
| Liabilities: | | | | |
| Commodity contracts | $ — | $ 2 | $ — | $ 2 |
| Interest rate swap contracts | — | 2 | — | 2 |
| Total liabilities | $ — | $ 4 | $ — | $ 4 |

Our Level 2 fair value measures for fixed-maturities available for sale are provided by third-party pricing services. We utilize one firm for our taxable bond and preferred stock portfolio and another for our tax-exempt bond portfolio. These pricing services are leading global providers of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are:

- U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.
- State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.
- Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, or any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.
- Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.
- Mortgage-backed/asset-backed securities: These securities are comprised of commercial mortgage-backed securities, agency mortgage-backed securities, collaterized mortgage obligations, and asset-backed securities. They are valued based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.
- Preferred stock: Preferred stocks are valued by calculating the appropriate spread over a comparable US Treasury security. Inputs include benchmark quotes and other relevant market data.

Our Level 2 fair value measures for our interest rate swap, foreign exchange contracts, and commodity contracts are valued using the income approach. This approach uses techniques to convert future amounts to a single present value amount based upon market expectations (including present value techniques, option-pricing and excess earnings models).

Our Level 3 investments consist of structured notes that were purchased in the third quarter of 2009. The structured notes had a par value of $ 38 million at December 31, 2013 and 2012 and a fair value of $38 million and $ 41 million at December 31, 2013 and 2012 , respectively. The structured notes are held for general investment purposes and represent one percent of our total investment portfolio. The structured notes are classified as Other long-term investments and are measured in their entirety at fair value with changes in fair value recognized in earnings. The fair value of these instruments are the product of a proprietary valuation model utilized by the trading desk of the broker-dealer and contain assumptions relating to volatility, the level of interest rates, and the underlying value of the indexes, exchange-traded funds, and foreign currencies. We review the pricing methodologies for our Level 3 investments to ensure that they are reasonable and believe they represent an exit price as of December 31, 2013 .

The following table presents the changes in our investments that are classified as Level 3 for the years ended December 31, 2013 and 2012 (in millions):

| | |
|---|---|
| Balance, December 31, 2011 | $ 41 |
| Realized gain (loss) | — |
| Balance, December 31, 2012 | 41 |
| Realized loss | (3) |
| Balance, December 31, 2013 | $ 38 |

The carrying amounts of short-term investments, accounts receivable and notes receivable approximate fair value due to their short-term nature. The fair value of our notes payable is included in Note J.

Additional information regarding the fair value of our investment portfolio is included in Note D.

## Note D. Investments

The carrying amounts and fair values of our available for sale securities at December 31, 2013 and 2012 are as follows:

| | December 31, 2013 | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Fair Value |
| | | | (In millions) | | |
| Fixed maturity investments available for sale: | | | | | |
| U.S. government and agencies | $ 126 | $ 121 | $ 5 | $ — | $ 126 |
| States and political subdivisions | 1,075 | 1,042 | 36 | (3) | 1,075 |
| Corporate debt securities | 1,606 | 1,565 | 47 | (6) | 1,606 |
| Foreign government bonds | 43 | 44 | 1 | (2) | 43 |
| Mortgage-backed/asset-backed securities | 109 | 105 | 4 | — | 109 |
| Preferred stock available for sale | 151 | 158 | 3 | (10) | 151 |
| Equity securities available for sale | 136 | 71 | 65 | — | 136 |
| Total | $ 3,246 | $ 3,106 | $ 161 | $ (21) | $ 3,246 |

| | December 31, 2012 | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Fair Value |
| | | | (In millions) | | |
| Fixed maturity investments available for sale: | | | | | |
| U.S. government and agencies | $ 139 | $ 130 | $ 9 | $ — | $ 139 |
| States and political subdivisions | 1,300 | 1,239 | 61 | — | 1,300 |
| Corporate debt securities | 1,499 | 1,440 | 71 | (12) | 1,499 |
| Foreign government bonds | 48 | 45 | 3 | — | 48 |
| Mortgage-backed/asset-backed securities | 154 | 146 | 8 | — | 154 |
| Preferred stock available for sale | 217 | 207 | 10 | — | 217 |
| Equity securities available for sale | 138 | 103 | 40 | (5) | 138 |
| Total | $ 3,495 | $ 3,310 | $ 202 | $ (17) | $ 3,495 |

The cost basis of fixed maturity securities available for sale includes an adjustment for amortized premium or discount since the date of purchase. At December 31, 2013 all of our mortgage-backed and asset-backed securities are rated AAA or better by Moody's Investors Service. The mortgage-backed and asset-backed securities are made up of $ 77 million of agency mortgage-backed securities, $ 27 million of collateralized mortgage obligations, and $ 5 million in asset-backed securities.

The change in net unrealized gains and losses on fixed maturities for the years ended December 31, 2013 , 2012 , and 2011 was $ (58) million , $33 million , and $(10) million , respectively.

The following table presents certain information regarding contractual maturities of our fixed maturity securities at December 31, 2013 :

| Maturity | December 31, 2013 Amortized Cost | % of Total | Fair Value | % of Total |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| One year or less | $ 363 | 13% | $ 368 | 12% |
| After one year through five years | 1,845 | 64 | 1,906 | 65 |
| After five years through ten years | 559 | 19 | 571 | 19 |
| After ten years | 5 | — | 5 | — |
| Mortgage-backed/asset-backed securities | 105 | 4 | 109 | 4 |
| | $ 2,877 | 100% | $ 2,959 | 100% |
| Subject to call | $ 1,572 | 55% | $ 1,606 | 54% |

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. Included above in amounts subject to call are $1,209 million and $1,236 million in amortized cost and fair value, respectively, of fixed maturity securities with make-whole call provisions as of December 31, 2013 .

Fixed maturity securities valued at approximately $ 129 million and $ 160 million were on deposit with various governmental authorities at December 31, 2013 and 2012 , respectively, as required by law.

Also included in fixed maturities available for sale are FIS bonds with a fair value of $ 42 million and $ 53 million as of December 31, 2013 and 2012 , respectively.

Equity securities are carried at fair value. The balance of equity securities includes an investment in FIS stock, which we purchased on October 1, 2009 pursuant to an investment agreement between us and FIS dated March 31, 2009 in connection with a merger between FIS and Metavante Technologies, Inc. As of December 31, 2013 and 2012, we owned 1,303,860 and 1,603,860 shares of FIS common stock. During the fourth quarter of 2013, we sold 300,000 shares for a realized gain of $ 11 million . The fair value of this investment is $ 70 million and $ 56 million as of December 31, 2013 and 2012 , respectively . The change in unrealized gains (losses) on equity securities for the years ended December 31, 2013 , 2012 and 2011 was a net increase (decrease) of $ 30 million , $12 million , and $(2) million , respectively.

Our investments at December 31, 2013 and 2012 included investments in banks at a cost basis of $ 378 million and $ 409 million, respectively, and a fair value of $ 381 million and $ 433 million, respectively. There were no significant investments in trusts or insurance companies at December 31, 2013 or 2012 .

Net 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 be en in a continuous unrealized loss position at December 31, 2013 and 2012 are as follows (in millions):

***December 31, 2013***

| | Less than 12 Months Fair Value | Less than 12 Months Unrealized Losses | 12 Months or Longer Fair Value | 12 Months or Longer Unrealized Losses | Total Fair Value | Total Unrealized Losses |
|---|---|---|---|---|---|---|
| States and political subdivisions | $ 123 | $ (3) | $ — | $ — | $ 123 | $ (3) |
| Corporate debt securities | 367 | (4) | 39 | (2) | 406 | (6) |
| Foreign government bonds | 17 | (1) | 14 | (1) | 31 | (2) |
| Preferred stock available for sale | 95 | (10) | — | — | 95 | (10) |
| Total temporarily impaired securities | $ 602 | $ (18) | $ 53 | $ (3) | $ 655 | $ (21) |

***December 31, 2012***

| | Less than 12 Months | | 12 Months or Longer | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| Corporate debt securities | 96 | (5) | 34 | (7) | 130 | (12) |
| Equity securities available for sale | 31 | (3) | 3 | (2) | 34 | (5) |
| Total temporarily impaired securities | $ 127 | $ (8) | $ 37 | $ (9) | $ 164 | $ (17) |

A substantial portion of our unrealized losses relate to preferred stock. These unrealized losses were primarily caused by market volatility. We expect to recover the entire amortized cost basis of our temporarily impaired preferred stock as we do not intend to sell these securities and we do not believe that we will be required to sell the preferred stock before recovery of the cost basis. For thes e reasons, we do not consider these securities other-than-temporarily impaired at December 31, 2013 . It is reasonably possible that declines in fair value below cost not considered other-than-temporary in the current period could be considered to be other-than-temporary in a future period and earnings would be reduced to the extent of the impairment.

During the years ended December 31, 2013 , 2012 and 2011, we incurred impairment charges relating to investments that were determined to be other-than-temporarily impaired, which resulted in impairment charges of $1 million , $ 3 million and $17 million , respectively. Impairment charges during all three years, related to fixed maturity securities primarily related to our conclusion that the credit risk of these holdings was high and the ability of the issuer to pay the full amount of the principal outstanding was unlikely.

As of December 31, 2013 we held no securities for which other-than-temporary impairments had been previously recognized and in 2012 , we held $7 million in investments for which an other-than-temporary impairment had been previously recognized; all of the impairments related to credit losses.

The following table presents realized gains and losses on investments and other assets and proceeds from the sale or maturity of investments and other assets for the years ending December 31, 2013 , 2012 , and 2011 , respectively:

| | Year ended December 31, 2013 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 10 | $ (4) | $ 6 | $ 887 |
| Preferred stock available for sale | 7 | (2) | 5 | 121 |
| Equity securities available for sale | 15 | (1) | 14 | 43 |
| Other long-term investments | | | (3) | — |
| Debt extinguishment costs | | | (3) | — |
| Other assets | | | (7) | 1 |
| Total | | | $ 12 | $ 1,052 |

| | Year ended December 31, 2012 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 16 | $ (5) | $ 11 | $ 976 |
| Preferred stock available for sale | — | — | — | 29 |
| Equity securities available for sale | 3 | — | 3 | 8 |
| Gain on consolidation of O'Charley's and ABRH | | | 73 | — |
| Bargain purchase gain on O'Charley's | | | 48 | — |
| Gain on consolidation of Remy | | | 79 | — |
| Loss on early extinguishment of 5.25% bonds | | | (6) | — |
| Other assets | | | (21) | 2 |
| Total | | | $ 187 | $ 1,015 |

| | Year ended December 31, 2011 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 38 | $ (18) | $ 20 | $ 1,251 |
| Preferred stock available for sale | — | — | — | 21 |
| Equity securities available for sale | 2 | — | 2 | 16 |
| Other long-term investments | | | (4) | 32 |
| Other assets | | | (11) | 6 |
| Total | | | $ 7 | $ 1,326 |

Interest and investment income consists of the following:

| | Year Ended December 31, 2013 | 2012 | 2011 |
|---|---|---|---|
| | | (In millions) | |
| Cash and cash equivalents | $ 1 | $ — | $ 1 |
| Fixed maturity securities available for sale | 99 | 117 | 130 |
| Equity securities and preferred stock available for sale | 16 | 14 | 6 |
| Other | 13 | 13 | 6 |
| Total | $ 129 | $ 144 | $ 143 |

Included in our other long-term investments are fixed-maturity structured notes purchased in the third quarter of 2009 and cost-method investments. The structured notes are carried at fair value (see Note C) and changes in the fair value of these structured notes are recorded as Realized gains and losses in the Consolidated Statements of Earnings. The carrying value of the structured notes was $ 38 million and $ 41 million as of December 31, 2013 and 2012 , respectively. We recorded a loss of $ 3 million related to the structured notes in the year ended December 31, 2013 , no gain or loss related to the structured notes in 2012, and a net loss of $4 million related to the structured notes in the 2011 .

Investments in unconsolidated affiliates are recorded using the equity method of accounting and as of December 31, 2013 and 2012 consisted of the following (in millions):

| | Ownership at December 31, 2013 | 2013 | 2012 |
|---|---|---|---|
| Ceridian | 32% | $ 295 | $ 351 |
| Other | various | 62 | 41 |
| Total | | $ 357 | $ 392 |

During the year ended December 31, 2013, we purchased $31 million in Ceridian bonds which are included in Fixed maturity securities available for sale on the Consolidated Balance Sheets, and have a fair value of $ 36 million as of December 31, 2013.

During the years ended December 31, 2013 , 2012 , and 2011 , we recorded an aggregate of $ (26) million, $ 10 million, and $ 10 million, respectively, in equity in (losses) earnings of unconsolidated affiliates. We account for our equity in Ceridian on a three-month lag. Accordingly, our net earnings for the year ended December 31, 2013 , includes our equity in Ceridian’s earnings for the period from October 1, 2012 through September 30, 2013 and our net earnings for the year ended December 31, 2012 , includes our equity in Ceridian’s earnings for the period from October 1, 2011 through September 30, 2012. In addition, we record our share of the other comprehensive earnings (loss) of unconsolidated affiliates. As of December 31, 2013 , included within the Consolidated Statements of Equity, we had recorded accumulated other comprehensive losses of $ 67 million related to our investment in Ceridian, and none related to our other investments in unconsolidated affiliates.

During the fourth quarter of 2013, Ceridian entered into a memorandum of understanding to resolve claims brought by a putative class of U.S. Fueling Merchants. Under the terms of the memorandum of understanding, which will need to be finalized in a definitive settlement agreement and approved by the Court, Ceridian has agreed to make a one-time cash payment of $ 100 million as part of a $ 130 million global settlement with other defendants in the lawsuit, and to provide certain prospective relief with respect to specific provisions in its merchant agreements. This settlement will provide Ceridian and affiliated companies with a broad release of claims and will limit their exposure to legal claims by merchants. We estimate our portion of the settlement to be approximately $ 32 million, which will be recorded by us in the first quarter of 2014 as a result of our three-month lag in accounting for the results of operations of Ceridian.

Summarized financial information for the periods included in our Consolidated Financial Statements for Ceridian is presented below:

| | September 30, 2013 | September 30, 2012 |
|---|---|---|
| | (In millions) | |
| Total current assets before customer funds | $ 1,106 | $ 1,209 |
| Customer funds | 3,000 | 3,925 |
| Goodwill and other intangible assets, net | 4,484 | 4,630 |
| Other assets | 119 | 157 |
| Total assets | $ 8,709 | $ 9,921 |
| Current liabilities before customer customer obligations | $ 836 | $ 995 |
| Customer obligations | 2,986 | 3,874 |
| Long-term obligations, less current portion | 3,449 | 3,445 |
| Other long-term liabilities | 496 | 488 |
| Total liabilities | 7,767 | 8,802 |
| Equity | 942 | 1,119 |
| Total liabilities and equity | $ 8,709 | $ 9,921 |

| | Period from October 1, 2012, through September 30, 2013 | Period from October 1, 2011, through September 30, 2012 |
|---|---|---|
| | (In millions) | |
| Total revenues | $ 1,511 | $ 1,507 |
| Loss before income taxes | (88) | (66) |
| Net loss | (111) | (56) |

## Note E. Remy Derivative Financial Instruments and Concentration of Risk

The following risks and derivative instruments were added as part of the consolidation of Remy on August 14, 2012.

*Foreign Currency Risk*

Remy manufactures and sells products primarily in North America, South America, Asia, Europe and Africa. As a result, financial results could be significantly affected by factors such as changes in foreign currency exchange rates or weak economic conditions in foreign markets in which Remy manufactures and sells products. Remy generally tries to use natural hedges within its foreign currency activities, including the matching of revenues and costs, to minimize foreign currency risk. Where natural hedges are not in place, Remy considers managing certain aspects of its foreign currency activities through the use of foreign exchange contracts. Remy primarily utilizes forward exchange contracts with maturities generally within eighteen months to hedge against currency rate fluctuations, all of which are designated as hedges.

As of December 31, 2013 and 2012 , Remy had the following outstanding foreign currency contracts to hedge forecasted purchases and revenues (in millions):

| | Currency denomination | |
|---|---|---|
| | December 31, | |
| Foreign currency contract | 2013 | 2012 |
| South Korean Won Forward | $ 74 | $ 56 |
| Mexican Peso Contracts | $ 74 | $ 67 |
| Brazilian Real Forward | $ 11 | $ 18 |
| Hungarian Forint Forward | € 14 | € 13 |
| British Pound Forward | £ 4 | £ 1 |

Accumulated unrealized net gains of $2 million and $3 million were recorded in Accumulated other comprehensive earnings (loss) as of December 31, 2013 and 2012 , respectively, related to these instruments. As of December 31, 2013 , unrealized gains related to these instruments of $3 million are expected to be reclassified to the Consolidated Statement of Earnings within the next 12 months. Any ineffectiveness during the years ended December 31, 2013 and 2012 was immaterial.

*Interest rate risk*

During 2010, Remy entered into an interest rate swap agreement in respect of 50% of the outstanding principal balance of its Term B Loan under which a variable LIBOR rate with a floor of 1.750 % was swapped to a fixed rate of 3.345 %. Due to the significant value of the terminated swaps which were rolled into this swap, this interest rate swap is an undesignated hedge and changes in the fair value are recorded as Interest expense in the accompanying Consolidated Statement of Earnings.

On March 27, 2013, Remy terminated its undesignated Term B Loan interest rate swap and transferred the value into a new undesignated interest rate swap agreement of $ 72 million of the outstanding principal loan balance under which Remy will swap a variable LIBOR rate with a floor of 1.250% to a fixed rate of 4.050% with an effective date of December 30, 2016 and expiration date of December 31, 2019. The notional value of this interest rate swap is $ 72 million . Due to the significant value of the terminated swaps which were transferred into this new swap, this interest rate swap is an undesignated hedge and changes in the fair value are recorded as Interest expense in the accompanying Consolidated Statements of Earnings.

On March 27, 2013, Remy entered into a designated interest rate swap agreement for $ 72 million of the outstanding principal balance of its long term debt. Under the terms of the new interest rate swap agreement, Remy will swap a variable LIBOR rate with a floor of 1.250 % to a fixed rate of 2.750 % with an effective date of December 30, 2016 and expiration date of December 31, 2019. The notional value of this interest rate swap is $72 million . This interest rate swap has been designated as a cash flow hedging instrument. Accumulated unrealized net gains of $ 1 million , excluding the tax effect, were recorded in Accumulated other comprehensive earnings (loss) as of December 31, 2013 , and there were none as of December 31, 2012. As of December 31, 2013 , no gains are expected to be reclassified to the Condensed Consolidated Statement of Earnings within the next twelve months. Any ineffectiveness during the years ended December 31, 2013 and 2012 was immaterial.

The interest rate swaps reduce Remy's overall interest rate risk.

*Commodity price risk*

Remy production processes are dependent upon the supply of certain components whose raw materials are exposed to price fluctuations on the open market. The primary purpose of Remy's commodity price forward contract activity is to manage the volatility associated with forecasted purchases. Remy monitors commodity price risk exposures regularly to maximize the overall effectiveness of commodity forward contracts. The principal raw material hedged is copper. Forward contracts are used to mitigate commodity price risk associated with raw materials, generally related to purchases forecast for up to fifteen months in the future. Additionally, Remy purchases certain commodities during the normal course of business which result in physical delivery and are excluded from hedge accounting.

Remy had thirty-two commodity price hedge contracts outstanding at December 31, 2013 , and thirty-six commodity price hedge contracts outstanding at December, 2012 , with combined notional quantities of 6,368 and 6,566 metric tons of copper, respectively. These contracts mature within the next eighteen months. These contracts were designated as cash flow hedging instruments. Accumulated unrealized net losses of $1 million and less than $1 million , excluding the tax effect, were recorded in Accumulated other comprehensive earnings as of December 31, 2013 and 2012 , respectively, related to these contracts. As of December 31, 2013 , net unrealized losses related to these contracts of $1 million are expected to be reclassified to the accompanying Consolidated Statement of Earnings within the next 12 months. Hedging ineffectiveness during the year ended December 31, 2013 and 2012 was immaterial.

*Accounts receivable factoring arrangements*

Remy has entered into factoring agreements with various domestic and European financial institutions to sell their accounts receivable under nonrecourse agreements. These are treated as a sale. The transactions are accounted for as a reduction in accounts receivable as the agreements transfer effective control over and risk related to the receivables to the buyers. Remy does not service any domestic accounts after the factoring has occurred. Remy does not have any servicing assets or liabilities. Remy utilizes factoring arrangements as an integral part of financing. The cost of factoring such accounts receivable is reflected in the accompanying Consolidated Statement of Earnings as Interest expense. The cost of factoring such accounts receivable for the years ended December 31, 2013 and 2012 was $6 million and $2 million , respectively. Gross amounts factored under these facilities as of December 31, 2013 and 2012 were $241 million and $184 million , respectively.

*Other*

Remy's derivative positions and any related material collateral under master netting agreements are presented on a gross basis.

For derivatives designated as cash flow hedges, changes in the time value are excluded from the assessment of hedge effectiveness. Unrealized gains and losses associated with ineffective hedges, determined using the change in fair value method, are recognized in the accompanying Consolidated Statement of Earnings. Derivative gains and losses included in Accumulated other comprehensive earnings for effective hedges are reclassified into the accompanying Consolidated Statement of Earnings upon recognition of the hedged transaction.

Any derivative instrument designated initially, but no longer effective as a hedge, or initially not effective as a hedge, is recorded at fair value and the related gains and losses are recognized in the accompanying Consolidated Statement of Earnings. Remy's undesignated hedges are primarily foreign currency hedges as the entity with the derivative transaction does not bear the foreign currency risk, and Remy's interest rate swaps whose fair value at inception of the instrument due to the rollover of existing interest rate swaps resulted in ineffectiveness. All asset and liability derivatives are included in Prepaid expenses and other assets and Accounts payable and other accrued liabilities, respectively, on the Consolidated Balance Sheets.

The following table discloses the fair values of Remy's derivative instruments (in millions):

| | December 31, 2013 | | December 31, 2012 | |
|---|---|---|---|---|
| | Asset Derivatives | Liability Derivatives | Asset Derivatives | Liability Derivatives |
| Derivatives designated as hedging instruments: | | | | |
| Commodity contracts | $ — | $ 2 | $ 1 | $ 2 |
| Foreign currency contracts | 4 | — | 6 | — |
| Interest rate swap contracts | 2 | — | — | — |
| Total derivatives designated as hedging instruments | $ 6 | $ 2 | $ 7 | $ 2 |
| Derivatives not designated as hedging instruments: | | | | |
| Interest rate swap contracts | $ — | $ 1 | $ — | $ 2 |

Gains and losses on Remy's derivative instruments, which are reclassified from Accumulated other comprehensive earnings (OCI) into earnings, are included in Cost of auto parts revenue for commodity and foreign currency contracts, and Interest expense for interest rate swap contracts on the accompanying Consolidated Statements of Earnings. The following table discloses the effect of Remy's derivative instruments for the year ended December 31, 2013 (in millions):

| | Amount of (loss) gain recognized in OCI (effective portion) | Amount of (loss) gain reclassified from OCI into earnings (effective portion | Amount of gain (loss) recognized in earnings (ineffective portion and amount excluded from effectiveness testing) | Amount of gain (loss) recognized in earnings |
|---|---|---|---|---|
| Derivatives designated as cash flow hedging instruments: | | | | |
| Commodity contracts | $ (6) | $ (5) | $ — | $ — |
| Foreign currency contracts | 5 | 6 | — | — |
| Interest rate swap contracts | 1 | — | — | — |
| Total derivatives designated as hedging instruments | $ — | $ 1 | $ — | $ — |
| Derivatives not designated as hedging instruments: | | | | |
| Interest rate swap contracts | $ — | $ — | $ — | $ 1 |

The following table discloses the effect of Remy's derivative instruments for the year ended December 31, 2012 (in millions):

| | Amount of gain recognized in OCI (effective portion) | Amount of gain reclassified from OCI into earnings (effective portion | Amount of gain (loss) recognized in earnings (ineffective portion and amount excluded from effectiveness testing) | Amount of gain (loss) recognized in earnings |
|---|---|---|---|---|
| Derivatives designated as cash flow hedging instruments: | | | | |
| Commodity contracts | $ — | $ — | $ — | $ — |
| Foreign currency contracts | 6 | 1 | — | — |
| Total derivatives designated as hedging instruments | $ 6 | $ 1 | $ — | $ — |
| Derivatives not designated as hedging instruments: | | | | |
| Interest rate swap contracts | $ — | $ — | $ — | $ — |

**Note F. Property and Equipment**

Property and equipment consists of the following:

| | Year Ended December 31, 2013 | 2012 |
|---|---|---|
| | (In millions) | |
| Land | $ 133 | $ 119 |
| Buildings | 125 | 83 |
| Leasehold improvements | 223 | 88 |
| Data processing equipment | 236 | 229 |
| Furniture, fixtures and equipment | 515 | 329 |
| | 1,232 | 848 |
| Accumulated depreciation and amortization | (587) | (220) |
| | $ 645 | $ 628 |

Depreciation expense on property and equipment was $ 117 million, $ 80 million, and $ 38 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively.

**Note G. Goodwill**

Goo dwill consists of the following:

| | Fidelity National Title Group | FNF Corporate and Other | Remy | Restaurant Group | Portfolio Company Corporate and Other | Total |
|---|---|---|---|---|---|---|
| | | | (In millions) | | | |
| Balance, December 31, 2011 | $ 1,418 | $ 3 | $ — | $ — | $ 32 | $ 1,453 |
| Goodwill acquired during the year (1) | 18 | — | 246 | 119 | 75 | 458 |
| Adjustments to prior year acquisitions | — | — | — | — | (1) | (1) |
| Sale of assets | (2) | — | — | — | — | (2) |
| Balance, December 31, 2012 | $ 1,434 | $ 3 | $ 246 | $ 119 | $ 106 | $ 1,908 |
| Goodwill acquired during the year | 2 | — | — | — | 17 | 19 |
| Adjustments to prior year acquisitions (2) | (1) | — | 2 | — | (27) | (26) |
| Balance, December 31, 2013 | $ 1,435 | $ 3 | $ 248 | $ 119 | $ 96 | $ 1,901 |

(1) During 2012, we acquired a controlling interest in Remy and the Restaurant Group. We also acquired Digital Insurance in our Corporate and Other Segment. See Note B "Acquisitions".
(2) During 2013, we completed the final purchase price allocation for Digital Insurance, resulting in an adjustment to our purchased goodwill.

## Note H. Other Intangible Assets

Other intangible assets consist of the following:

| | December 31, 2013 | December 31, 2012 |
|---|---|---|
| | (In millions) | |
| Customer relationships and contracts | $ 516 | $ 481 |
| Trademarks and tradenames | 238 | 238 |
| Other | 60 | 47 |
| | 814 | 766 |
| Accumulated amortization | (195) | (115) |
| | $ 619 | $ 651 |

Amortization expense for amortizable intangible assets, which consist primarily of customer relationships, was $ 73 million, $ 34 million, and $ 17 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively. Other intangible assets primarily represent non-amortizable intangible assets such as trademarks and licenses. Estimated amortization expense for the next five years for assets owned at December 31, 2013 , is $ 66 million in 2014 , $ 60 million in 2015 , $ 54 million in 2016 , $ 42 million in 2017 and $ 38 million in 2018 .

**Note I. Accounts Payable and Other Accrued Liabilities**

Accounts payable and other accrued liabilities consist of the following:

| | December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| Accrued benefits | $ 239 | $ 251 |
| Salaries and incentives | 242 | 246 |
| Accrued rent | 29 | 45 |
| Trade accounts payable | 236 | 186 |
| Accrued recording fees and transfer taxes | 25 | 51 |
| Accrued premium taxes | 43 | 54 |
| Deferred revenue | 90 | 84 |
| Other accrued liabilities | 387 | 391 |
| | $ 1,291 | $ 1,308 |

**Note J. Notes Payable**

Notes payable consists of the following:

| | December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022 | $ 398 | $ 398 |
| Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018 | 285 | 282 |
| Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017 | 300 | 300 |
| Revolving Credit Facility, unsecured, unused portion of $800 at December 31, 2013, due July 2018 with interest payable monthly at LIBOR + 1.45% (1.62% at December 31, 2013) | — | — |
| Remy Term B Loan, interest payable quarterly at LIBOR (floor of 1.75%) + 4.50%, due December 2016 | — | 259 |
| Remy Amended and Restated Term B Loan, interest payable quarterly at LIBOR (floor of 1.25%) + 3.00% (4.25% at December 31, 2013), due March 2020 | 266 | — |
| Remy Revolving Credit Facility, unused portion of $73 at December 31, 2013, due September 2018 with interest payable monthly at base rate 3.25% + base rate margin .50% (3.75% at December 31, 2013) | — | — |
| Restaurant Group Term Loan, interest payable monthly at LIBOR + 3.75% (3.92% at December 31, 2013), due May 2017 | 53 | 72 |
| Restaurant Group Revolving Credit Facility, unused portion of $62 at December 31, 2013, due May 2017 with interest payable monthly at base rate 3.25% + base rate margin 2.75% (6.00% at December 31, 2013) | — | — |
| Other | 21 | 33 |
| | $ 1,323 | $ 1,344 |

At December 31, 2013 , the estimated fair value of our long-term debt was approximately $ 1,555 million or $ 232 million higher than its carrying value. The fair value of our long-term debt at December 31, 2012 was approximately $ 1,504 million or $ 160 million higher than its estimated carrying value. The fair value of our unsecured notes payable was $1,214 million and $1,139 million as of December 31, 2013 and 2012 , respectively. The fair values of our unsecured notes payable are based on established market prices for the securities on December 31, 2013 and 2012 and are considered Level 2 financial liabilities. The fair value of our Remy Term Loan was $267 million and $259 million , based on established market prices for the securities on December 31, 2013 and 2012 , respectively, and is considered a Level 2 financial liability. The fair value of our Restaurant Group Term Loan was $53 million and $72 million , based on established market prices for the securities on December 31, 2013 and 2012 and is considered a Level 2 financial liability.

On January 2, 2014, as a result of the LPS acquisition, we acquired $ 600 million aggregate principal amount of 5.75 % Senior Notes due 2023, initially offered by Black Knight Infoserv, LLC (formerly LPS, "Black Knight Infoserv") on October 12, 2012 (the "Black Knight Senior Notes"). The Black Knight Senior Notes were registered under the Securities Act of 1933, and as amended, carry an interest rate of 5.75 % and will mature on April 15, 2023. Interest will be paid semi-annually on the 15th day of April and October beginning April 15, 2013. The Black Knight Senior Notes are senior unsecured obligations and are guaranteed by certain of our subsidiaries that were formerly subsidiaries of LPS (the "Subsidiary Guarantors"), and by us as of January 2, 2014. At any time and from time to time, prior to October 15, 2015, Black Knight Infoserv may redeem up to a maximum of 35% of the original aggregate principal amount of the Black Knight Senior Notes with the proceeds of one or more equity offerings, at a redemption price equal to 105.75 % of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). Prior to October 15, 2017, Black Knight Infoserv may redeem some or all of the Black Knight Senior Notes by paying a “make-whole” premium based on U.S. Treasury rates. On or after October 15, 2017, Black Knight Infoserv may redeem some or all of the Black Knight Senior Notes at the redemption prices described in the Black Knight Senior Notes indenture, plus accrued and unpaid interest. In addition, if a change of control occurs, Black Knight Infoserv is required to offer to purchase all outstanding Black Knight Senior Notes at a price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).The Black Knight Senior Notes contain covenants that, among other things, limit Black Knight Infoserv's ability and the ability of certain of its subsidiaries (a) to incur or guarantee additional indebtedness or issue preferred stock, (b) to make certain restricted payments, including dividends or distributions on equity interests held by persons other than Black Knight Infoserv or certain subsidiaries, in excess of an amount generally equal to 50% of consolidated net income generated since July 1, 2008, (c) to create or incur certain liens, (d) to engage in sale and leaseback transactions, (e) to create restrictions that would prevent or limit the ability of certain subsidiaries to (i) pay dividends or other distributions to Black Knight Infoserv or certain other subsidiaries, (ii) repay any debt or make any loans or advances to Black Knight Infoserv or certain other subsidiaries or (iii) transfer any property or assets to Black Knight Infoserv or certain other subsidiaries, (f) to sell or dispose of assets of Black Knight Infoserv or any restricted subsidiary or enter into merger or consolidation transactions and (g) to engage in certain transactions with affiliates. As a result of our guarantee of the Black Knight Senior Notes on January 2, 2014, the notes became rated investment grade. The indenture provides that certain covenants are suspended while the Black Knight Senior Notes are rated investment grade. Currently covenants (a), (b), (c), (f) and (g) outlined above are suspended. These covenants will continue to be suspended as long as the notes are rated investment grade, as defined in the indenture. These covenants are subject to a number of exceptions, limitations and qualifications in the Black Knight Senior Notes indenture. Black Knight Infoserv has no independent assets or operations and the guarantees of the Subsidiary Guarantors are full and unconditional and joint and several. There are no significant restrictions on the ability of Black Knight Infoserv or any of the Subsidiary Guarantors to obtain funds from any of their subsidiaries. The Black Knight Senior Notes contain customary events of default, including failure of Black Knight Infoserv (i) to pay principal and interest when due and payable and breach of certain other covenants and (ii) to make an offer to purchase and pay for the Black Knight Senior Notes tendered as required by the Black Knight Senior Notes. Events of default also include cross defaults, with respect to any other debt of Black Knight Infoserv or debt of certain subsidiaries having an outstanding principal amount of $80 million or more in the aggregate for all such debt, arising from (i) failure to make a principal payment when due and such defaulted payment is not made, waived or extended within the applicable grace period or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity. Upon the occurrence of an event of default (other than a bankruptcy default with respect to Black Knight Infoserv or certain subsidiaries), the trustee or holders of at least 25% of the Black Knight Senior Notes then outstanding may accelerate the Black Knight Senior Notes by giving us appropriate notice. If, however, a bankruptcy default occurs with respect to the Black Knight Infoserv or certain subsidiaries, then the principal of and accrued interest on the Black Knight Senior Notes then outstanding will accelerate immediately without any declaration or other act on the part of the trustee or any holder. Subsequent to year end, on January 16, 2014, we issued an offer to purchase the Black Knight Senior Notes pursuant to the change of control provisions above at a purchase price of 101 % of the principal amount plus accrued interest to the purchase date. The offer expired on February 18, 2014. As a result of the offer, bondholders tendered $ 5 million in principal of the Black Knight Senior Notes, which were subsequent purchased by us on February 24, 2014.

On October 24, 2013, we entered into a bridge loan commitment letter (the “Bridge Loan Commitment Letter”) with Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bank of America, N.A. (“Bank of America”), J.P. Morgan Securities LLC and JP Morgan Chase Bank, N.A. The Bridge Loan Commitment Letter provides for up to an $ 800 million short-term loan facility (the “Bridge Facility”). The proceeds of the loans under the Bridge Facility were used to fund, in part, the cash consideration for the acquisition of LPS and pay certain costs, fees and expenses in connection with the LPS merger. Pursuant to the Bridge Loan Commitment Letter, we executed a promissory note in favor of the Bridge Facility lenders on the closing date of the Merger that evidenced the terms of the Bridge Facility. The Bridge Facility matured on the second business day following the funding thereof and required scheduled amortization payments. Borrowings under the Bridge Facility bear interest at a rate equal to the highest of (i) the Bank of America prime rate, (ii) the federal fund effective rate from time to time plus 0.5% and (iii) the one month adjusted London interbank offered rate ("LIBOR") plus 1.0%. Other than as set forth in this paragraph, the terms of the Bridge Facility are be substantially the same as the terms of the Amended Term Loan Agreement discussed below. Subsequent to year end, as part of the acquisition of LPS on January 2, 2014, the Bridge Facility was funded and subsequently repaid the following day,

On July 11, 2013, we entered into a term loan credit agreement with Bank of America, N.A., as administrative agent (in such capacity, the “TL Administrative Agent”), the lenders party thereto and the other agents party thereto (the “Term Loan Agreement”). The Term Loan Agreement permits us to borrow up to $ 1.1 billion to fund the acquisition of LPS. The term loans under the Term Loan Agreement mature on the date that is five years from the funding date of the term loans under the Term Loan Agreement. Term loans under the Term Loan Agreement generally bear interest at a variable rate based on either (i) the base rate (which is the highest of (a) 0.5% in excess of the federal funds rate, (b) the TL Administrative Agent’s “prime rate”, or (c) the sum of 1.0% plus one-month LIBOR) plus a margin of between 50 basis points and 100 basis points depending on the senior unsecured long-term debt ratings of FNF or (ii) LIBOR plus a margin of between 150 basis points and 200 basis points depending on the senior unsecured long-term debt ratings of FNF. Based on our current Moody’s and Standard & Poor’s senior unsecured long-term debt ratings of Baa3/BBB-, respectively, the applicable margin for term loans subject to LIBOR is 175 basis points over LIBOR. In addition, we will pay an unused commitment fee of 25 basis points on the entire term loan facility until the earlier of the termination of the term loan commitments or the funding of the term loans. Under the Term Loan Agreement, we are subject to customary affirmative, negative and financial covenants, including, among other things, limits on the creation of liens, limits on the incurrence of indebtedness, restrictions on investments, dispositions and transactions with affiliates, limitations on dividends and other restricted payments, a minimum net worth and a maximum debt to capitalization ratio. The Term Loan Agreement also includes customary events of default for facilities of this type (with customary grace periods, as applicable) and provides that, if an event of default occurs and is continuing, the interest rate on all outstanding obligations may be increased, payments of all outstanding term loans may be accelerated and/or the lenders’ commitments may be terminated. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Term Loan Agreement shall automatically become immediately due and payable, and the lenders’ commitments will automatically terminate. Under the Term Loan Agreement the financial covenants are the same as under the Restated Credit Agreement. On October 27, 2013, we amended the Term Loan Agreement to permit us to incur the indebtedness in respect of the Bridge Facility and incorporate other technical changes to describe the structure of the LPS merger. Subsequent to year end, as part of the acquisition of LPS on January 2, 2014,the Term Loan Agreement was fully funded.

On June 25, 2013, we entered into an agreement to amend and restate our existing $ 800 million second amended and restated credit agreement (the “Existing Credit Agreement”), dated as of April 16, 2012 with Bank of America, N.A., as administrative agent (in such capacity, the “Administrative Agent”) and the other agents party thereto (the “Revolving Credit Facility”). Among other changes, the Revolving Credit Facility amends the Existing Credit Agreement to permit us to make a borrowing under the Revolving Credit Facility to finance a portion of the acquisition of LPS on a “limited conditionality” basis, incorporates other technical changes to permit us to enter into the Acquisition and extends the maturity of the Existing Credit Agreement. The lenders under the Existing Credit Agreement have agreed to extend the maturity date of their commitments under the credit facility from April 16, 2016 to July 15, 2018 under the Revolving Credit Facility. Revolving loans under the credit facility generally bear interest at a variable rate based on either (i) the base rate (which is the highest of (a) one-half of one percent in excess of the federal funds rate, (b) the Administrative Agent's “prime rate”, or (c) the sum of one percent plus one-month LIBOR) plus a margin of between 32.5 and 60 basis points depending on the senior unsecured long-term debt ratings of FNF or (ii) LIBOR plus a margin of between 132.5 and 160 basis points depending on the senior unsecured long-term debt ratings of FNF. Based on our current Moody’s and Standard & Poor’s senior unsecured long-term debt ratings of Baa3/BBB-, respectively, the applicable margin for revolving loans subject to LIBOR is 145 basis points. In addition, we will pay an unused commitment fee of between 17.5 and 40 basis points on the entire facility, also depending on our senior unsecured long-term debt ratings. Under the Revolving Credit Facility, we are subject to customary affirmative, negative and financial covenants, including, among other things, limits on the creation of liens, limits on the incurrence of indebtedness, restrictions on investments, dispositions and transactions with affiliates, limitations on dividends and other restricted payments, a minimum net worth and a maximum debt to capitalization ratio. The Revolving Credit Facility also includes customary events of default for facilities of this type (with customary grace periods, as applicable) and provides that, if an event of default occurs and is continuing, the interest rate on all outstanding obligations may be increased, payments of all outstanding loans may be accelerated and/or the lenders' commitments may be terminated. These events of default include a cross-default provision that, subject to limited exceptions, permits the lenders to declare the Revolving Credit Facility in default if: (i) (a) we fail to make any payment after the applicable grace period under any indebtedness with a principal amount (including undrawn committed amounts) in excess of 3.0% of our net worth, as defined in the Revolving Credit Facility, or (b) we fail to perform any other term under any such indebtedness, or any other event occurs, as a result of which the holders thereof may cause it to become due and payable prior to its maturity; or (ii) certain termination events occur under significant interest rate, equity or other swap contracts. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Revolving Credit Facility shall automatically become immediately due and payable, and the lenders' commitments will automatically terminate. Under the Revolving Credit Facility the financial covenants remain essentially the same as under the Existing Credit Agreement, except that the total debt to total capitalization ratio limit of 35% will increase to 37.5% for a period of one year after the closing of the LPS acquisition and the net worth test was reset. As of December 31, 2013 , there was no outstanding balance under the Revolving Credit Facility.

Also on October 24, 2013, we entered into amendments to amend the revolving credit facility to permit us to incur the indebtedness in respect of the Bridge Facility and incorporate other technical changes to describe the structure of the LPS merger. Subsequent to year end, as part of the acquisition of LPS on January 2, 2014, we borrowed $300 million under the Revolving Credit Facility.

On March 5, 2013, Remy entered into a First Amendment to its existing five year Asset-Based Revolving Credit Facility (the "Remy Credit Facility" and "Remy Credit Facility First Amendment") to extend the maturity date of the Remy Credit Facility from December 17, 2015 to September 5, 2018 and reduce the interest rate. The Remy Credit Facility now bears interest at a defined Base Rate plus 0.50%-1.00% per year or, at Remy's election, at an applicable LIBOR Rate plus 1.50 %- 2.00 % per year and is paid monthly. The Remy Credit Facility First Amendment maintains the current maximum availability at $95 million , which may be increased, under certain circumstances, by $ 20 million , though the actual amount that may be borrowed is based on the amount of collateral. The Remy Credit Facility is secured by substantially all domestic accounts receivable and inventory held by Remy. Remy will incur an unused commitment fee of 0.375 % on the unused amount of commitments under the Remy Credit Facility First Amendment. At December 31, 2013 , the Remy Credit Facility balance was zero. Based upon the collateral supporting the Remy Credit Facility, the amount borrowed, and the outstanding letters of credit of $ 3 million , there was additional availability for borrowing of $ 73 million on December 31, 2013 . The Remy Credit Facility contains various restrictive covenants, which include, among other things: (i) a maximum leverage ratio, decreasing over the term of the facility; (ii) a minimum interest coverage ratio, increasing over the term of the facility; (iii) mandatory prepayments upon certain asset sales and debt issuances; (iv) requirements for minimum liquidity; and (v) limitations on the payment of dividends in excess of a specified amount.

On March 5, 2013, Remy entered into a $300 million Amended and Restated Term B Loan Credit Agreement ("Term B Amendment") to refinance the existing $287 million Term B Loan, extend the maturity from December 17, 2016 to March 5, 2020, and reduce the interest rate. The Term B Amendment now bears interest at LIBOR (subject to a floor of 1.25%) plus 3% per year, with an original issue discount of approximately $ 1 million . The Term B Amendment also contains an option to increase the borrowing provided certain conditions are satisfied, including maintaining a maximum leverage ratio. The Term B Amendment is secured by a first priority lien on the stock of Remy's subsidiaries and substantially all domestic assets other than accounts receivable and inventory pledged to the Remy Credit Facility. Principal payments in the amount of approximately $ 1 million are due at the end of each calendar quarter with termination and final payment no later than March 5, 2020. The Term B Amendment also includes covenants and events of default customary for a facility of this type, including a cross-default provision under which the lenders may declare the loan in default if Remy (i) fails to make a payment when due under any debt having a principal amount greater than $5 million or (ii) breaches any other covenant in any such debt as a result of which the holders of such debt are permitted to accelerate its maturity. Remy is in compliance with all covenants as of December 31, 2013 . The Term B Loan is subject to an excess cash calculation which may require the payment of additional principal on an annual basis. At December 31, 2013 , the average borrowing rate, including the impact of the interest rate swaps, was 4.25% .

On August 28, 2012, we completed an offering of $400 million in aggregate principal amount of 5.50% notes due September 2022 (the "5.50% notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The notes were priced at 99.513% of par to yield 5.564% annual interest. As such we recorded a discount of $2 million , which is netted against the $400 million aggregate principal amount of the 5.50% notes. The discount is amortized to September 2022 when the 5.50% notes mature. The 5.50% notes will pay interest semi-annually on the 1st of March and September, beginning March 1, 2013. We received net proceeds of $396 million , after expenses, which were used to repay the $237 million aggregate principal amount outstanding of our 5.25% unsecured notes maturing in March 2013, the $50 million outstanding on our revolving credit facility, and the remainder is being held for general corporate purposes. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of the Company in an aggregate amount exceeding $100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

On September 28, 2012, we used $242 million of the net proceeds of the issuance of the 5.50% notes to fund the repayment of the $237 million aggregate principal amount outstanding of our 5.25% unsecured notes, including less than $1 million of unpaid interest and a $5 million make-whole call penalty, as the 5.25% unsecured notes had a stated maturity of March 2013.

On May 31, 2012, ABRH entered into a credit agreement (the “ABRH Credit Facility”) with Wells Fargo Capital Finance, LLC as administrative agent and swing lender (the “ABRH Administrative Lender”) and the other financial institutions party thereto. The ABRH Credit Facility provides for a maximum revolving loan of $80 million with a maturity date of May 31, 2017. Additionally, the ABRH Credit Facility provides for a maximum term loan ("Restaurant Group Term Loan") of $85 million with quarterly installment repayments through December 25, 2016 and a maturity date of May 31, 2017 for the outstanding unpaid principal balance and all accrued and unpaid interest. On May 31, 2012, ABRH borrowed the entire $85 million under such term loan. Pricing for the ABRH Credit Facility is based on an applicable margin between 300 basis points to 375 basis points over LIBOR. The ABRH Credit Facility is subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on ABRH's creation of liens, sales of assets, incurrence of indebtedness, restricted payments, transactions with affiliates, and certain amendments. The covenants addressing restricted payments include certain limitations on the declaration or payment of dividends by ABRH to its parent, Fidelity Newport Holdings, LLC (“FNH”), and by FNH to its members, and one such limitation restricts the amount of dividends that ABRH can pay to its parent (and that FNH can in turn pay to its members) to $5 million in the aggregate (outside of certain other permitted dividend payments) in fiscal year 2012 (with varying amounts for subsequent years). The ABRH Credit Facility includes customary events of default for facilities of this type (with customary grace periods, as applicable), which include a cross-default provision whereby an event of default will be deemed to have occurred if (i) ABRH or any of its guarantors, which consists of FNH and certain of its subsidiaries, (together, the “Loan Parties”) or any of their subsidiaries default on any agreement with a third party of $2 million or more related to their indebtedness and such default (a) occurs at the final maturity of the obligations thereunder or (b) results in a right by such third party to accelerate such Loan Party's or its subsidiary's obligations or (ii) a default or an early termination occurs with respect to certain hedge agreements to which a Loan Party or its subsidiaries is a party involving an amount of $0.75 million or more. The ABRH Credit Facility provides that, upon the occurrence of an event of default, the ABRH Administrative Lender may (i) declare the principal of, and any and all accrued and unpaid interest and fees in respect of, the loans immediately due and payable, (ii) terminate loan commitments and (iii) exercise all other rights and remedies available to the ABRH Administrative Lender or the lenders under the loan documents. As of December 31, 2013 , the balance of the term loan was $ 53 million and there was no outstanding balance on the revolving loan. ABRH had $ 18 million of outstanding letters of credit and $ 62 million of remaining borrowing capacity under our revolving credit facility as of December 31, 2013 .

On August 2, 2011, we completed an offering of $300 million in aggregate principal amount of 4.25% convertible senior notes due August 2018 (the "Notes") in an offering conducted in accordance with Rule 144A under the Securities Act of 1933, as amended. The Notes contain customary event-of-default provisions which, subject to certain notice and cure-period conditions, can result in the acceleration of the principal amount of, and accrued interest on, all outstanding Notes if we breach the terms of the Notes or the indenture pursuant to which the Notes were issued. The Notes are unsecured and unsubordinated obligations and (i) rank senior in right of payment to any of our existing or future unsecured indebtedness that is expressly subordinated in right of payment to the Notes; (ii) rank equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; (iii) are effectively subordinated in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) are structurally subordinated to all existing and future indebtedness and liabilities of our subsidiaries. Interest is payable on the principal amount of the Notes, semi-annually in arrears in cash on February 15 and August 15 of each year, commencing February 15, 2012. The Notes mature on August 15, 2018, unless earlier purchased by us or converted. The Notes were issued for cash at 100% of their principal amount. However, for financial reporting purposes, the notes were deemed to have been issued at 92.818% of par value, and as such we recorded a discount of $22 million to be amortized to August 2018, when the Notes mature. The Notes will be convertible into cash, shares of common stock, or a combination of cash and shares of common stock, at our election, based on an initial conversion rate, subject to adjustment, of 46.387 shares per $1,000 principal amount of the Notes (which represents an initial conversion price of approximately $ 21.56 per share), only in the following circumstances and to the following extent: (i) during any calendar quarter commencing after December 31, 2011, if, for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter, the last reported sale price per share of our common stock on such trading day is greater than or equal to 130% of the applicable conversion price on such trading day; (ii) during the five consecutive business day period immediately following any ten consecutive trading day period (the “measurement period”) in which, for each trading day of the measurement period, the trading price per $1,000 principal amount of notes was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the applicable conversion rate on such trading day; (iii) upon the occurrence of specified corporate transactions; or (iv) at any time on and after May 15, 2018. However, in all cases, the Notes will cease to be convertible at the close of business on the second scheduled trading day immediately preceding the maturity date. It is our intent and policy to settle conversions through “net-share settlement”. Generally, under “net-share settlement,” the conversion value is settled in cash, up to the principal amount being converted, and the conversion value in excess of the principal amount is settled in shares of our common stock. As of October 1, 2013, these notes were convertible under the 130% Sale Price Condition described above. To date, no bond holders have submitted their bonds for conversion.

In December 2010, Remy entered into a $300 million Term B Loan (“Term B”) facility. The Term B is secured by a first priority lien on the stock of Remy's subsidiaries and substantially all Remy domestic assets other than accounts receivable and inventory pledged to the Asset-Based Revolving Credit Facility ("Remy Credit Facility"), as described below. The Term B bears an interest rate of LIBOR (subject to a floor of 1.75%) plus 4.5% per annum. The Term B matures on December 17, 2016. Principal payments in the amount of $0.8 million are due at the end of each calendar quarter with termination and final payment no later than December 17, 2016. The Term B facility is subject to an excess cash calculation which may require the payment of additional principal on an annual basis. The Term B also includes events of default customary for a facility of this type, including a cross-default provision under which the lenders may declare the loan in default if we (i) fail to make a payment when due under any debt having a principal amount greater than $5 million or (ii) breach any other covenant in any such debt as a result of which the holders of such debt are permitted to accelerate its maturity. This facility was replaced on March 5, 2013 by the Term B Amendment noted above.

Remy also has revolving credit facilities with four Korean banks with a total facility amount of approximately $17 million , of which $2 million is borrowed at average interest rates of 3.46% at December 31, 2013 . In Hungary, there are two revolving credit facilities with two separate banks for a total facility amount of $4 million , of which nothing is borrowed at December 31, 2013 .

On May 5, 2010, we completed an offering of $ 300 million in aggregate principal amount of our 6.60% notes due May 2017 (the "6.60% Notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The 6.60% Notes were priced at 99.897% of par to yield 6.61% annual interest. We received net proceeds of $ 297 million , after expenses, which were used to repay outstanding borrowings under our credit agreement. Interest is payable semi-annually. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of the Company in an aggregate amount exceeding $ 100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

Gross principal maturities of notes payable at December 31, 2013 are as follows (in millions):

| | |
|---|---|
| 2014 | $ 18 |
| 2015 | 13 |
| 2016 | 13 |
| 2017 | 332 |
| 2018 | 304 |
| Thereafter | 661 |
| | $ 1,341 |

## Note K. Income Taxes

Income tax expense (benefit) on continuing operations consists of the following:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | | (In millions) | |
| Current | $ 148 | $ 224 | $ (11) |
| Deferred | 57 | 21 | 142 |
| | $ 205 | $ 245 | $ 131 |

Total income tax expense (benefit) was allocated as follows (in millions):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| Net earnings from continuing operations | $ 205 | $ 245 | $ 131 |
| Tax expense (benefit) attributable to discontinued operations | (2) | 5 | 59 |
| Other comprehensive earnings (loss): | | | |
| Unrealized gains (loss) on investments and other financial instruments | (29) | 39 | 11 |
| Unrealized gain (loss) on foreign currency translation and cash flow hedging | (2) | 1 | (1) |
| Reclassification adjustment for change in unrealized gains and losses included in net earnings | 3 | (7) | (16) |
| Minimum pension liability adjustment | 16 | 5 | (6) |
| Total income tax expense (benefit) allocated to other comprehensive earnings | (12) | 38 | (12) |
| Additional paid-in capital, stock-based compensation | (17) | (31) | (6) |
| Total income taxes | $ 174 | $ 257 | $ 172 |

A reconciliation of the federal statutory rate to our effective tax rate is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| Federal statutory rate | 35.0 % | 35.0 % | 35.0 % |
| State income taxes, net of federal benefit | 3.0 | 2.2 | 1.4 |
| Deductible dividends paid to FNF 401(k) plan | (0.2) | (0.1) | (0.2) |
| Tax exempt interest income | (1.4) | (1.3) | (2.7) |
| Release of valuation allowance | — | (0.8) | — |
| Nontaxable investment gains | — | (5.3) | — |
| Tax Credits | (1.4) | (0.5) | (0.8) |
| Equity Investments | (1.8) | (1.0) | 0.1 |
| Consolidated Partnerships | (0.4) | (0.2) | (0.8) |
| Non-deductible expenses and other, net | (1.3) | 1.3 | 0.4 |
| | 31.5 % | 29.3 % | 32.4 % |

The significant components of deferred tax assets and liabilities at December 31, 2013 and 2012 consist of the following:

| | December 31, 2013 | December 31, 2012 |
|---|---|---|
| | (In millions) | |
| Deferred Tax Assets: | | |
| Employee benefit accruals | $ 46 | $ 53 |
| Other investments | 80 | 58 |
| Net operating loss carryforwards | 89 | 106 |
| Insurance reserve discounting | 11 | — |
| Accrued liabilities | 30 | 30 |
| Pension plan | — | 12 |
| Tax credits | 62 | 66 |
| State income taxes | 9 | 9 |
| Other | — | 11 |
| Total gross deferred tax asset | 327 | 345 |
| Less: valuation allowance | 26 | 27 |
| Total deferred tax asset | $ 301 | $ 318 |
| Deferred Tax Liabilities: | | |
| Title plant | $ (83) | $ (72) |
| Amortization of goodwill and intangible assets | (275) | (283) |
| Other | (13) | — |
| Investment securities | (53) | (65) |
| Depreciation | (14) | (10) |
| Insurance reserve discounting | — | (5) |
| Bad debts | (6) | (6) |
| Pension Plan | (1) | — |
| Total deferred tax liability | $ (445) | $ (441) |
| Net deferred tax liability | $ (144) | $ (123) |

Our net deferred tax liability was $144 million and $123 million at December 31, 2013 , and 2012 , respectively. The significant changes in the deferred taxes are as follows: the deferred tax liability relating to insurance reserves decreased $ 16 million due primarily to a reduction in the claim reserves established for statutory and tax purposes. The deferred tax asset for Other investments increased by $ 22 million due to additional losses incurred by our investment in Ceridian. The deferred tax liability for investment securities decreased by $ 12 million due primarily to decreased unrealized investment gains. The deferred tax asset on pension plan decreased by $ 13 million due to minimum pension liability OCI adjustments. The deferred tax asset relating to net operating loss carryovers was reduced by $ 17 million due to net operating loss utilization by both FNF and Remy.

As of December 31, 2013 and 2012 we had a valuation allowance of $ 26 million and $ 27 million, respectively.

At December 31, 2013 , we have net operating losses on a pretax basis of $ 248 million available to carryforward and offset future federal taxable income. Of the net operating losses $ 83 million are United States federal net operating losses arising from past acquisitions and are subject to an annual Internal Revenue Code Section 382 limitation. These losses will begin to expire in year 2025 and we fully anticipate utilizing these losses prior to expiration. Thus, no valuation allowance has been established. Of the net operating losses, $ 165 million relate to Remy, including $ 101 million of United States net operating losses and $ 64 million of non-United States net operating losses. These losses will begin to expire in year 2015 and we anticipate utilizing these losses prior to expiration after a valuation allowance of $7 million.

At December 31, 2013, we have $ 62 million of tax credits including $ 6 million of foreign tax credits, $ 40 million of general business credits from the O’Charley’s and J. Alexander’s acquisitions and $ 16 million of general business credits from Remy. We anticipate that these credits will be utilized prior to expiration after a valuation allowance of $ 3 million on the foreign tax credits, $ 10 million on the general business credits and $ 5 million on the Remy credits.

Tax benefits of $ 17 million , $ 31 million , and $ 6 million associated with the exercise of employee stock options and the vesting of restricted stock grants were allocated to equity for the years ended December 31, 2013 , 2012, and 2011, respectively.

Income taxes have not been presented for the difference between the tax basis and the financial statement carrying amount for our investment in Remy because the reported amount of the investment can be recovered tax-free.

As of December 31, 2013 and 2012 , we had approximately $15 million (including interest of $3 million ) and $ 10 million (including interest of $ 2 million ), respectively, of total gross unrecognized tax benefits that, if recognized, would favorably affect our income tax rate. These amounts are reported on a gross basis and do not reflect a federal tax benefit on state income taxes. We record interest and penalties related to income taxes as a component of income tax expense.

The Internal Revenue Service (“IRS”) has selected us to participate in the Compliance Assurance Program that is a real-time audit. During 2013, the IRS completed its examination of the tax year ended 2012, which resulted in no additional tax. We are currently under audit by the Internal Revenue Service for the 2013 and 2014 tax years. We file income tax returns in various foreign and US state jurisdictions.

## Note L. Summary of Reserve for Claim Losses

A summary of the reserve for claim losses follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | | (Dollars in millions) | |
| Beginning balance | $ 1,748 | $ 1,913 | $ 2,211 |
| Claim loss provision related to: | | | |
| Current year | 220 | 210 | 189 |
| Prior years | 71 | 58 | 33 |
| Total title claim loss provision (1) | 291 | 268 | 222 |
| Claims paid, net of recoupments related to: | | | |
| Current year | (9) | (4) | (10) |
| Prior years | (394) | (429) | (510) |
| Total title claims paid, net of recoupments | (403) | (433) | (520) |
| Ending balance of claim loss reserve for title insurance | $ 1,636 | $ 1,748 | $ 1,913 |
| Provision for title insurance claim losses as a percentage of title insurance premiums | 7.0% | 7.0% | 6.8% |

(1) Included in the provision for title claim losses in the 2012 period is a $ 11 million impairment recorded on an asset previously recouped as part of a claim settlement.

We continually update loss reserve estimates as new information becomes known, new loss patterns emerge, or as other contributing factors are considered and incorporated into the analysis of reserve for claim losses. 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. Due to the uncertainty inherent in the process and to the judgment used by management, the ultimate liability may be greater or less than our current reserves. As a result of continued volatility experienced in claim development on policy years 2005 - 2008, we believe there is an increased level of uncertainty attributable to these policy years. I f actual claims loss development is worse than currently expected and is not offset by other positive factors, it is reasonably possible that we may record additional reserve strengthening in future periods.

## Note M. Commitments and Contingencies

*Legal and Regulatory Contingencies*

In the ordinary course of business, we are involved in various pending and threatened litigation matters related to our title operations, some of which include claims for punitive or exemplary damages. This customary litigation includes but is not limited to a wide variety of cases arising out of or related to title and escrow claims, for which we make provisions through our loss reserves. Additionally, like other insurance companies, our ordinary course litigation includes a number of class action and purported class action lawsuits, which make allegations related to aspects of our insurance operations. We believe that no actions, other than those discussed below, depart from customary litigation incidental to our insurance business.

Remy is a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to commercial transactions, product liability, safety, health, taxes, environmental and other matters.

Our Restaurant Group companies are a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to injury or wrongful death under “dram shop” laws, individual and purported class action claims alleging violation of federal and state wage and hour laws, and claims from guests or employees alleging illness, injury or other food quality, health or operational concerns.

We review lawsuits and other legal and regulatory matters (collectively “legal proceedings”) on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings where it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts and which represents our best estimate has been recorded. None of the amounts we have currently recorded is considered to be individually or in the aggregate material to our financial condition. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending cases is generally not yet determinable. While some of these matters could be material to our operating results or cash flows for any particular period if an unfavorable outcome results, at present we do not believe that the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or cash flows.

Two class action complaints titled *Chultem v. Ticor Title Insurance Co., Chicago Title and Trust, Co., and Fidelity National Financial, Inc.* and *Colella v. Chicago Title Insurance Co. and Chicago Title and Trust Co.* are pending in the Illinois state court against Chicago Title Insurance Company (“Chicago”), Ticor Title Insurance Company (“Ticor”), Chicago Title and Trust Company, and Fidelity National Financial, Inc., their parent, (collectively “the Companies”). The Plaintiffs represent certified classes of all borrowers and sellers of residential real estate in Illinois who paid a premium for title insurance to Chicago and Ticor which was split with attorney agents for services which were performed in issuing the policies. The complaint alleges the Companies violated the Real Estate Settlement Procedures Act (RESPA) and by doing so violated the Illinois Title Insurance Act and the Illinois Consumer Fraud Act. The suit seeks compensatory damages in the amount of the premium split paid to the attorney agents, interest, punitive damages, a permanent injunction, attorney's fees and costs. Class certification was denied on May 26, 2009, but the plaintiffs appealed. The Court of Appeal reversed and the case was remanded to the trial court for certification and subsequent proceedings. During 2013 and continuing through February 2014, the case progressed. On February 7, 2014, the court entered an order in favor of us recognizing the U.S. Supreme Courts case Freeman v. Quicken Loans , which determined that if a person with whom fees were split performed any service then there was no RESPA violation. The Plaintiff will have an opportunity to appeal the Court's decision. We intend to vigorously defend this action. We do not believe this case will have a material adverse impact on our operations or financial condition.

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

*Escrow Balances*

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 accompanying Consolidated Balance Sheets. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to $ 8.8 billion at December 31, 2013 . 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, 2013 and 2012 related to these arrangements.

*Operating Leases*

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

| | |
|---|---|
| 2014 | $ 178 |
| 2015 | 150 |
| 2016 | 123 |
| 2017 | 101 |
| 2018 | 76 |
| Thereafter | 298 |
| Total future minimum operating lease payments | $ 926 |

Rent expense incurred under operating leases during the years ended December 31, 2013 , 2012 and 2011 was $ 196 million, $ 159 million, and $ 123 million, respectively. Rent expense in 2013 , 2012 , and 2011 includes abandoned lease charges related to office closures of $ 1 million, $ 2 million, and $ 1 million, respectively.

On June 29, 2004 we entered into an off-balance sheet financing arrangement (commonly referred to as a "synthetic lease"). The owner/lessor in this arrangement acquired land and various real property improvements associated with new construction of an office building in Jacksonville, Florida, that are part of FNF's corporate campus and headquarters. The lessor financed the acquisition of the facilities through funding provided by third-party financial institutions. On June 27, 2011, we renewed and amended the synthetic lease for the facilities. The amended lease provides for a five year term ending June 27, 2016 and had an outstanding balance as of December 31, 2013 of $71 million . The amended lease includes guarantees by us of up to 83.0% of the outstanding lease balance, and options to purchase the facilities at the outstanding lease balance. The guarantee becomes effective if we decline to purchase the facilities at the end of the lease and also decline to renew the lease. The lessor is a third-party company and we have no affiliation or relationship with the lessor or any of its employees, directors or affiliates, and transactions with the lessor are limited to the operating lease agreements and the associated rent expense that have been included in Other operating expenses in the Consolidated Statements of Earnings. We do not believe the lessor is a variable interest entity, as defined in the FASB standard on consolidation of variable interest entities.

*Restaurant Group Purchase Obligations*

The Restaurant Group has unconditional purchase obligations with various vendors. These purchase obligations are primarily food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. We used both historical and projected volume and pricing as of December 31, 2013 to determine the amount of the obligations.

Purchase obligations of the Restaurant Group as of December 31, 2013 are as follows (in millions):

| | |
|---|---|
| 2014 | $ 173 |
| 2015 | 45 |
| 2016 | 23 |
| 2017 | 4 |
| 2018 | — |
| Thereafter | — |
| Total purchase commitments | $ 245 |

**Note N. Regulation and Equity**

Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, 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 enter into transactions with affiliates. 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.

Since we are governed by both state and federal governments and the applicable insurance laws and regulations are constantly subject to change, it is not possible to predict the potential effects on our insurance operations, particularly the Fidelity National

Title Group segment, of any laws or regulations that may become more restrictive in the future or if new restrictive laws will be enacted.

Pursuant to statutory accounting requirements of the various states in which our insurers are domiciled, these insurers 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, 2013 , the combined statutory unearned premium reserve required and reported for our title insurers was $ 1,734 million. In addition to statutory unearned premium reserves, each of our insurers maintains reserves for known claims and surplus funds for policyholder protection and business operations.

Each of our insurance subsidiaries is regulated by the insurance regulatory authority in its respective state of domicile, as well as that of each state in which it is licensed. The insurance commissioners of their respective states of domicile are the primary regulators of our title insurance subsidiaries. Each of the insurers is subject to periodic regulatory financial examination by regulatory authorities.

Our 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, 2013 , $ 1,909 million of our net assets are restricted from dividend payments without prior approval from the Departments of Insurance. During 2014 , our title insurers can pay or make distributions to us of approximately $ 308 million, without prior approval.

The combined statutory capital and surplus of our title insurers was approximately $ 1,409 million and $ 1,381 million as of December 31, 2013 and 2012 , respectively. The combined statutory net earnings (losses) of our title insurance subsidiaries were $ 352 million, $ 281 million, and $ 151 million for the years ended December 31, 2013 , 2012 , and 2011 , respectively.

Statutory-basis financial statements are prepared in accordance with accounting practices prescribed or permitted by the various state insurance regulatory authorities. The National Association of Insurance Commissioners' (“NAIC” *) Accounting Practices and Procedures* manual (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by each of the states that regulate us. Each of our states of domicile for our title insurance underwriter subsidiaries have adopted a material prescribed accounting practice that differs from that found in NAIC SAP. Specifically, in both years the timing of amounts released from the statutory unearned premium reserve under NAIC SAP differs from the states' required practice. Statutory surplus at December 31, 2013 and 2012 , respectively, was lower (higher) by approximately $ 205 million and $ (4) million than if we had reported such amounts in accordance with NAIC SAP.

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

Pursuant to statutory requirements of the various states in which our insurers are domiciled, such insurers must maintain certain levels of minimum capital and surplus. Required levels of minimum capital and surplus are not significant to the insurers individually or in the aggregate. Each of our insurers has complied with the minimum statutory requirements as of December 31, 2013 .

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 requirements for each underwritten title company is less than $ 1 million . These companies were in compliance with their respective minimum net worth requirements at December 31, 2013 .

There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders although there are limits on the ability of certain subsidiaries to pay dividends to us, as described above.

Subsequent to year end, on January 2, 2014 as part of the LPS Acquisition, 25,920,078 shares of FNF common stock as consideration for the LPS Acquisition to the former shareholders of LPS.

On October 24, 2013, we offered 17,250,000 shares of our common stock at an offering price of $ 26.75 per share, pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. We granted the underwriters a 30-day option to purchase 2,587,500 additional shares at the offering price, which was subsequently exercised in full. A total of 19,837,500 shares were issued on October 30, 2013, for net proceeds of approximately $511 million. The net proceeds from this offering were used to pay a portion of the cash consideration for the LPS Acquisition on January 2, 2014.

On July 21, 2009, the Board of Directors approved a three-year stock repurchase program under which we could repurchase up to 15 million shares of our common stock through July 31, 2012. On January 27, 2011, our Board of Directors approved an additional 5 million shares that could have been repurchased under the program. This program expired July 31, 2012, and we repurchased a total of 16,528,512 shares for $ 243 million, or an average of $ 14.73 per share under this program.

On July 21, 2012, our Board of Directors approved a three-year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our common stock through July 31, 2015. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2013 , we repurchased a total of 1,400,000 shares for $34 million , or an average of $24.14 per share under this program. Subsequent to year-end we did not repurchase any shares through market close on February 27, 2014. Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 2,080,000 shares for $ 50 million , or an average of $ 23.90 per share, and there are 12,920,000 shares available to be repurchased under this program.

## Note O. Employee Benefit Plans

### *Stock Purchase Plan*

During the three-year period ended December 31, 2013 , our eligible employees could voluntarily participate in employee stock purchase plans (“ESPPs”) sponsored by us and our subsidiaries. Pursuant to the ESPPs, employees may contribute an amount between 3% and 15% of their base salary and certain commissions. We contribute varying amounts as specified in the ESPPs.

We contributed $ 17 million, $ 14 million, and $ 13 million to the ESPPs in the years ended December 31, 2013 , 2012 , and 2011 , respectively, in accordance with the employer’s matching contribution.

### *401(k) Profit Sharing Plan*

During the three-year period ended December 31, 2013 , we have offered our employees the opportunity to participate in our 401(k) profit sharing plans (the “401(k) Plans”), qualified voluntary contributory savings plans which are available to substantially all of our employees. Eligible employees may contribute up to 40 % of their pretax annual compensation, up to the amount allowed pursuant to the Internal Revenue Code. There was no employer match for the year ended December 31, 2011 . Beginning in 2012, we initiated an employer match on the 401(k) plan whereby we matched $0.25 on each $1.00 contributed up to the first 6 % of eligible earnings contributed to the Plan. Effective April 1, 2013, we increased the employer match from $0.25 to $0.375 on each $1.00 contributed up to the first 6 % of eligible earnings contributed to the Plan. The employer match for the years ended December 31, 2013 and 2012 were $ 17 million and $11 million that was credited to the FNF Stock Fund in the FNF 401(k) Plan.

### *Stock Option Plans*

In 2005, we established the FNT 2005 Omnibus Incentive Plan (the “Omnibus Plan”) authorizing the issuance of up to 8 million shares of common stock, subject to the terms of the Omnibus Plan. On October 23, 2006, the stockholders of FNF approved an amendment to increase the number of shares available for issuance under the Omnibus Plan by 16 million shares. The increase was in part to provide capacity for options and restricted stock to be issued to replace Old FNF options and restricted stock. On May 29, 2008 and May 25, 2011, the shareholders of FNF approved an amendment to increase the number of shares for issuance under the Omnibus Plan by 11 million shares and 6 million shares, respectively. The primary purpose of the increase was to assure that we had adequate means to provide equity incentive compensation to our employees on a going-forward basis. The Omnibus Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units and performance shares, performance units, other cash and stock-based awards and dividend equivalents. As of December 31, 2013 , there were 1,913,072 shares of restricted stock and 9,358,740 stock options outstanding under this plan. Awards granted are determined and approved by the Compensation Committee of the Board of Directors. Options vest over a 3 year period, and the exercise price for options granted equals the market price of the underlying stock on the grant date. Stock option grants of 3,712,416 shares, 769,693 shares, and 25,000 shares were made to various employees and directors in 2013 , 2012 , and 2011 , respectively, and vest according to certain time based and operating performance criteria.

Stock option transactions under the Omnibus Plan for 2011 , 2012 , and 2013 are as follows:

| | Options | Weighted Average Exercise Price | Exercisable |
|---|---|---|---|
| Balance, December 31, 2010 | 21,826,954 | $ 13.52 | 16,241,130 |
| Granted | 25,000 | 15.62 | |
| Exercised | (1,068,934) | 7.31 | |
| Canceled | (150,999) | 20.04 | |
| Balance, December 31, 2011 | 20,632,021 | $ 13.79 | 18,704,618 |
| Granted | 769,693 | 22.59 | |
| Exercised | (12,358,474) | 12.49 | |
| Canceled | (76,166) | 22.69 | |
| Balance, December 31, 2012 | 8,967,074 | $ 16.27 | 8,147,381 |
| Granted | 3,712,416 | 27.90 | |
| Exercised | (3,267,937) | 18.28 | |
| Canceled | (52,813) | 22.59 | |
| Balance, December 31, 2013 | 9,358,740 | $ 20.15 | 5,180,504 |

Restricted stock transactions under the Omnibus Plan in 2011 , 2012 , and 2013 are as follows:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Balance, December 31, 2010 | 2,666,901 | $ 13.20 |
| Granted | 1,645,246 | 15.62 |
| Canceled | (46,433) | 14.75 |
| Vested | (1,253,058) | 12.51 |
| Balance, December 31, 2011 | 3,012,656 | $ 14.78 |
| Granted | 1,332,222 | 22.59 |
| Canceled | (17,840) | 14.78 |
| Vested | (1,402,300) | 14.55 |
| Balance, December 31, 2012 | 2,924,738 | $ 18.46 |
| Granted | 650,728 | 27.90 |
| Canceled | (8,116) | 17.44 |
| Vested | (1,654,278) | 17.30 |
| Balance, December 31, 2013 | 1,913,072 | $ 22.68 |

The following table summarizes information related to stock options outstanding and exercisable as of December 31, 2013 :

| | Options Outstanding | | | | Options Exercisable | | | |
|---|---|---|---|---|---|---|---|---|
| Range of Exercise Prices | Number of Options | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Intrinsic Value (In millions) | Number of Options | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Intrinsic Value (In millions) |
| $0.00 — $7.09 | 1,294,704 | 2.82 | $ 7.09 | $ 33 | 1,294,704 | 2.82 | $ 7.09 | $ 33 |
| $7.10 — $13.64 | 1,891,704 | 1.85 | 13.64 | 36 | 1,891,704 | 1.85 | 13.64 | 36 |
| $13.65 — $14.06 | 696,083 | 2.51 | 14.05 | 13 | 696,083 | 2.51 | 14.05 | 13 |
| $14.07 — $18.14 | 76,667 | 2.49 | 17.87 | 1 | 68,333 | 2.20 | 18.14 | 1 |
| $18.15 — $20.92 | 34,793 | 2.42 | 20.83 | — | 34,793 | 2.42 | 20.83 | — |
| $20.93 — $22.59 | 709,123 | 5.64 | 22.59 | 7 | 251,637 | 5.27 | 22.59 | 3 |
| $22.60 — $27.90 | 4,655,666 | 5.70 | 27.00 | 25 | 943,250 | 0.98 | 23.44 | 8 |
| | 9,358,740 | | | $ 115 | 5,180,504 | | | $ 94 |

We account for stock-based compensation plans in accordance with the FASB standard on share-based payments, which requires that compensation cost relating to share-based payments be recognized in the consolidated financial statements based on the fair value of each award. Using 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. Net earnings attributable to FNF Common Shareholders reflects stock-based compensation expense amounts of $ 30 million for the year ended December 31, 2013 and $ 23 million for the year ended December 31, 2012 , and 27 million for the year ended December 31, 2011 , which are included in personnel costs in the reported financial results of each period.

The risk free interest rates used in the calculation of compensation cost are the rates that correspond to the weighted average expected life of an option. The volatility was estimated based on the historical volatility of FNF's stock price over a term equal to the weighted average expected life of the options. For options granted in the years ended December 31, 2013 , 2012 , and 2011 , we used risk free interest rates of 1.1% , 0.6% , and 1.0% , respectively; volatility factors for the expected market price of the common stock of 26% , 50% , and 53% , respectively; expected dividend yields of 2.6% , 2.8% , and 3.1% , respectively; and weighted average expected lives of 4.4 years, 4.6 years, and 4.7 years, respectively. The weighted average fair value of each option granted in the years ended December 31, 2013 , 2012 , and 2011 , were $ 4.67 , $ 7.58 , and $ 5.56 , respectively.

At December 31, 2013 , the total unrecognized compensation cost related to non-vested stock option grants and restricted stock grants is $ 60 million , which is expected to be recognized in pre-tax income over a weighted average period of 1.70 years.

***Pension Plans***

In 2000, FNF merged with Chicago Title Corporation ("Chicago Title"). In connection with the merger, we assumed Chicago Title's noncontributory defined contribution plan and noncontributory defined benefit pension plan (the "Pension Plan"). The Pension Plan covers certain Chicago Title employees. The 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 accumulated benefit obligation is the same as the projected benefit obligation due to the pension plan being frozen as of December 31, 2000. Pursuant to the FASB standard on employers' accounting for defined benefit pension and other post retirement plans, the measurement date is December 31.

The net pension asset (liability) included in Prepaid expenses and other assets and Accounts payable and other accrued liabilities as of December 31, 2013 , and 2012 was $ 6 million and $ (23) million, respectively. The discount rate used to determine the benefit obligation as of the years ending December 31, 2013 and 2012 was 4.12% and 3.24% , respectively. As of the years ending December 31, 2013 and 2012 the projected benefit obligation was $ 167 million and $ 185 million, respectively, and the fair value of plan assets was $ 173 million and $ 162 million, respectively. The net periodic expense included in the results of operations relating to these plans was $9 million, $10 million, and $9 million for the years ending December 31, 2013 , 2012 , and 2011 , respectively.

Remy sponsors multiple defined benefit pension plans that cover a significant portion of their U.S. employees and certain U.K. and Korea employees. The plans for U.S. employees were frozen in 2006. The net pension liability for Remy included in Accounts payable and other accrued liabilities as of December 31, 2013 and 2012 was $ 19 million and $ 32 million , respectively.

The discount rate used to determine the benefit obligation as of the year ending December 31, 2013 and 2012 was 4.73% and 3.85% , respectively, for the U.S. plan and 4.27% and 4.10% , respectively, for the non-U.S. plans. As of the year ending December 31, 2013 the projected benefit obligation was $ 79 million and the fair value of plan assets was $ 60 million. The net periodic expense included in the results of operations relating to these plans was $ 1 million for the year ending December 31, 2013 .

***Postretirement and Other Nonqualified Employee Benefit Plans***

We assumed certain health care and life insurance benefits for retired Chicago Title employees in connection with the FNF merger with Chicago Title. Beginning on January 1, 2001, these benefits were offered to all employees who met specific eligibility requirements. Additionally, in connection with the acquisition of LandAmerica Financial Group's two principal title insurance underwriters, Commonwealth Land Title Insurance Company and Lawyers Title Insurance Corporation , as well as United Capital Title Insurance Company (collectively, the "LFG Underwriters"), we assumed certain of the LFG Underwriters nonqualified benefit plans, which provide various postretirement benefits to certain executives and retirees. The costs of these benefit plans are accrued during the periods the employees render service. We are both self-insured and fully insured for 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 primarily contributory, with coverage amounts declining with increases in a retiree’s age. The aggregate benefit obligation for these plans was $ 20 million and $ 24 million at December 31, 2013 and 2012 , respectively. The net costs relating to these plans were immaterial for the years ended December 31, 2013 , 2012 , and 2011 .

**Note P. 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, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | | (In millions) | |
| Cash paid during the year: | | | |
| Interest | $ 87 | $ 65 | $ 52 |
| Income taxes | 249 | 109 | 40 |
| Non-cash investing and financing activities: | | | |
| Liabilities assumed in connection with acquisitions: | | | |
| Fair value of assets acquired | $ 30 | $ 1,116 | $ — |
| Less: Total purchase price | 25 | 254 | — |
| Liabilities assumed | $ 5 | $ 862 | $ — |

**Note Q. Financial Instruments with Off-Balance Sheet Risk and Concentration of Risk**

*Fidelity National Title Group*

In the normal course of business we and certain of our subsidiaries enter into off-balance sheet credit arrangements associated with certain aspects of the title insurance business and other activities.

We generate a significant amount of title insurance premiums in California, Texas, New York and Florida. Title insurance premiums as a percentage of the total title insurance premiums written from those four states are detailed as follows:

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| California | 15.2% | 17.2% | 15.8% |
| Texas | 14.4% | 12.9% | 12.3% |
| New York | 7.4% | 7.4% | 8.1% |
| Florida | 7.6% | 6.6% | 6.5% |

Remy generates revenue in multiple geographic locations. Revenues are attributed to geographic locations based on the point of sale.

Information about our Auto parts revenue in our Remy segment by region was as follows:

| | 2013 | 2012 |
|---|---|---|
| United States | 66.1% | 66.0% |
| Asia Pacific | 20.7% | 20.0% |
| Europe | 7.9% | 8.8% |
| Other America | 5.3% | 5.2% |
| Total | 100.0% | 100.0% |

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents, short-term investments, and trade receivables.

We place cash equivalents and short-term investments with high credit quality financial institutions and, by policy, limit 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 our customer base, thus spreading the trade receivables credit risk. We control credit risk through monitoring procedures.

*Remy*

Financial instruments at Remy, which potentially subject us to concentrations of credit risk, consist primarily of accounts receivable and cash investments. We require placement of cash in financial institutions evaluated as highly creditworthy.

The Remy customer base includes global light and commercial vehicle manufacturers and a large number of retailers, distributors and installers of automotive aftermarket parts. Remy's credit evaluation process and the geographical dispersion of sales transactions help to mitigate credit risk concentration. Remy conducts a significant amount of business with General Motors Corporation (“GM”), Hyundai Motor Company ("Hyundai") and three large automotive parts retailers. Auto parts revenue from these customers in the aggregate represented 48.3 % and 50.1% for the year ended December 31, 2013 and 2012 , respectively. GM represents Remy's largest customer and accounted for approximately 16.2 % and 20.7 % of Auto parts revenue for the year ended December 31, 2013 and 2012 , respectively. Auto parts revenue from Hyundai accounted for approximately 10.4 % of Remy's net sales for the year ended December 31, 2013 .

## Note R. Segment Information

Summarized financial information concerning our reportable segments is shown in the following tables. During the fourth quarter of 2013, we determined that the Corporate and Other segment would be split in order to differentiate operations and costs related to the Fidelity National Title Group segment from those associated with our Portfolio Company Investments. As a result, we reorganized our reporting segments to reflect this change. We have also provided information regarding the elimination of transactions between our FNF Core segments and our Portfolio Company Investments.

As of and for the year ended December 31, 2013 :

| | Fidelity National Title Group | FNF Corporate and Other | **Total FNF Core** | Remy | Restaurant Group | Portfolio Company Corporate and Other | **Total Portfolio Company Investments** | Eliminations | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | (In millions) | | | | |
| Title premiums | $ 4,152 | $ — | **$ 4,152** | $ — | $ — | $ — | **$ —** | $ — | **$ 4,152** |
| Other revenues | 1,597 | 53 | **1,650** | — | — | 87 | **87** | — | **1,737** |
| Auto parts revenues | — | — | **—** | 1,127 | — | — | **1,127** | — | **1,127** |
| Restaurant revenues | — | — | **—** | — | 1,408 | — | **1,408** | — | **1,408** |
| Revenues from external customers | 5,749 | 53 | **5,802** | 1,127 | 1,408 | 87 | **2,622** | — | **8,424** |
| Interest and investment income (loss), including realized gains and losses | 145 | 3 | **148** | (2) | (1) | 3 | **—** | (7) | **141** |
| Total revenues | 5,894 | 56 | **5,950** | 1,125 | 1,407 | 90 | **2,622** | (7) | **8,565** |
| Depreciation and amortization | 65 | 3 | **68** | 4 | 53 | 12 | **69** | — | **137** |
| Interest expense | — | 68 | **68** | 20 | 8 | 4 | **32** | (7) | **93** |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates | 821 | (145) | **676** | 22 | 12 | (59) | **(25)** | — | **651** |
| Income tax expense (benefit) | 302 | (60) | **242** | 5 | (4) | (38) | **(37)** | — | **205** |
| Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates | 519 | (85) | **434** | 17 | 16 | (21) | **12** | — | **446** |
| Equity in earnings (loss) of unconsolidated affiliates | 5 | (1) | **4** | — | — | (30) | **(30)** | — | **(26)** |
| Earnings (loss) from continuing operations | $ 524 | $ (86) | **$ 438** | $ 17 | $ 16 | $ (51) | **$ (18)** | $ — | **$ 420** |
| Assets | $ 6,757 | $ 1,265 | **$ 8,022** | $ 1,255 | $ 663 | $ 699 | **$ 2,617** | $ (115) | **$ 10,524** |
| Goodwill | 1,435 | 3 | **1,438** | 248 | 119 | 96 | **463** | — | **1,901** |

As of and for the year ended December 31, 2012 :

| | Fidelity National Title Group | FNF Corporate and Other | **Total FNF Core** | Remy | Restaurant Group | Portfolio Company Corporate and Other | **Total Portfolio Company Investments** | Eliminations | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | (In millions) | | | | |
| Title premiums | $ 3,833 | $ — | **$ 3,833** | $ — | $ — | $ — | **$ —** | $ — | **$ 3,833** |
| Other revenues | 1,613 | 48 | **1,661** | — | — | 15 | **15** | — | **1,676** |
| Auto parts revenues | — | — | **—** | 417 | — | — | **417** | — | **417** |
| Restaurant revenues | — | — | **—** | — | 908 | — | **908** | — | **908** |
| Revenues from external customers | 5,446 | 48 | **5,494** | 417 | 908 | 15 | **1,340** | — | **6,834** |
| Interest and investment income, including realized gains and losses | 140 | (3) | **137** | 80 | 119 | (4) | **195** | (1) | **331** |
| Total revenues | 5,586 | 45 | **5,631** | 497 | 1,027 | 11 | **1,535** | (1) | **7,165** |
| Depreciation and amortization | 64 | 4 | **68** | 1 | 35 | — | **36** | — | **104** |
| Interest expense | 1 | 60 | **61** | 10 | 3 | 1 | **14** | (1) | **74** |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates | 776 | (107) | **669** | 89 | 102 | (25) | **166** | — | **835** |
| Income tax expense (benefit) | 282 | (52) | **230** | 3 | 18 | (6) | **15** | — | **245** |
| Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates | 494 | (55) | **439** | 86 | 84 | (19) | **151** | — | **590** |
| Equity in earnings (loss) of unconsolidated affiliates | 5 | — | **5** | — | — | 5 | **5** | — | **10** |
| Earnings (loss) from continuing operations | $ 499 | $ (55) | **$ 444** | $ 86 | $ 84 | $ (14) | **$ 156** | $ — | **$ 600** |
| Assets | $ 6,929 | $ 417 | **$ 7,346** | $ 1,270 | $ 689 | $ 678 | **$ 2,637** | $ (80) | **$ 9,903** |
| Goodwill | 1,434 | 3 | 1,437 | 246 | 119 | 106 | 471 | — | 1,908 |

As of and for the year ended December 31, 2011 :

| | Fidelity National Title Group | FNF Corporate and Other | **Total FNF Core** | Remy | Restaurant Group | Portfolio Company Corporate and Other | **Total Portfolio Company Investments** | Eliminations | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | (In millions) | | | | |
| Title premiums | $ 3,257 | $ — | **$ 3,257** | $ — | $ — | $ — | **$ —** | $ — | **$ 3,257** |
| Other revenues | 1,337 | 37 | **1,374** | — | — | 19 | **19** | — | **1,393** |
| Auto parts revenues | — | — | **—** | — | — | — | **—** | — | **—** |
| Restaurant revenues | — | — | **—** | — | — | — | **—** | — | **—** |
| Revenues from external customers | 4,594 | 37 | **4,631** | — | — | 19 | **19** | — | **4,650** |
| Interest and investment income, including realized gains and losses | 149 | 2 | **151** | — | — | (1) | **(1)** | — | **150** |
| Total revenues | 4,743 | 39 | **4,782** | — | — | 18 | **18** | — | **4,800** |
| Depreciation and amortization | 70 | 3 | **73** | — | — | — | **—** | — | **73** |
| Interest expense | 1 | 56 | **57** | — | — | — | **—** | — | **57** |
| Earnings from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates | 521 | (115) | **406** | — | — | (1) | **(1)** | — | **405** |
| Income tax expense | 169 | (40) | **129** | — | — | 2 | **2** | — | **131** |
| Earnings from continuing operations, before equity in earnings (loss) of unconsolidated affiliates | 352 | (75) | **277** | — | — | (3) | **(3)** | — | **274** |
| Equity in earnings (loss) of unconsolidated affiliates | 4 | — | **4** | — | — | 6 | **6** | — | **10** |
| Earnings from continuing operations | $ 356 | $ (75) | **$ 281** | $ — | $ — | $ 3 | **$ 3** | $ — | **$ 284** |
| Assets | $ 6,540 | $ 324 | **$ 6,864** | $ — | $ — | $ 998 | **$ 998** | $ — | **$ 7,862** |
| Goodwill | 1,418 | 3 | **1,421** | — | — | 32 | **32** | — | **1,453** |

The activities of the reportable segments include the following:

**FNF Core Operations**

*Fidelity National Title Group*

This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee’s sales guarantees, recordings and reconveyances, and home warranty insurance.

*FNF Corporate and Other*

The FNF Corporate and Other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, other smaller real estate and insurance related operations.

**Portfolio Company Investments**

*Remy*

This segment consists of the operations of Remy, in which we have a 51% ownership interest. Remy is a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles.

*Restaurant Group*

The Restaurant Group segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Bakers Square concepts. This segment also includes J. Alexander's, which includes the Stoney River Legendary Steaks concept.

*Portfolio Company Corporate and Other*

The Portfolio Company Corporate and Other segment primarily consists of our share in the operations of certain equity investments, including Ceridian, Digital Insurance and other smaller operations which are not title related.

### Note S. Recent Accounting Pronouncements

In July 2013, the FASB issued ASU No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* to provide guidance on the presentation of unrecognized tax benefits. ASU 2013-11 requires an entity to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward with certain limited exceptions. ASU 2013-11 is effective for annual reporting periods beginning on or after December 15, 2013 and interim periods within those annual periods with earlier adoption permitted. This guidance is effective January 1, 2014. ASU 2013-11 should be applied prospectively with retroactive application permitted. We will adopt this guidance in the first quarter of 2014 and are currently evaluating the impact on our consolidated financial statements.

**Item 9.** ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

**Item 9A.** ***Controls and Procedures***

As of the end of the year covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Act is: (a) recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms; and (b) accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) or 15d-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting. Management has adopted the framework in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission 1992 framework (COSO). Based on our evaluation under this framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2013 . The effectiveness of our internal control over financial reporting as of December 31, 2013 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein.

**Item 9B.** ***Other Information***

None.

**PART III**

**Items 10-14.**

Within 120 days after the close of our fiscal year, we intend to file with the Securities and Exchange Commission the matters required by these items.

## PART IV

**Item 15.** ***Exhibits, Financial Statement Schedules and Reports on Form 8-K***

(a) (1) *Financial Statements.* The following is a list of the Consolidated Financial Statements of Fidelity National Financial, Inc. and its subsidiaries included in Item 8 of Part II:



(a) (2) *Financial Statement Schedules.* The following is a list of financial statement schedules filed as part of this annual report on Form 10-K:



All other schedules are omitted because they are not applicable or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

(a) (3) The following exhibits are incorporated by reference or are set forth on pages to this Form 10-K:

| Exhibit Number | Description |
|---|---|
| 2.1 | Securities Exchange and Distribution Agreement between Old FNF and the Registrant, dated as of June 25, 2006, as amended and restated as of September 18, 2006 (incorporated by reference to Annex A to the Registrant’s Schedule 14C filed on September 19, 2006 (the “Information Statement”)) |
| 2.2 | Agreement and Plan of Merger, dated as of May 28, 2013, among Fidelity National Financial, Inc., Lion Merger Sub, Inc. and Lender Processing Services, Inc. (incorporated by reference to Exhibit 2.1 to Fidelity National Financial, Inc.’s Current Report on Form 8-K, filed on May 28, 2013) |
| 3.1 | Form of Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-3 filed June 3, 2011) |
| 3.2 | Amended and Restated Bylaws of the Registrant, as adopted on September 26, 2005 (incorporated by reference to Exhibit 3.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013) |
| 4.1 | Supplemental Indenture, dated as of January 2, 2014, among Lender Processing Services, Inc., Fidelity National Financial, Inc., Black Knight Lending Solutions, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 3.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013) |
| 4.2 | Indenture between the Registrant and The Bank of New York Trust Company, N.A., dated December 8, 2005, relating to the 5.25% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2005) |
| 4.3 | First Supplemental Indenture between the Registrant and the Bank of New York Trust Company, N.A., dated as of January 6, 2006 (incorporated by reference to Exhibit 4.1 to the Registrant’s Current Report on Form 8-K filed on January 24, 2006) |
| 4.4 | Second Supplemental Indenture, dated May 5, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A., dated as of May 5, 2010, relating to the 6.60% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.5 | Form of Subordinated Indenture between the Registrant and the Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.2 (A) to the Registrant’s Registration Statement on Form S-3 filed on November 14, 2007) |
| 4.6 | Form of 6.60% Note due 2017 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.7 | Form of 4.25% Convertible Note due August 2018 (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed on August 2, 2011) |
| 4.8 | Form of the Registrant’s Common Stock Certificate (incorporated by reference to Exhibit 4.5 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2006 (the “2006 Annual Report”) |
| 10.1 | Amendment and Restatement Agreement dated as of April 16, 2012 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto, dated as of September 12, 2006 (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on April 19, 2012) |
| 10.2 | Amendment and Restatement Agreement dated as of March 5, 2010 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on March 10, 2010) |
| 10.3 | Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan, effective as of September 26, 2005 (incorporated by reference to Appendix A to the Registrant’s Schedule 14A filed on April 12, 2013) (1) |
| 10.4 | Bridge Loan Commitment Letter (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on October 24, 2014) |
| 10.5 | Amended Revolving Credit Facility (incorporated by reference to Exhibit 10.2 to the Registrant’s Current Report on Form 8-K filed on October 24, 2014) |
| 10.6 | Amended Term Loan Agreement (incorporated by reference to Exhibit 10.3 to the Registrant’s Current Report on Form 8-K filed on October 24, 2014) |
| 10.7 | Amendment, dated as of June 25, 2013, to the Second Amended and Restated Credit Agreement, dated as of April 16, 2012, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Registrant’s Current Report on Form 8-K filed on July 12, 2013) |
| 10.8 | Term Loan Credit Agreement, dated as of July 11, 2013, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Registrant’s Current Report on Form 8-K filed on July 12, 2013) |
| 10.9 | Fidelity National Title Group, Inc. Employee Stock Purchase Plan, effective as of September 26, 2005 (incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013) (1) |

| Exhibit Number | Description |
|---|---|
| 10.10 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.5 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.11 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (1) |
| 10.12 | Form of Notice of Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (1) |
| 10.13 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2012 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.14 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2011 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011) (1) |
| 10.15 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2010 awards (incorporated by reference to Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2010) (1) |
| 10.16 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2009 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.17 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.18 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.19 | Tax Disaffiliation Agreement by and among Old FNF, the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.1 to Old FNF's Form 8-K, filed on October 27, 2006) |
| 10.20 | Cross-Indemnity Agreement by and between the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.2 to FIS's Form 8-K, filed on October 27, 2006) |
| 10.21 | Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.11 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.22 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.23 | Amendment effective July 1, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett, effective as of July 2, 2008. (incorporated by reference to Exhibit 10.7 to Registrant's Current Report on Form 8-K filed on July 3, 2012) (1) |
| 10.24 | Amendment effective August 27, 2013 to Amended and Restated Employment Agreement between BKFS I Management and William P. Foley, II, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.8 to Registrant's Current Report on Form 8-K filed on January 15, 2014) (1) |
| 10.25 | Amendment effective August 27, 2013 to Amended and Restated Employment Agreement between BKFS II Management and William P. Foley, II, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.9 to Registrant's Current Report on Form 8-K filed on January 15, 2014) (1) |
| 10.26 | Amendment effective August 27, 2013 to Amended and Restated Employment Agreement between the Registrant and William P. Foley, II, effective as of July 2, 2008 (incorporated by reference to Registrant's Current Report on Form 8-K filed on January 15, 2014) (1) |
| 10.27 | Amended and Restated Employment Agreement between the Registrant and William P. Foley, II, effective as of July 2, 2008(1) (incorporated by reference to Exhibit 10.14 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.28 | Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (1) (incorporated by reference to Exhibit 10.16 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) |

| Exhibit Number | Description |
|---|---|
| 10.29 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.30 | Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of January 30, 2013 (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.31 | Fidelity National Title Group, Inc. Annual Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 11, 2011) (1) |
| 10.32 | Fidelity National Financial, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.33 | Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski, effective as of February 4, 2010 (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.34 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 1 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 10.35 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 2 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 21.1 | Subsidiaries of the Registrant |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(c) of Form 10-K

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Fidelity National Financial, Inc.

By: */s/ Raymond R. Quirk*

Raymond R. Quirk

Chief Executive Officer

Date: February 28, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| */s/ Raymond R. Quirk*<br>Raymond R. Quirk | Chief Executive Officer<br>(Principal Executive Officer) | February 28, 2014 |
| */s/ Anthony J. Park*<br>Anthony J. Park | Chief Financial Officer<br>(Principal Financial and Accounting Officer | February 28, 2014 |
| */s/ William P. Foley, II*<br>William P. Foley, II | Director and Executive Chairman of the Board | February 28, 2014 |
| */s/ Douglas K. Ammerman*<br>Douglas K. Ammerman | Director | February 28, 2014 |
| */s/ Willie D. Davis*<br>Willie D. Davis | Director | February 28, 2014 |
| */s/ Thomas M. Hagerty*<br>Thomas M. Hagerty | Director | February 28, 2014 |
| */s/ Daniel D. (Ron) Lane*<br>Daniel D. (Ron) Lane | Director | February 28, 2014 |
| */s/ Richard N. Massey*<br>Richard N. Massey | Director | February 28, 2014 |
| */s/ John D. Rood*<br>John D. Rood | Director | February 28, 2014 |
| */s/ Peter O. Shea, Jr.*<br>Peter O. Shea, Jr. | Director | February 28, 2014 |
| */s/ Cary H. Thompson*<br>Cary H. Thompson | Director | February 28, 2014 |
| */s/ Frank P. Willey*<br>Frank P. Willey | Director | February 28, 2014 |

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

Under date of February 28, 2014 , we reported on the Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2013 and 2012 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2013 , as contained in the Annual Report on Form 10-K for the year 2013 . In connection with our audits of the aforementioned Consolidated Financial Statements, we also audited the related financial statement schedules as listed under Item 15(a)(2). These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic Consolidated Financial Statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

February 28, 2014
Jacksonville, Florida
Certified Public Accountants

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

## BALANCE SHEETS

| | December 31, 2013 | December 31, 2012 |
|---|---|---|
| | (In millions, except share data) | |
| **ASSETS** | | |
| Cash | $ 1,105 | $ 322 |
| Investment securities available for sale, at fair value | — | 7 |
| Investment in unconsolidated affiliates | 320 | 360 |
| Notes receivable | 124 | 94 |
| Investments in and amounts due from subsidiaries | 5,145 | 5,199 |
| Property and equipment, net | 7 | 9 |
| Prepaid expenses and other assets | 20 | 4 |
| Other intangibles, net | 47 | 17 |
| Income taxes receivable | 26 | — |
| Total assets | $ 6,794 | $ 6,012 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 125 | $ 57 |
| Income taxes payable | — | 103 |
| Deferred tax liability | 144 | 123 |
| Notes payable | 983 | 980 |
| Total liabilities | 1,252 | 1,263 |
| Equity: | | |
| Common stock, Class A, $0.0001 par value; authorized, 600,000,000 shares as of December 31, 2013 and 2012; issued 292,289,166 shares and 268,541,117 shares at December 31, 2013 and 2012, respectively | — | — |
| Preferred stock, $0.0001 par value; authorized 50,000,000 shares, issued and outstanding, none | — | — |
| Additional paid-in capital | 4,642 | 4,018 |
| Retained earnings | 1,096 | 849 |
| Accumulated other comprehensive earnings | 37 | 59 |
| Less: treasury stock, 41,948,518 shares and 39,995,513 shares as of December 31, 2013 and 2012, respectively, at cost | (707) | (658) |
| Total equity of Fidelity National Financial, Inc. common shareholders | 5,068 | 4,268 |
| Noncontrolling interests | 474 | 481 |
| Total equity | 5,542 | 4,749 |
| Total liabilities and equity | $ 6,794 | $ 6,012 |

See Notes to Financial Statements and
Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**STATEMENTS OF EARNINGS AND RETAINED EARNINGS**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions, except per share data) | | |
| **Revenues:** | | | |
| Other fees and revenue | $ 3 | $ 5 | $ 3 |
| Interest and investment income and realized gains | 15 | 2 | 1 |
| Total revenues | 18 | 7 | 4 |
| **Expenses:** | | | |
| Personnel expenses | 93 | 39 | 40 |
| Other operating expenses | 50 | 21 | 15 |
| Interest expense | 70 | 61 | 58 |
| Total expenses | 213 | 121 | 113 |
| (Losses) earnings before income tax (benefit) expense and equity in earnings of subsidiaries | (195) | (114) | (109) |
| Income tax (benefit) expense | (61) | (34) | (35) |
| (Losses) earnings before equity in earnings of subsidiaries | (134) | (80) | (74) |
| Equity in earnings of subsidiaries | 553 | 692 | 453 |
| Earnings before earnings attributable to noncontrolling interest | 419 | 612 | 379 |
| Earnings attributable to noncontrolling interest | 17 | 5 | 10 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 402 | $ 607 | $ 369 |
| Basic earnings per share | $ 1.75 | $ 2.75 | $ 1.68 |
| Weighted average shares outstanding, basic basis | 230 | 221 | 219 |
| Diluted earnings per share | $ 1.71 | $ 2.69 | $ 1.65 |
| Weighted average shares outstanding, diluted basis | 235 | 226 | 223 |
| Retained earnings (deficit), beginning of year | $ 849 | $ 373 | $ 110 |
| Dividends declared | (155) | (131) | (106) |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 402 | 607 | 369 |
| Retained earnings, end of year | $ 1,096 | $ 849 | $ 373 |

See Notes to Financial Statements and
Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**STATEMENTS OF CASH FLOWS**

| | Year Ended December 31, 2013 | 2012 | 2011 |
|---|---|---|---|
| | (In millions) | | |
| **Cash Flows From Operating Activities:** | | | |
| Net earnings | $ 419 | $ 612 | $ 379 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Equity in earnings of subsidiaries | (553) | (692) | (453) |
| Losses on sales of investments and other assets | 1 | 6 | — |
| Stock-based compensation | 30 | 23 | 27 |
| Tax benefit associated with the exercise of stock-based compensation | (17) | (31) | (6) |
| Net change in income taxes | (96) | 172 | 142 |
| Net (increase) decrease in prepaid expenses and other assets | (29) | 4 | 38 |
| Net increase (decrease) in accounts payable and other accrued liabilities | 101 | 25 | (18) |
| Net cash (used in) provided by operating activities | (144) | 119 | 109 |
| **Cash Flows From Investing Activities:** | | | |
| Net proceeds (purchases) of investments available for sale | — | 7 | (6) |
| Additions to notes receivable | (30) | (93) | — |
| Net additions to investments in subsidiaries | 8 | (116) | — |
| Net purchases of property, equipment and other assets | — | — | (2) |
| Proceeds from the sale of Sedgwick CMS | — | — | 32 |
| Net cash (used in) provided by investing activities | (22) | (202) | 24 |
| **Cash Flows From Financing Activities:** | | | |
| Equity offering | 511 | — | — |
| Borrowings | — | 548 | 500 |
| Debt service payments | (7) | (494) | (516) |
| Make-whole call penalty on early extinguishment of debt | — | (6) | — |
| Debt issuance costs | (16) | (8) | (8) |
| Dividends paid | (153) | (128) | (105) |
| Purchases of treasury stock | (34) | (38) | (86) |
| Exercise of stock options | 60 | 91 | 8 |
| Tax benefit associated with the exercise of stock-based compensation | 17 | 31 | 6 |
| Net borrowings and dividends from subsidiaries | 571 | 294 | 65 |
| Net cash provided by (used in) financing activities | 949 | 290 | (136) |
| Net change in cash and cash equivalents | 783 | 207 | (3) |
| Cash at beginning of year | 322 | 115 | 118 |
| Cash at end of year | $ 1,105 | $ 322 | $ 115 |

See Notes to Financial Statements and
See Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

## NOTES TO FINANCIAL STATEMENTS

### A. Summary of Significant Accounting Policies

Fidelity National Financial, Inc. transacts substantially all of its business through its subsidiaries. The Parent Company Financial Statements should be read in connection with the aforementioned Consolidated Financial Statements and Notes thereto included elsewhere herein. Certain reclassifications have been made in the 2012 presentation to conform to the classifications used in 2013 .

### B. Notes Payable

Notes payable consist of the following:

| | December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022 | $ 398 | $ 398 |
| Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018 | 285 | 282 |
| Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017 | 300 | 300 |
| Revolving Credit Facility, unsecured, unused portion of $800 at December 31, 2013, due April 2016 with interest payable monthly at LIBOR + 1.45% | — | — |
| | $ 983 | $ 980 |

### C. Supplemental Cash Flow Information

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | | (In millions) | |
| Cash paid (received) during the year: | | | |
| Interest paid | $ 61 | $ 65 | $ 57 |
| Income tax payments (refunds) | 242 | 109 | 40 |

### D. Cash Dividends Received

We have received cash dividends from subsidiaries and affiliates of $ 0.1 billion , $ 0.2 billion , and $ 0.2 billion during the years ended December 31, 2013 , 2012 , and 2011 , respectively.

See Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE V

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**
**VALUATION AND QUALIFYING ACCOUNTS**

**Years Ended December 31, 2013 , 2012 and 2011**

| Column A Description | Column B Balance at Beginning of Period | Column C Additions: Charge to Costs and Expenses | Column C Additions: Other (Described) | Column D Deduction (Described) | Column E Balance at End of Period |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Year ended December 31, 2013: | | | | | |
| Reserve for claim losses | $ 1,748 | $ 291 | $ — | $ 403 (1) | $ 1,636 |
| Year ended December 31, 2012: | | | | | |
| Reserve for claim losses | $ 1,913 | $ 268 | $ — | $ 433 (1) | $ 1,748 |
| Year ended December 31, 2011: | | | | | |
| Reserve for claim losses | $ 2,270 | $ 222 | $ (59) (2) | $ 520 (1) | $ 1,913 |

(1) Represents payments of claim losses, net of recoupments.
(2) Represents a decrease to the reserve for claim losses as a result of discontinued operations related to our agreement to sell our at-risk insurance business. See Note A under "Discontinued Operations".

See Accompanying Report of Independent Registered Public Accounting Firm

Table of Contents

## EXHIBIT INDEX

| Exhibit Number | Description |
|---|---|
| 2.1 | Securities Exchange and Distribution Agreement between Old FNF and the Registrant, dated as of June 25, 2006, as amended and restated as of September 18, 2006 (incorporated by reference to Annex A to the Registrant’s Schedule 14C filed on September 19, 2006 (the “Information Statement”)) |
| 2.2 | Agreement and Plan of Merger, dated as of May 28, 2013, among Fidelity National Financial, Inc., Lion Merger Sub, Inc. and Lender Processing Services, Inc. (incorporated by reference to Exhibit 2.1 to Fidelity National Financial, Inc.’s Current Report on Form 8-K, filed on May 28, 2013) |
| 3.1 | Form of Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-3 filed June 3, 2011) |
| 3.2 | Amended and Restated Bylaws of the Registrant, as adopted on September 26, 2005 (incorporated by reference to Exhibit 3.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013) |
| 4.1 | Supplemental Indenture, dated as of January 2, 2014, among Lender Processing Services, Inc., Fidelity National Financial, Inc., Black Knight Lending Solutions, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 3.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013) |
| 4.2 | Indenture between the Registrant and The Bank of New York Trust Company, N.A., dated December 8, 2005, relating to the 5.25% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2005) |
| 4.3 | First Supplemental Indenture between the Registrant and the Bank of New York Trust Company, N.A., dated as of January 6, 2006 (incorporated by reference to Exhibit 4.1 to the Registrant’s Current Report on Form 8-K filed on January 24, 2006) |
| 4.4 | Second Supplemental Indenture, dated May 5, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A., dated as of May 5, 2010, relating to the 6.60% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.5 | Form of Subordinated Indenture between the Registrant and the Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.2 (A) to the Registrant’s Registration Statement on Form S-3 filed on November 14, 2007) |
| 4.6 | Form of 6.60% Note due 2017 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.7 | Form of 4.25% Convertible Note due August 2018 (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed on August 2, 2011) |
| 4.8 | Form of the Registrant’s Common Stock Certificate (incorporated by reference to Exhibit 4.5 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2006 (the “2006 Annual Report”) |
| 10.1 | Amendment and Restatement Agreement dated as of April 16, 2012 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto, dated as of September 12, 2006 (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on April 19, 2012) |
| 10.2 | Amendment and Restatement Agreement dated as of March 5, 2010 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on March 10, 2010) |
| 10.3 | Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan, effective as of September 26, 2005 (incorporated by reference to Appendix A to the Registrant’s Schedule 14A filed on April 12, 2013) (1) |
| 10.4 | Bridge Loan Commitment Letter (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on October 24, 2014) |
| 10.5 | Amended Revolving Credit Facility (incorporated by reference to Exhibit 10.2 to the Registrant’s Current Report on Form 8-K filed on October 24, 2014) |
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| 10.7 | Amendment, dated as of June 25, 2013, to the Second Amended and Restated Credit Agreement, dated as of April 16, 2012, among Fidelity National Financial, Inc., the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto (incorporated by reference to Registrant’s Current Report on Form 8-K filed on July 12, 2013) |
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| 10.9 | Fidelity National Title Group, Inc. Employee Stock Purchase Plan, effective as of September 26, 2005 (incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013) (1) |

| Exhibit Number | Description |
|---|---|
| 10.10 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.5 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
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| 10.13 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2012 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.14 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2011 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011) (1) |
| 10.15 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2010 awards (incorporated by reference to Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2010) (1) |
| 10.16 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2009 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.17 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.18 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.19 | Tax Disaffiliation Agreement by and among Old FNF, the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.1 to Old FNF’s Form 8-K, filed on October 27, 2006) |
| 10.20 | Cross-Indemnity Agreement by and between the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.2 to FIS’s Form 8-K, filed on October 27, 2006) |
| 10.21 | Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.11 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.22 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.23 | Amendment effective July 1, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett, effective as of July 2, 2008. (incorporated by reference to Exhibit 10.7 to Registrant’s Current Report on Form 8-K filed on July 3, 2012) (1) |
| 10.24 | Amendment effective August 27, 2013 to Amended and Restated Employment Agreement between BKFS I Management and William P. Foley, II, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.8 to Registrant’s Current Report on Form 8-K filed on January 15, 2014) (1) |
| 10.25 | Amendment effective August 27, 2013 to Amended and Restated Employment Agreement between BKFS II Management and William P. Foley, II, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.9 to Registrant’s Current Report on Form 8-K filed on January 15, 2014) (1) |
| 10.26 | Amendment effective August 27, 2013 to Amended and Restated Employment Agreement between the Registrant and William P. Foley, II, effective as of July 2, 2008 (incorporated by reference to Registrant’s Current Report on Form 8-K filed on January 15, 2014) (1) |
| 10.27 | Amended and Restated Employment Agreement between the Registrant and William P. Foley, II, effective as of July 2, 2008(1) (incorporated by reference to Exhibit 10.14 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.28 | Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (1) (incorporated by reference to Exhibit 10.16 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) |

| Exhibit Number | Description |
|---|---|
| 10.29 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.30 | Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of January 30, 2013 (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.31 | Fidelity National Title Group, Inc. Annual Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 11, 2011) (1) |
| 10.32 | Fidelity National Financial, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.33 | Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski, effective as of February 4, 2010 (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012) (1) |
| 10.34 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 1 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 10.35 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 2 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (1) |
| 21.1 | Subsidiaries of the Registrant |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(c) of Form 10-K

Exhibit 10.11

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**
**Notice of Restricted Stock Grant**

You (the "Grantee") have been granted the following award of restricted Common Stock (the "Restricted Stock") of Fidelity National Financial, Inc. (the "Company"), par value $0.0001 per share (the "Shares"), pursuant to the Fidelity National Financial, Inc. (f/k/a Fidelity National Title Group, Inc.) Amended and Restated 2005 Omnibus Incentive Plan (the "Plan"):

Name of Grantee: [Name]

Number of Shares of Restricted Stock Granted: [xxx]

Effective Date of Grant: November 21, 2013

Vesting and Period of Restriction: See Exhibit A

By your electronic acceptance/signature, you agree and acknowledge that the Restricted Stock is granted under and governed by the terms and conditions of the Plan and the attached Restricted Stock Award Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Restricted Stock Award Agreement.

| | |
|---|---|
| **Grantee:** | **Fidelity National Financial, Inc.** |
| ______________________________ | **By:** ______________________________ |
| **(Name** | **Name:** ______________________________ |
| ______________________________ | **Title:** ______________________________ |
| **Date** | |
| **Address:** ______________________________ | |
| ______________________________ | |
| ______________________________ | |

**Fidelity National Financial, Inc.**
**Amended and Restated 2005 Omnibus Incentive Plan**

**Restricted Stock Award Agreement**

**Section 1. GRANT OF RESTRICTED STOCK**

**(a) Restricted Stock** . On the terms and conditions set forth in the Notice of Restricted Stock Grant and this Restricted Stock Award Agreement (the “Agreement”), the Company grants to the Grantee on the Effective Date of Grant the Shares of Restricted Stock (the “Restricted Stock”) set forth in the Notice of Restricted Stock Grant.

**(b) Plan and Defined Terms** . The Restricted Stock is granted pursuant to the Plan. All terms, provisions, and conditions applicable to the Restricted Stock set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice of Restricted Stock Grant or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

**Section 2. FORFEITURE AND TRANSFER RESTRICTIONS**

**(a) Forfeiture** .

(i) If the Grantee's employment is terminated for any reason other than death, Disability (as defined below), termination by the Company and its Subsidiaries without Cause (as defined below) or termination by the Grantee with Good Reason (as defined below), the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination.

(ii) If (A) the Grantee's employment is terminated due to the Grantee's death or Disability, and (B) the Performance Restriction (as defined in Exhibit A) has been satisfied as of the date of the Grantee's termination of employment, then a portion of the Shares which on the date of termination of employment remain subject to a Time-Based Restriction (as defined in Exhibit A) shall vest and become free of the forfeiture and transfer restrictions contained in the Agreement (except as otherwise provided in Section 2(b) of this Agreement). The portion which shall vest shall be determined by the following formula (rounded to the nearest whole Share):

(A x B) - C, where

A = the total number of Shares granted under this Agreement,

B = the number of completed months to the date of termination of employment since the Effective Date of Grant divided by 36, and

C = the number of Shares granted under this Agreement which vested on or prior to the date of termination of employment.

If the Performance Restriction has not been satisfied as of the date of the Grantee's termination of employment due to the Grantee's death or Disability, then all of the Shares shall be forfeited to the Company, for no consideration.

(iii) I f the Grantee's employment is terminated by the Company and its Subsidiaries without Cause, or by the Grantee with Good Reason, (A) the Time-Based Restrictions shall be deemed to have been satisfied as of the date of termination of employment, and (B) all Shares shall continue to be subject to the Performance Restriction. Upon a lapse of a Period of Restriction (including a lapse upon a Change of Control), all Shares shall vest and become free of forfeiture and transfer restrictions contained in this Agreement (except as otherwise provided in Section 2(b) of this Agreement) on the date of employment termination

(iv) The term “Cause” shall have the meaning ascribed to such term in the Grantee's employment agreement with the Company or any Subsidiary. If the Grantee's employment agreement does not define the term “Cause,” or if the Grantee has not entered into an employment agreement with the Company or any Subsidiary, the term “Cause” shall mean (A) the willful engaging by the Grantee in misconduct that is demonstrably injurious to the Company or any Subsidiary (monetarily or otherwise), (B) the Grantee's conviction of, or pleading guilty or nolo contendere to, a felony, or (C) the Grantee's violation of any confidentiality, non-solicitation, or non-competition covenant to which the Grantee is subject.

(v) The term “Disability” shall have the meaning ascribed to such term in the Grantee's employment agreement with the Company or any Subsidiary. If the Grantee's employment agreement does not define the term “Disability,” or if the Grantee has not entered into an employment agreement with the Company or any Subsidiary, the term “Disability” shall mean the

Grantee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

(vi) “Good Reason” termination shall apply only if the Grantee has an employment agreement with the Company or any Subsidiary and shall have the meaning ascribed to that term in such employment agreement.

(vii) If the Performance Restriction is not satisfied, then all Shares shall be forfeited to the Company, for no consideration.

**(b) Transfer Restrictions** . During the Period of Restriction, the Restricted Stock may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, to the extent such Shares are subject to a Period of Restriction. If and when the Grantee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President - Eastern Operations, President - Western Operations, President - Agency Operations, or Chief Legal Officer, during the six (6) month period which begins the first day following the date a Period of Restriction lapses, (50%) of the Shares to which the Period of Restrictions has lapsed on such date may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of; provided however that this sentence shall not prohibit the Grantee from exchanging or otherwise disposing of Shares in connection with a Change of Control or other transaction in which Shares held by other Company shareholders are required to be exchanged or otherwise disposed.

**(c) Lapse of Restrictions** . The Period of Restriction shall lapse as to the Restricted Stock in accordance with the Notice of Restricted Stock Grant. Subject to the terms of the Plan and Section 6(a) hereof, upon lapse of the Period of Restriction, the Grantee shall own the Shares that are subject to this Agreement free of all restrictions other than the six (6) month holding period following the Period of Restriction as provided in Section 2(b) of this Agreement otherwise imposed by this 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 Period of Restriction or other restriction imposed on the Restricted Stock that has not previously been forfeited shall lapse.

**Section 3. STOCK CERTIFICATES**

As soon as practicable following the grant of Restricted Stock, the Shares of Restricted Stock shall be registered in the Grantee's name in certificate or book-entry form. If a certificate is issued, it shall bear an appropriate legend referring to the restrictions and it shall be held by the Company, or its agent, on behalf of the Grantee until the Period of Restriction has lapsed. If the Shares are registered in book-entry form, the restrictions shall be placed on the book-entry registration. The Grantee may be required to execute and return to the Company a blank stock power for each Restricted Stock certificate (or instruction letter, with respect to Shares registered in book-entry form), which will permit transfer to the Company, without further action, of all or any portion of the Restricted Stock that is forfeited in accordance with this Agreement.

**Section 4. SHAREHOLDER RIGHTS**

Except for the transfer and dividend restrictions, and subject to such other restrictions, if any, as determined by the Committee, the Grantee shall have all other rights of a holder of Shares, including the right to vote (or to execute proxies for voting) such Shares. Unless otherwise determined by the Committee, if all or part of a dividend in respect of the Restricted Stock is paid in Shares or any other security issued by the Company, such Shares or other securities shall be held by the Company subject to the same restrictions as the Restricted Stock in respect of which the dividend was paid.

**Section 5. DIVIDENDS**

(a) Any dividends paid with respect to Shares which remain subject to a Period of Restriction shall not be paid to the Grantee but shall be held by the Company.

(b) Such held dividends shall be subject to the same Period of Restriction as the Shares to which they relate.

(c) Any dividends held pursuant to this Section 5 which are attributable to Shares which vest pursuant to this Agreement shall be paid to the Grantee within 30 days of the applicable vesting date.

(d) Dividends attributable to Shares forfeited pursuant to Section 2 of this Agreement shall be forfeited to the Company on the date such Shares are forfeited.

**Section 6.** MISCELLANEOUS PROVISIONS

**(a)** **Tax Withholding** . Pursuant to Article 20 of the Plan, the Committee shall have the power and right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Grantee's FICA obligations) required by law to be withheld with respect to this Award. The Committee may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including payroll taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

**(b)** **Ratification of Actions** . By accepting this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated the Grantee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice of Restricted Stock Grant by the Company, the Board or the Committee.

**(c)** **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

**(d)** **Choice of Law** . This Agreement and the Notice of Restricted Stock Grant shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice of Restricted Stock Grant to be governed by or construed in accordance with the substantive law of another jurisdiction.

**(e)** **Arbitration** . Subject to, and in accordance with the provisions of Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice of Restricted Stock Grant shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice of Restricted Stock Grant, provided that all substantive questions of law shall be determined in accordance with the state and federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

**(f)** **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

**(g)** **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

**(h)** **References to Plan** . All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

**(i)** **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

## EXHIBIT A

### Vesting and Restrictions

This grant is subject to both a Performance Restriction and a Time-Based Restriction, as described below (collectively, the "Period of Restriction").

### Performance Restriction

In order for the Restricted Stock to vest, the Compensation Committee of the Board of Directors of the Company (the "Committee") must determine that the Company has achieved 8% or greater Title Operating Margin (as defined below) in at least two calendar quarters of any of the next five calendar quarters starting October 1, 2012 (the "Performance Restriction"). The five calendar quarters starting October 1, 2012 and ending December 31, 2013 are referred to as the "Measurement Period." "Title Operating Margin" shall mean the Title Pre-Tax Margin as used for the annual bonus plan. Calculation of Title Operating Margin will exclude claim loss reserve adjustments (positive or negative) for prior period loss development, extraordinary events or accounting adjustments, acquisitions, divestitures, major restructuring charges, and non-budgeted discontinued operations. The Committee will evaluate whether the Title Operating Margin has been achieved following the completion of each calendar quarter during the Measurement Period.

### Time-Based Restrictions

| Anniversary Date | % of Restricted Stock |
|---|---|
| First (1 st ) anniversary of the Effective Date of Grant | 33.33% |
| Second (2 nd ) anniversary of the Effective Date of Grant | 33.33% |
| Third (3 rd ) anniversary of the Effective Date of Grant | 33.34% |

### Vesting

If the Performance Restriction has been achieved, the percentage of the Restricted Stock indicated next to each Anniversary Date shall vest on such indicated anniversary date (such three year vesting schedule referred to as the "Time-Based Restrictions"). If the Performance Restriction is not achieved prior to the expiration of the Measurement Period, none of the Restricted Stock granted hereunder shall vest and, for no consideration, will be automatically forfeited to the Company.

**EXHIBIT 10.12**

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**

**Notice of Stock Option Grant**

You (the “Optionee”) have been granted the following option to purchase Class A Common Stock of Fidelity National Financial, Inc. (the “Company”), par value $0.0001 per share (“Share”), pursuant to the Fidelity National Financial, Inc. Amended and Restated 2005 Omnibus Incentive Plan (the “Plan”):

| | |
|---|---|
| Name of Optionee: | |
| Total Number of Shares Subject to Option: | |
| Type of Option: | Nonqualified |
| Exercise Price Per Share: | $ ( **closing price on November 21** ) |
| Effective Date of Grant: | November 21, 2013 |
| Vesting Schedule: | Subject to the terms of the Plan and the Stock Option Agreement attached hereto, the right to exercise this Option shall vest with respect to one-third of the total number of Shares subject to this Option on each anniversary of the Effective Date of Grant. |
| Expiration Date: | 7th Anniversary of Effective Date of Grant The Option is subject to earlier expiration, as provided in Section 3(b) of the attached Stock Option Agreement |

By your electronic acceptance/signature, you agree and acknowledge that this Option is granted under and governed by the terms and conditions of the Plan and the attached Stock Option Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Stock Option Agreement.

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**

**Stock Option Agreement**

SECTION 1. **GRANT OF OPTION.**

(a) **Option .** On the terms and conditions set forth in the Notice of Stock Option Grant, which is incorporated by reference, and this Stock Option Agreement (the “Agreement”), the Company grants to the Optionee on the Effective Date of Grant the Option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant.

(b) **Plan and Defined Terms .** The Option is granted pursuant to the Plan. All terms, provisions, and conditions applicable to the Option set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice of Stock Option Grant or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

SECTION 2. **RIGHT TO EXERCISE** .

The Option hereby granted shall be exercised by written notice to the Committee, specifying the number of Shares the Optionee desires to purchase together with provision for payment of the Exercise Price. Subject to such limitations as the Committee may impose (including prohibition of one more of the following payment methods), payment of the Exercise Price may be made by (a) check payable to the order of the Company, for an amount in United States dollars equal to the aggregate Exercise Price of such Shares, (b) by tendering to the Company Shares having an aggregate Fair Market Value (as of the trading date immediately preceding the date of exercise) equal to such Exercise Price, (c) by broker-assisted exercise, or (d) by a combination of such methods. The Company may require the Optionee to furnish or execute such other documents as the Company shall reasonably deem necessary (i) to evidence such exercise and (ii) to comply with or satisfy the requirements of the Securities Act of 1933, as amended, the Exchange Act, applicable state or non-U.S. securities laws or any other law.

SECTION 3. **TERM AND EXPIRATION.**

(a) **Basic Term.** Subject to earlier termination pursuant to the terms hereof, the Option shall expire on the expiration date set forth in the Notice of Stock Option Grant.

(b) **Termination of Employment or Service.** Subject to the terms and conditions of Optionee's employment agreement, if any, if the Optionee's employment or service as a Director or Consultant, as the case may be, is terminated, the Option shall expire on the earliest of the following occasions:

(i) The expiration date set forth in the Notice of Stock Option Grant;

(ii) The date three months following the termination of the Optionee's employment or service for any reason other than Cause, death, or Disability;

(iii) The date one year following the termination of the Optionee's employment or service due to death or Disability; or

(iv) The date of termination of the Optionee's employment or service for Cause.

The Optionee may exercise all or part of this Option at any time before its expiration under the preceding sentence, but, subject to the following sentence, only to the extent that the Option had become vested before the Optionee's employment or service terminated. When the Optionee's employment or service terminates, this Option shall expire immediately with respect to the number of Shares for which the Option is not yet vested. If the Optionee dies after termination of employment or service, but before the expiration of the Option, all or part of this Option may be exercised (prior to expiration) by the personal representative of the Optionee or by any person who has acquired this Option directly from the Optionee by will, bequest or inheritance, but only to the extent that the Option was vested and exercisable upon termination of the Optionee's employment or service.

(c) **Definition of “Cause .”** The term “Cause” shall have the meaning ascribed to such term in the Optionee's employment agreement with the Company or any Subsidiary. If the Optionee's employment agreement does not define the term “Cause,” or if the Optionee has not entered into an employment agreement with the Company or any Subsidiary, the term “Cause” shall mean (i) the willful engaging by the Optionee in misconduct that is demonstrably injurious to the Company or any Parent or Subsidiary (monetarily or otherwise), (ii) the Optionee's conviction of, or pleading guilty or nolo contendere to, a felony involving moral turpitude, or (iii) the Optionee's violation of any confidentiality, non-solicitation, or non-competition covenant to which the Optionee is subject.

(d) **Definition of “Disability .”** The term “Disability” shall have the meaning ascribed to such term in the Optionee's employment agreement with the Company or any Subsidiary. If the Optionee's employment agreement does not define the term “Disability,” or if the Optionee has not entered into an employment agreement with the Company or any Subsidiary, the term “Disability” shall mean the Optionee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

SECTION 4. **TRANSFERABILITY OF OPTION.**

(a) **Generally.** Except as provided in Section 4(b) herein, the Option shall not be transferable by the Optionee other than by will or the laws of descent and distribution, and the Option shall be exercisable during the Optionee's lifetime only by the Optionee or on his or her behalf by the Optionee's guardian or legal representative.

(b) **Transfers to Family Members.** Notwithstanding Section 4(a) herein, if the Option is a Nonqualified Stock Option, the Optionee may transfer the Option for no consideration to or for the benefit of a Family Member, subject to such limits as the Committee may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Option.

(c) **Definition of “ Family Member.”** For purposes of this Agreement, the term “Family Member” shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Optionee (including adoptive relationships), any person sharing the same household as the Optionee (other than a tenant or employee), a trust in which the above persons have more than fifty percent of the beneficial interests, a foundation in which the Optionee or the above persons control the management of assets, and any other entity in which the Optionee or the above persons own more than fifty percent of the voting interests.

SECTION 5. **MISCELLANEOUS PROVISIONS.**

(a) **Acknowledgements .** The Optionee hereby acknowledges that he or she has read and understands the terms of the Plan and this Agreement, and agrees to be bound by their respective terms and conditions. The Optionee acknowledges that there may be tax consequences upon the exercise or transfer of the Option and that the Optionee should consult an independent tax advisor prior to any exercise or transfer of the Option.

(b) **Tax Withholding .** Pursuant to Article 20 of the Plan, the Committee shall have the power and the right to deduct or withhold, or require the Optionee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Optionee's FICA obligations) required by law to be withheld with respect to this Option. The Committee may condition the delivery of Shares upon the Optionee's satisfaction of such withholding obligations. The Optionee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including the Optionee's FICA taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing and signed by the Optionee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(c) **Notice Concerning Disqualifying Dispositions .** If the Option is an Incentive Stock Option, the Optionee shall notify the Committee of any disposition of Shares issued pursuant to the exercise of the Option if the disposition constitutes a “disqualifying disposition” within the meaning of Sections 421 and 422 of the Code (or any successor provision of the Code then in effect relating to disqualifying dispositions). Such notice shall be provided by the Optionee to the Committee in writing within 10 days of any such disqualifying disposition.

(d) **Rights as a Stockholder .** Neither the Optionee nor the Optionee's transferee or representative shall have any rights as a stockholder with respect to any Shares subject to this Option until the Option has been exercised and Share certificates have been issued to the Optionee, transferee or representative, as the case may be.

(e) **Ratification of Actions** . By accepting this Agreement, the Optionee and each person claiming under or through the Optionee shall be conclusively deemed to have indicated the Optionee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice of Stock Option Grant by the Company, the Board, or the Committee.

(f) **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided in writing to the Company.

(g) **Choice of Law** . This Agreement and the Notice of Stock Option Grant shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice of Stock Option Grant to be governed by or construed in accordance with the substantive law of another jurisdiction.

(h) **Arbitration** . Subject to Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice of Stock Option Grant shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice of Stock Option Grant, provided that all substantive questions of law shall be determined in accordance with the state and Federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

(i) **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(j) **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(k) **References to Plan** . All references to the Plan (or to a Section or Article of the Plan) shall be deemed references to the Plan (or the Section or Article) as may be amended from time to time.

(l) **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

EXHIBIT 21.1

**FIDELITY NATIONAL FINANCIAL, INC.**
**List of Subsidiaries December 31, 2013**
**Six Significant Subsidiaries**

| COMPANY | INCORPORATION |
|---|---|
| FNTG Holdings, Inc. | Delaware |
| Chicago Title Insurance Company | Nebraska |
| Fidelity National Title Group, Inc. | Delaware |
| Fidelity National Title Insurance Company | California |
| Remy International, Inc. | Delaware |

**Exhibit 23.1**

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors
Fidelity National Financial, Inc.:

We consent to the incorporation by reference in the Registration Statements (Nos. 333-157643, 333-132843, 333-138254, 333-129886, 333-129016, 333-176395 and 333-174650) on Form S-8 and Registration Statements (Nos. 333-157123, 333-147391, and 333-174650) on Form S-3 of Fidelity National Financial, Inc. and Registration Statement (No. 333-190902) on Form S-4 of our reports dated February 28, 2014 , with respect to the Consolidated Balance Sheets of Fidelity National Financial, Inc. as of December 31, 2013 and 2012 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2013 , and all related financial statement schedules, and the effectiveness of internal control over financial reporting as of December 31, 2013 , which reports appear in the December 31, 2013 annual report on Form 10-K of Fidelity National Financial, Inc.

/s/ KPMG LLP

February 28, 2014
Jacksonville, Florida
Certified Public Accountants

**Exhibit 31.2**

## CERTIFICATIONS

I, Raymond R. Quirk , certify that:

1. I have reviewed this annual report on Form 10-K of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2014

By: /s/ Raymond R. Quirk

Raymond R. Quirk
Chief Executive Officer

**Exhibit 31.2**

## CERTIFICATIONS

I, Anthony J. Park, certify that:

1. I have reviewed this annual report on Form 10-K of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2014

By: /s/ Anthony J. Park
Anthony J. Park
Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Executive Officer of Fidelity National Financial, Inc., a Delaware corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: February 28, 2014

By: /s/ Raymond R. Quirk
Raymond R. Quirk
Chief Executive Officer

**Exhibit 32.2**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Financial Officer of Fidelity National Financial, Inc., a Delaware corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: February 28, 2014

By: /s/ Anthony J. Park
Anthony J. Park
Chief Financial Officer

# FIDELITY NATIONAL FINANCIAL, INC.

## FORM 10-K/A
(Amended Annual Report)

## Filed 05/01/14 for the Period Ending 12/31/13

| | |
|---|---|
| Address | 601 RIVERSIDE AVENUE<br>,<br>JACKSONVILLE, FL 32204 |
| Telephone | 904-854-8100 |
| CIK | 0001331875 |
| Symbol | FNF |
| SIC Code | 6361 - Title Insurance |
| Industry | Insurance (Prop. & Casualty) |
| Sector | Financial |
| Fiscal Year | 12/31 |

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

# Form 10-K/A

**(Mark One)**

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2013**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File No. 1-32630**

# Fidelity National Financial, Inc.
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware**<br>**(State or other jurisdiction of incorporation or organization)** | **16-1725106**<br>**(I.R.S. Employer Identification No.)** |
| **601 Riverside Avenue**<br>**Jacksonville, Florida 32204**<br>**(Address of principal executive offices, including zip code)** | **(904) 854-8100**<br>**(Registrant's telephone number, including area code)** |

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|
| **Common Stock, $0.0001 par value** | **New York Stock Exchange** |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding

12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

| | | | | |
|---|---|---|---|---|
| Large accelerated filer | ☑ | | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | (Do not check if a smaller reporting company) | Smaller reporting company | ☐ |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the shares of the common stock held by non-affiliates of the registrant as of June 30, 2013 was $5,145,188,402 based on the closing price of $23.81 as reported by the New York Stock Exchange.

As of April 29, 2014, there were 276,850,108 shares of Common Stock outstanding.

## EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A is being filed with respect to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed with the Securities and Exchange Commission on February 28, 2014 (the "Form 10-K"). Part III, Item 10 "Directors and Executive Officers of the Registrant," Item 11 "Executive Compensation," Item 12 "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters," Item 13 "Certain Relationships and Related Transactions, and Director Independence" and Item 14 "Principal Accountant Fees and Services" of the Form 10-K are hereby amended and restated in their entirety to include the required disclosures.

The Form 10-K as amended hereby continues to speak as of the date of the Form 10-K and the disclosures have not been updated to speak to any later date. Any items in the Form 10-K that are not expressly changed hereby shall be as set forth in the Form 10-K. All information contained in this Amendment No. 1 and the Form 10-K is subject to updating and supplementing as provided in the Company's periodic reports filed with the Securities and Exchange Commission subsequent to the filing of the Form 10-K.

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**FIDELITY NATIONAL FINANCIAL, INC.**
**FORM 10-K/A**
**TA BLE OF CONTENTS**

## PART III

## Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

### Directors

Certain biographical information for our directors is below.

***Class III Directors—Term Expiring 2014***

| Name | Position with FNF | Age (1) | Director Since |
|---|---|---|---|
| William P. Foley, II | Executive Chairman of the board of directors<br>Chairman of the Executive Committee | 69 | 1984 (2) |
| Douglas K. Ammerman | Director<br>Chairman of the Audit Committee | 62 | 2005 (2) |
| Thomas M. Hagerty | Director<br>Member of the Executive Committee | 51 | 2005 (2) |
| Peter O. Shea, Jr. | Director<br>Member of the Corporate Governance and Nominating Committee | 47 | 2006 (2) |

(1) As of April 1, 2014.
(2) Includes the period of time during which the director served as a director of FNF's predecessor company.

*William P. Foley, II.* William P. Foley, II has served as FNF's Executive Chairman since October 2006 and, prior to that, as Chairman of the board of directors since 1984. Mr. Foley also served as FNF's Chief Executive Officer from 1984 until May 2007. Mr. Foley also served as FNF's President from 1984 until December 1994. Effective March 2012, Mr. Foley became the Vice Chairman of the board of directors of Fidelity National Information Services ( **FIS** ); prior to that he served as Executive Chairman from February 2006 through February 2011 and as non-executive Chairman from February 2011 to March 30, 2012. Mr. Foley served as the Chairman of the board of directors of LPS from July 2008 until March 2009, and, within the past five years, has served as a director of Florida Rock Industries, Inc. Mr. Foley also serves as Chairman of the board of directors of Remy, as well as Black Knight Financial Services, LLC ( **BKFS** ) and ServiceLink Holdings, LLC ( **ServiceLink** ). Mr. Foley also serves on the board of directors of the Foley Family Charitable Foundation and the Cummer Museum of Arts and Gardens. Mr. Foley is Chairman, CEO and President of Foley Family Wines Holdings, Inc., which is the holding company of numerous vineyards and wineries located in the U.S. and in New Zealand.

Mr. Foley's qualifications to serve on the FNF board of directors include his 30 years as a director and executive officer of FNF, his experience as a board member and executive officer of public and private companies in a wide variety of industries, and his strong track record of building and maintaining stockholder value and successfully negotiating and implementing mergers and acquisitions.

*Douglas K. Ammerman.* Douglas K. Ammerman has served as a director of FNF since July 2005. Mr. Ammerman is a retired partner of KPMG, where he became a partner in 1984. Mr. Ammerman formally retired from KPMG in 2002. He serves as a director of William Lyon Homes, Inc., El Pollo Loco, Inc., Stantec and Remy International, Inc. ( **Remy** ). Within the past five years, Mr. Ammerman also has served as a director of Quiksilver, Inc.

Mr. Ammerman's qualifications to serve on the FNF board of directors include his financial and accounting background and expertise, including his 18 years as a partner with KPMG and his experience as a director on the boards of directors of other companies.

*Thomas M. Hagerty.* Thomas M. Hagerty has served as a director of FNF since 2005. Mr. Hagerty is a Managing Director of Thomas H. Lee Partners, L.P. and has been employed by Thomas H. Lee Partners, L.P. and its predecessor, Thomas H. Lee Company, since 1988. Mr. Hagerty also serves as a director of MGIC Investment Corp., MoneyGram International, Inc., Ceridian Corporation, FIS, FirstBancorp, and serves on the boards of several private companies, including BKFS and ServiceLink.

Mr. Hagerty's qualifications to serve on the FNF board of directors include his managerial and strategic expertise working with large growth-oriented companies as a Managing Director of Thomas H. Lee Partners, L.P., a leading private equity firm, and his experience in enhancing value at such companies, along with his expertise in corporate finance.

*Peter O. Shea, Jr.* Peter O. Shea, Jr. has served as a director of FNF since April 2006. Mr. Shea is the President and Chief Executive Officer of J.F. Shea Co., Inc., a private company with operations in home building, commercial property development and management and heavy civil construction. Prior to his service as President and Chief Executive Officer, he served as Chief Operating Officer of J.F. Shea Co., Inc.

Mr. Shea's qualifications to serve on the FNF board of directors include his experience in managing multiple and diverse operating companies and his knowledge of the real estate industry, particularly as President and Chief Executive Officer of J.F. Shea Co., Inc.

***Class I Directors—Term Expiring 2015***

| Name | Position with FNF | Age (1) | Since |
|---|---|---|---|
| Frank P. Willey | Vice Chairman of the board of directors | 60 | 1984 (2) |
| Willie D. Davis | Director<br>Member of the Audit Committee | 79 | 2003 (2) |
| John D. Rood | Director | 57 | 1992 (2) |

(1) As of April 1, 2014.
(2) Includes the period of time during which the director served as a director of FNF's predecessor company.

*Frank P. Willey.* Mr. Willey is the Vice Chairman of the FNF board of directors and has been a director since 1984. Mr. Willey is a partner with the law firm of Hennelly & Grossfeld, LLP. He 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 until December 31, 1994. Mr. Willey also serves as a director of PennyMac Mortgage Investment Trust, and within the last five years, served as a director of CKE Restaurants, Inc. and Fisher Communications, Inc.

Mr. Willey's qualifications to serve on the FNF board of directors include his 30 years as a director and/or executive officer of FNF and his experience and knowledge of the real estate and title industry.

*Willie D. Davis.* Willie D. Davis has served as a director of FNF since 2003. Mr. Davis has served as the President and as a director of All-Pro Broadcasting, Inc., a holding company that operates several radio stations, since 1976. Mr. Davis also serves on the board of directors of MGM Mirage, Inc., and, within the past five years, has served as a director of Sara Lee Corporation, Dow Chemical Company, Alliance Bank, Johnson Controls, Inc., Manpower, Inc., and Checkers Drive-In Restaurants, Inc. Mr. Davis formerly served on the board of directors of MGM Resorts, Inc.

Mr. Davis's qualifications to serve on the FNF board of directors include his years of business experience as an executive officer and/or board member of public and private companies, his experience in financial and accounting matters and his knowledge of corporate governance matters.

*John D. Rood* . John D. Rood is the founder and Chairman of The Vestcor Companies, Inc., a real estate firm with 30 years of experience in multifamily development and investment. Mr. Rood also serves on the boards of BKFS and ServiceLink. From 2004 through 2007, Mr. Rood served as the United States Ambassador to the Commonwealth of the Bahamas. Mr. Rood serves on several private boards, and formerly served on the board of directors of Alico, Inc. He was appointed by Governor Jeb Bush to serve on the Florida Fish and Wildlife Conservation Commission, where he served until 2004, and was appointed by Governor Charlie Crist to the Florida Board of Governors which oversees the State of Florida University System, where he served until 2013.

Mr. Rood's qualifications to serve on the FNF board of directors include his experience in the real estate industry, his leadership experience as a United States Ambassador, and his experience as a director on boards of both public and private companies.

***Class II Directors—Term Expiring 2016***

| Name | Position with FNF | Age (1) | Since |
|---|---|---|---|
| Daniel D. (Ron) Lane | Director<br>Chairman of the Compensation Committee<br>Member of the Audit Committee | 79 | 1989 (2) |
| Richard N. Massey | Lead Director<br>Chairman of the Corporate Governance and Nominating Committee<br>Member of the Compensation Committee | 58 | 2006 (2) |
| Cary H. Thompson | Director<br>Member of the Compensation Committee and the Executive Committee | 57 | 1992 (2) |

(1) As of April 1, 2014.
(2) Includes the period of time during which the director served as a director of FNF's predecessor company.

*Daniel D. (Ron) Lane.* Daniel D. (Ron) Lane has served as a director of FNF since 1989. Since February 1983, Mr. Lane has been a principal, Chairman and Chief Executive Officer of Lane/Kuhn Pacific, Inc., a corporation that comprises several community development and home building partnerships, all of which are headquartered in Newport Beach, California. Mr. Lane also served as a director of FIS from February 2006 to July 2008, of LPS from July 2008 to March 2009, and of CKE Restaurants, Inc. from 1993 through 2010.

Mr. Lane's qualifications to serve on the FNF board of directors include his extensive experience in and knowledge of the real estate industry, particularly as Chairman and Chief Executive Officer of Lane/Kuhn Pacific, Inc., his financial literacy and his experience as a member of the boards of directors of other companies.

*Richard N. Massey.* Richard N. Massey has served as a director of FNF since February 2006. Mr. Massey has been a partner of Westrock Capital, LLC, a private investment partnership, since January 2009. Mr. Massey was Chief Strategy Officer and General Counsel of Alltel Corporation from January 2006 to January 2009. From 2000 until 2006, Mr. Massey served as Managing Director of Stephens Inc., a private investment bank, during which time his financial advisory practice focused on software and information technology companies. Mr. Massey also serves as a director of FIS, BKFS, and ServiceLink, as Chairman of the board of directors of First Federal Bancshares of Arkansas, Inc., and as a director of Oxford American Literary Project, a non-profit literary publication, and the Arkansas Razorback Foundation.

Mr. Massey's qualifications to serve on the FNF board of directors include his experience in corporate finance and investment banking and as a financial and legal advisor to public and private businesses, as well as his expertise in identifying, negotiating and consummating mergers and acquisitions.

*Cary H. Thompson.* Cary H. Thompson has served as a director of FNF since 1992. Mr. Thompson currently is Vice Chairman of Global Corporate and Investment Banking, Bank of America Merrill Lynch, having joined that firm in May 2008. From 1999 to May 2008, Mr. Thompson was Senior Managing Director and Head of West Coast Investment Banking at Bear Stearns & Co., Inc. Mr. Thompson also serves on the board of directors of SonicWall Corporation, BKFS and ServiceLink. He served as a director of FIS from February 2006 to July 2008 and as a director of LPS from July 2008 to March 2009.

Mr. Thompson's qualifications to serve on the FNF board of directors include his experience in corporate finance and investment banking, his knowledge of financial markets and his expertise in negotiating and consummating financial transactions.

## CERTAIN INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The executive officers of FNF as of the date of this proxy statement/prospectus are set forth in the table below. Certain biographical information with respect to those executive officers who do not also serve as directors follows the table.

| Name | Position with FNF | Age |
|---|---|---|
| William P. Foley, II | Executive Chairman | 69 |
| Raymond R. Quirk | Chief Executive Officer | 67 |
| Brent B. Bickett | President | 49 |
| Anthony J. Park | Executive Vice President and Chief Financial Officer | 47 |
| Peter T. Sadowski | Executive Vice President and Chief Legal Officer | 58 |
| Michael L. Gravelle | Executive Vice President, General Counsel and Corporate Secretary | 52 |

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*Raymond R. Quirk.* Mr. Quirk has served as the Chief Executive Officer of FNF since December 2013, and prior to that, he had served as our President since April 2008. Previously, Mr. Quirk served as Co-President from May 2007 until April 2008, and as Co-Chief Operating Officer of FNF from October 2006 until May 2007. Mr. Quirk was appointed as President of FNF in 2002. Since joining FNF in 1985, Mr. Quirk has served in numerous executive and management positions, including Executive Vice President, Co-Chief Operating Officer and Division Manager and Regional Manager, with responsibilities for managing direct and agency operations nationally.

*Brent B. Bickett.* Mr. Bickett has served as our President since December 2013. Mr. Bickett has primary responsibility for managing FNF's merger and acquisition activities, strategic initiatives, portfolio investments and investor relations group. Mr. Bickett joined FNF in 1999 and served as Executive Vice President, Corporate Finance of FNF from 2003 to 2013. Mr. Bickett also serves on Remy's board of directors and Remy's compensation committee.

*Anthony J. Park.* Mr. Park is the Executive Vice President and Chief Financial Officer of FNF and he has served in that position since October 2005. Prior to being appointed CFO of FNF, Mr. Park served as Controller and Assistant Controller of FNF from 1991 to 2000 and served as the Chief Accounting Officer of FNF from 2000 to 2005.

*Peter T. Sadowski.* Mr. Sadowski is the Executive Vice President and Chief Legal Officer of FNF and has served in that position since 2008. Prior to that, Mr. Sadowski served as Executive Vice President and General Counsel of FNF since 1999. Mr. Sadowski also is a member of the California Coastal Conservancy.

*Michael L. Gravelle.* Mr. Gravelle has served as the Executive Vice President, General Counsel and Corporate Secretary of FNF since January 2010 and served in the capacity of Executive Vice President, Legal since May 2006 and Corporate Secretary since April 2008. Mr. Gravelle joined FNF in 2003, serving as Senior Vice President. Mr. Gravelle joined a subsidiary of FNF in 1993, where he served as Vice President, General Counsel and Secretary beginning in 1996 and as Senior Vice President, General Counsel and Corporate Secretary beginning in 2000. Mr. Gravelle also served as Executive Vice President, Chief Legal Officer and Corporate Secretary of FIS from January 2010 through January 31, 2013, and now serves as Senior Vice President, General Counsel and Corporate Secretary of Remy since February 2013.

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## Item 11. EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

*The following compensation discussion and analysis may contain statements regarding corporate performance targets and goals. These targets and goals are disclosed in the limited context of our compensation programs and should not be understood to be statements of management's expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.*

In this compensation discussion and analysis, we provide an overview of our approach to compensating our named executive officers in 2013, including the objectives of our compensation programs and the principles upon which our compensation programs and decisions are based. In 2013, our named executive officers were:

- William P. Foley, II, our Executive Chairman of the Board;
- Raymond R. Quirk, our Chief Executive Officer;
- Brent B. Bickett, our President;
- Anthony J. Park, our Executive Vice President and Chief Financial Officer;
- Michael L. Gravelle, our Executive Vice President, General Counsel and Corporate Secretary; and
- George P. Scanlon, our former Chief Executive Officer;

Effective December 7, 2013, Mr. Scanlon transitioned from the role of Chief Executive Officer and his employment with FNF ended. Mr. Quirk became our Chief Executive Officer and Mr. Bickett became our President.

### Executive Summary

FNF has a long, successful history of being the leading provider of title insurance, technology and transaction services to the real estate and mortgage industries (the **FNF core operations** ). The FNF core operations have generated significant operating cash flows over time which has been used to make strategic investments as well as certain portfolio company investments intended to diversify the balance sheet and generate long term stockholder returns. In our FNF core operations we are a leader in market share, revenue, profit margin, and cash flows. The FNF core operations is mature and because of our leading market share position offers limited acquisition opportunities in the title insurance industry. The success of the FNF core operations has allowed FNF to be very successful in making portfolio company investments to further enhance stockholder value.

One of FNF's first major successes with portfolio company investments came with the acquisition and formation of FIS. FIS was acquired by FNF in 2003. FIS was spun-off by FNF in 2006, and it became a publicly traded company. In connection with the spinoff, FNF distributed its FIS shares to FNF stockholders. If an FNF stockholder held the distributed FIS stock through December 31, 2013, it would have received a cumulative stockholder return of 169.4% on the FIS investment, significantly outperforming the total return for the S&P500 of 84.2%.

Over the past few years, FNF has been very successful with our investments in, and activities with respect to, the portfolio company investments (the **portfolio company investments** ), which includes majority and minority investments in certain portfolio companies (including Remy, Ceridian, ABRH and J. Alexander's) and has a net asset value of $1.2 billion. Our Restaurant Group segment consists of the operations of American Blue Ribbon Holdings, LLC, which is the owner and operator of O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Baker's Square, as well as J. Alexander's, LLC, which includes J. Alexander's and Stoney River Legendary Steaks.

Our portfolio company investments have made a substantial contribution to the overall success of FNF. In 2013, our portfolio company investments generated 31% of our total revenue, helping FNF generate a total stockholder return of 41%. Through December 31, 2013, the realized and unrealized pre-tax gain from FNF's investment in Remy and the Restaurant Group, as reflected in an annual third party valuation that we use for purposes of our Long-Term Investment Success Incentive Program, which is described in detail below in the Section titled "Long-Term Investment Success Incentive Program Relating to Portfolio Company Investments," was $152.5 million and $242.9 million, respectively. The percentage returns for these investments are also impressive. Through December 31, 2013, Remy generated a return on investment of 43.9%, and the Restaurant Group generated a return on investment of 56.5%. (References to return on investment in this discussion are to that term as used in our Long-Term Investment Success Incentive Program, as described below.) In order to give our stockholders better insight into, and enhanced ability to separately track the performance of our FNF core operations and the portfolio company investments, in January 2014 our board approved a plan to create two separate tracking stocks for the FNF core operations and the portfolio company investments. The tracking stocks will create greater transparency and clarity with respect to separate economic performance of our core business and our portfolio company investments.

The history of the compensation programs for our named executive officers has generally aligned to drive performance within our FNF core operations and investment returns within our portfolio company investments. FNF has always utilized traditional elements of compensation that reflect our company's overall success, particularly as it relates to our FNF core operations, including base salary, annual cash incentives, and long-term equity-based incentives (stock options and restricted stock), which we refer to in this discussion as "Traditional Compensation." FNF has also utilized a program that focuses exclusively on the success of our portfolio company investments. Only executives who have a material influence on the success of our portfolio company investments participate in this program, and the degree of payout from this program solely depends on the return on investment with respect to certain of our portfolio company investments. By incenting these executives to ensure the success of our portfolio company investments, this program leads to better financial results for our investments, which, in turn, leads to better returns for our stockholders. The program structure is similar to incentive programs used by private equity firms, some of whom partner with FNF in our investments.

You will notice in the Summary Compensation Table and in a later discussion of the Long-Term Investment Success Incentive Program that four of the named executive officers earned substantial incentives under this program. The size of these incentives reflects the very successful performance of certain of our portfolio company investments during 2012 and 2013.

As a percentage of the aggregate total compensation paid for 2012 and 2013, the allocation of payments received by the named executive officers between Traditional Compensation and payments made under the Long-Term Investment Success Incentive Program for the performance periods that began on July 1, 2012 and January 1, 2013, and ended on December 31, 2013 are as follows:

- Mr. Foley: 42.5% Traditional Compensation/57.5% Long-Term Cash Incentive Compensation
- Mr. Bickett: 49.0% Traditional Compensation/51.0% Long-Term Cash Incentive Compensation
- Mr. Gravelle: 68.8% Traditional Compensation/31.2% Long-Term Cash Incentive Compensation
- Mr. Park: 60.5% Traditional Compensation/39.5% Long-Term Cash Incentive Compensation

These executives have had a significant influence on the long-term strategy and performance of the portfolio company investments, which is why a significant portion of their compensation is tied to the success of these investments. Mr. Foley, in particular, has been the architect of FNF's acquisition and investment strategies over the years, with respect to both portfolio company investments and acquisitions of businesses within our core title insurance, real estate, technology and mortgage related businesses. We anticipate that a significant portion of Mr. Foley's compensation will continue to be linked to the success of our portfolio company investments as well as our core business acquisition strategies.

As you read this Compensation Discussion and Analysis, please note that our 2013 compensation programs were essentially the same as the compensation programs used for 2012, which were approved by more than 97% of the votes cast on our 2013 “say on pay” proposal. A majority of the amounts earned under the Long-Term Investment Success Incentive Program for 2013 were earned over, and were based on, a performance period that began in 2012. However, because of the nature of the Long-Term Investment Success Incentive Program, we are required to report the full lump-sum incentive award paid under this program as 2013 compensation.

***2013 Company Performance***

FNF generated a significant return to stockholders for 2013. Based on stock price increase and dividends paid for 2013, we generated a 41% return to our stockholders for 2013. The significant stockholder return can be attributed to the success of managing the title business, our strategic investment strategy, and our portfolio company investment strategy. For the three-year period ended December 31, 2013, FNF generated a 150% return for stockholders, or an annual average rate of return of 37% over that three year period.

With respect to our title business, we came into 2013 facing a significant projected decline in mortgage originations and, according to the Mortgage Bankers Association, experienced a decline in residential refinance orders. Despite the challenging and unpredictable market outlook, we committed to taking the necessary actions to protect our margins and to maintain industry leadership in profitability. The title business experienced dramatic declines in refinance orders beginning in May 2013, and through disciplined expense management we were able to generate pretax profit margins in our title business of 13.7%, very similar to the 14.0% generate during 2012.

In 2013, we generated $651 million in pre-tax earnings on $8.58 billion in revenue in the aggregate. We also returned approximately $153 million to our stockholders in the form of dividends and repurchased 1.4 million shares of our common stock. In 2013, our stockholder return was approximately 41% and for the three-year period ended December 31, 2013, our stockholder return was approximately 150%.

***2013 Executive Compensation***

In 2013, as in 2012, we sought to create, through our performance-based incentive programs, a simple, understandable, and direct link between the performance of our FNF core operations and portfolio company investments and the compensation that our named executive officers earn. There were no significant differences between the performance-based incentive programs we provided in 2012 and 2013.

Our compensation programs, which emphasize pay for performance, are designed to help us accomplish our business objectives and to foster a high performance culture. Accordingly, certain components of our named executive officers’ 2013 compensation were tied directly to the achievement of pre-established, objectively determinable goals relating to key measures of our success: return on equity (ROE) relating to our FNF core operations, pre-tax margin relating to our title segment, increased values of our portfolio company investments, delivering return to our stockholders, and stock price.

Our strong performance in 2013 resulted in the compensation earned by our named executive officers under the FNF annual incentive plan paying out at maximum levels. In addition, certain of our named executive officers’ 2013 compensation was further tied to our business objectives through the Long-Term Investment Success Incentive Program that we implemented in September 2012 and is designed to motivate certain of our executives to help FNF maximize its return on certain of our portfolio company investments by aligning a portion of the executive’s long-term incentive compensation with the long term financial performance of certain portfolio company investments.

Our compensation programs are designed to attract high performing executives and to retain our key employees, as there is significant competition in our industry for talented managers. In addition, our compensation programs are designed and intended to reflect each named executive officer’s contribution to, and the results of, our two discreet businesses—our core title insurance, real estate, technology and mortgage related businesses and our portfolio company investments.

### 2013 Stockholder Vote On Executive Compensation

At our 2013 annual meeting of stockholders, as required by Section 14A of the Securities Exchange Act and Rule 14a-21(a) under the Securities Exchange Act, we held a non-binding advisory vote, also called a "say-on-pay" proposal, on the compensation of our named executive officers as disclosed in the 2013 proxy statement pursuant to Item 402 of Regulation S-K, and a majority of our stockholders approved our "say on pay" proposal, with over 97% of the votes cast in favor of the proposal. In subsequent meetings with our stockholders, no particular concerns were raised regarding our compensation structure. Our compensation committee considered the results of the 2013 say-on-pay vote, and based upon the stockholder support expressed through the vote and the absence of any significant concerns raised by our stockholders, retained our compensation structure, which focuses our named executive officers on achieving our business objectives and maximizing stockholder value.

### Our Compensation Programs Support Our Company and Our Business Objectives

The primary goal of our executive compensation program is to drive continued growth and successful execution of our business objectives. We seek to achieve this goal by:

- tying material portions of our named executive officers' compensation to the performance of our FNF core operations and our portfolio company investments;
- structuring our performance-based programs to focus our named executive officers on attaining key performance goals that are aligned with and support our key business objectives, which, in turn, are aimed at growing stockholder value;
- recognizing our executives' leadership abilities, scope of responsibilities, experience, effectiveness, and individual performance achievements; and
- attracting, motivating, and retaining a highly qualified and effective global management team that can deliver superior performance and build stockholder value over the long term.

For 2013, our corporate performance measures were designed to incent our named executive officers to take actions necessary to generate growth in return on equity relating to our FNF core operations, pre-tax margin relating to our title segment, and the return on investment from our portfolio company investments. These performance measures are key components of our overall business plan and are highly transparent, objectively determinable and discussed with our board of directors and stockholders. In addition, our equity incentive program emphasizes future stockholder return as a long term measure of the success of our management team.

### Significant Long-Term Stock Ownership Creates a Strong Tie to Our Stockholders

Our named executive officers and our Board of Directors maintain significant long-term investments in our company. Collectively, as reported in the table Security Ownership of Management and Directors, they beneficially own 11,310,924 shares of our common stock and options to acquire an additional 4,703,122 shares of common stock, which in total is equal to 5.1% of FNF's shares entitled to vote. The fact that our executives and directors hold such a large investment in our shares is part of our company culture and our compensation philosophy. Management's sizable investment in our shares aligns their economic interests directly with the interests of our stockholders, and their wealth will rise and fall as our share price rises and falls. This promotes teamwork among our management team and strengthens the team's focus on achieving long term results and increasing stockholder return.

We have formal stock ownership guidelines for all corporate officers, including our named executive officers, and members of our board of directors. The guidelines were established to encourage such individuals to hold a multiple of their base salary (or annual retainer) in our common stock and, thereby, align a significant portion of their own economic interests with those of our stockholders.

The guidelines call for the executive to reach the ownership multiple within five years. Shares of restricted stock and gain on stock options count toward meeting the guidelines. The guidelines, including those applicable to non-employee directors, are as follows:

| Position | Minimum Aggregate Value |
|---|---|
| Executive Chairman of the Board | 10 x base salary |
| Chief Executive Officer and President | 5 x base salary |
| Other Officers | 2 x base salary |
| Members of the Board | 5 x annual retainer |

Each of our named executive officers and non-employee directors, other than Mr. Rood, met these stock ownership guidelines as of December 31, 2013. Mr. Rood was elected to our board in 2013 and, in accordance with our stock ownership guidelines, has four more years to satisfy the guidelines. The ownership levels are shown in the Security Ownership of Management and Directors table below.

### Hedging and Pledging Policy

In order to more closely align the interests of our directors and executive officers with those of our stockholders and to protect against inappropriate risk taking, we maintain a hedging and pledging policy which prohibits our executive officers and directors from engaging in hedging or monetization transactions with respect to our securities, engaging in short-term or speculative transactions in our securities that could create heightened legal risk and/or the appearance of improper or inappropriate conduct or holding FNF securities in margin accounts or pledging them as collateral for loans without our approval. The policy was originally effective in March 2013 with respect to future transactions.

### Compensation Governance

While we strive to maintain a consistent approach to our executive compensation programs from year to year, we periodically review our compensation programs and make adjustments that are believed to be in the best interests of our company and our stockholders. As part of this process, we review compensation trends and consider what is thought to be current best practice with groups such as Institutional Stockholder Services ( **ISS** ) and Glass Lewis, and make changes in our compensation programs when we deem it appropriate, all with the goal of continually improving our approach to executive compensation.

Additionally, some of the other improvements made and actions taken in recent years by our compensation committee or full board of directors include the following:

- with the approval of our stockholders in 2013, amending our Certificate of Incorporation to permit stockholder action by written consent upon a majority vote on terms and conditions that are fully transparent and give all stockholders equal rights;
- with the approval of our stockholders in 2013, amending our Certificate of Incorporation to eliminate all supermajority voting provisions;
- in 2013, lessening the number and amount of perquisites provided to our named executive officers;
- setting a high ratio of performance-based compensation to total compensation, and a low ratio for fixed benefits/perquisites (non-performance-based compensation);
- eliminating modified single-trigger severance provisions that provide for payments upon a voluntary termination of employment following a change in control;

- eliminating excise tax gross ups;
- adopting a policy to “clawback” any overpayments of incentive-based or share-based compensation that were attributable to restated financial results;
- adding a performance-based vesting provision in restricted stock grants to our officers, including our named executive officers;
- achieving a high level of disclosure transparency so that our stockholders have the ability to fully understand our executive compensation programs and the associated performance measures used under those programs;
- using a thorough methodology for comparing our executive compensation to market practices;
- requiring that any dividends or dividend equivalents on restricted stock and other awards, including performance based awards, be subject to the same underlying vesting requirements applicable to the awards—that is, no payment of dividends or dividend equivalents unless and until the award vests;
- using a shorter expiration period for our stock options: we use a seven year expiration period for new grants rather than a ten year expiration period used by a majority of companies;
- adopting a policy that annual grants of stock options and restricted stock will utilize a vesting schedule of not less than three years;
- separating the positions of Chief Executive Officer and Chairman into two positions;
- appointing an independent lead director to help manage the affairs of our board of directors;
- completing a “risk assessment,” as required under the rules of the Securities and Exchange Commission;
- using an independent compensation consultant who reports solely to our compensation committee, and who does not provide services other than executive compensation consulting;
- significantly increasing the required executive stock ownership multiples, for example, the multiples were increased from five times base salary to ten times base salary for our Executive Chairman and from two times base salary to five times base salary for our President;
- amending our equity incentive plan to prohibit the repricing of stock options and stock appreciation rights, and to prohibit the cash buy-out of the same; and
- adopting a policy prohibiting hedging and pledging transactions involving FNF securities.

As part of our compensation governance program, we also observe the following practices:

- employment agreements with our named executive officers do not contain multi-year guarantees for salary increases, non-performance based bonuses or guaranteed equity compensation;
- we do not provide income tax reimbursements on executive perquisites or other payments;
- all of our cash and equity incentive plans are capped at maximum levels; and
- the change in control provisions in our compensation plans trigger upon consummation of mergers, consolidations and other corporate transactions, not upon stockholder approval or other pre-consummation events.

**Components of Total Compensation and Pay Mix**

We compensate our executives primarily through a mix of base salary, annual cash incentives, long-term equity-based incentives and the Long-Term Investment Success Incentive Program that relates to our portfolio company investments. We also provide our named executive officers with the same retirement and employee benefit plans that are offered to our other employees, as well as limited other benefits, although these items are not significant components of our compensation programs. With respect to the portfolio company investments,

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we compensate certain executives solely through long-term cash incentives tied to reaching a substantial return on investment over a certain threshold. The compensation earned by our named executive officers in 2013 consisted of the following:

| Type of Compensation | Purpose of the Compensation |
|---|---|
| Salary | Salary provides a level of assured, regularly-paid, cash compensation that is competitive and reasonable. Salary represents 5%, or less, of total compensation for Messrs. Foley, Bickett and Gravelle, 10% of total compensation for Mr. Quirk and 15%, or less, of total compensation for Messrs. Park, and Scanlon. |
| Annual Cash Incentive Relating to FNF Core Operations | Cash incentives under the FNF annual incentive plan are designed to motivate our employees to work towards improving our performance for the fiscal year and help attract and retain key employees. We may also seek to motivate our executives to achieve targeted results by adopting a tailored cash incentive under the FNF annual incentive plan. |
| Performance-Based Restricted Stock | Performance-based restricted stock helps to tie our named executive officers' long-term financial interests to our company's operating income margin performance and to the long-term financial interests of stockholders, as well as to retain key executives through the three-year vesting period and maintain a market competitive position for total compensation. |
| Stock Options | Stock options help to tie our named executive officers' long-term financial interests to the long-term financial interests of stockholders as they are worth nothing unless our stock price rises after grant. Our stock price must appreciate by approximately 17.0% over the expected term of the option for the executive to earn their targeted compensation amount. If stock price appreciation is less than 17.0%, the compensation earned by the executive upon exercise will be below expectation. |
| Long-Term Investment Success Incentive Relating to Our Portfolio Company Investments | Cash incentives under the Long-Term Investment Success Incentive Program are designed to retain certain key executives through a multi-year performance period and motivate these executives to help us maximize our return on investment in certain portfolio companies by aligning a portion of the executive's long-term incentive compensation with our return related to the specific investment. In order to earn incentive awards under the program, the participating executives must remain employed through the end of the measurement periods (unless termination occurs due to death or disability, by us without cause, or by the executive for good reason), we first must achieve positive net income, and we must recognize above 8% compounded return on investment in certain portfolio companies. |
| Benefits & Other | Our named executive officers' benefits result primarily from company-wide employee benefit programs. For security reasons and to make travel more efficient and productive for our named executive officers, they are also eligible to travel on our corporate aircraft. Benefits and perquisites represent approximately 6.5% or less, in the aggregate, of total compensation for Messrs. Quirk, Foley, Park, Bickett, Gravelle and Scanlon. |

**Allocation of Total Compensation for 2013**

As illustrated in the table below, a significant portion of each named executive officer's total compensation is based on performance-based cash and stock incentives that are tied to our financial performance and stock price. The following table shows the allocation of 2013 Total Compensation reported in the Summary Compensation Table among the various components:

| | Salary | Annual Cash Incentive Relating to the Core Business | Performance-Based Restricted Stock * | Stock Options** | Benefits and Other Compensation | Long-Term Investment Success Incentive Relating to the Portfolio Company Investments | Total Compensation |
|---|---|---|---|---|---|---|---|
| Raymond R. Quirk, CEO | 10.3% | 31.0% | 27.9% | 27.1% | 3.0% | — | 100.0% |
| William P. Foley, II | 1.5% | 5.7% | 8.6% | 8.2% | 1.71% | 74.2% | 100.0% |
| Anthony J. Park | 13.4% | 13.6% | 15.1% | 14.6% | 3.0% | 39.5% | 100.0% |
| Brent B. Bickett | 4.4% | 6.6% | 9.2% | 8.6% | .4% | 68.4% | 100.0% |
| Michael L. Gravelle | 6.9% | 6.7% | 18.9% | 18.2% | 1.8% | 48.9.% | 100.0% |
| George P. Scanlon*** | 5.5% | 8.0% | 0.6% | 0.2% | 62.1% | 23.4% | 100.0% |

* For Messrs. Foley, Bickett, Gravelle and Scanlon, the amount in this column also includes their grants of Remy restricted stock, which vest based on continued service to Remy.

** For Messrs. Foley and Bickett, the amount in this column also includes their grants of stock options from Remy and Fidelity National Environmental Solutions, Inc. ( **FNES** ), which vest based on continued service to Remy and FNES, respectively. For Messrs. Gravelle and Scanlon, the amount in this column also includes their grants of stock options from Remy, which vest based on continued service to Remy.

*** Effective December 7, 2013, Mr. Scanlon transitioned from being our Chief Executive Officer, and his employment with FNF ended. Mr. Scanlon continues to serve on the Board of Directors of Remy.

In 2013, as in prior years, our named executive officers' compensation had a heavy emphasis on "at-risk" performance-based components of annual cash incentives, and long-term equity awards. Combined, the annual and long-term incentives provided to our executive officers listed above comprised between 83% and 97% of their total compensation in 2013.

Our compensation committee believes this emphasis on performance-based incentive compensation, which links a significant portion of our named executive officers' compensation with our annual and long-term financial performance and profitability, is an effective way to use compensation to help us achieve our business objectives while directly aligning our executive officers' interests with the interests of our stockholders.

Following is a summary of the principal components of our 2013 compensation program for our named executive officers.

***Base Salary***

Although the emphasis of our compensation program is on performance-based, at-risk pay, we also provide our named executive officers with base salaries that are intended to provide them with a level of assured, regularly paid cash compensation that is competitive and reasonable. Our compensation committee typically reviews salary levels annually as part of our performance review process, as well as in the event of promotions or other changes in our named executive officers' positions or responsibilities. When establishing base salary levels, our compensation committee considers the peer compensation data provided by Strategic Compensation Group, as well as a number of qualitative factors, including the named executive officer's experience, knowledge, skills, level of responsibility and performance. In 2013, after a review of the base salaries of the named executive officers relative to our peer group and market survey data and each executive's experience, as well as past, current and anticipated contributions to our success, the compensation committee determined that Messrs. Foley, Park and Gravelle would receive an increase in their base salary. With respect to Mr. Foley, the compensation committee approved an increase in his annual salary from $690,000 to $850,000 in order to recognize and reward Mr. Foley's extraordinary results on behalf of FNF, recognize that FNF has grown into a substantially larger company, and maintain Mr. Foley's annual compensation at a market competitive level. With the increase, Mr. Foley's target, regular occurring annual compensation remained between the 50 $^{th}$ and 75 $^{th}$ percentiles when compared to our peer group and relevant market data described below. After including his payout under the long-term investment success program (described below), his total compensation exceeded the 75 $^{th}$ percentile. With respect to Mr. Park, the compensation committee approved an increase in his annual base salary from $415,000 to $435,000 so that Mr. Park's annual base salary, when aggregated with his annual cash incentives, would bring his target total cash compensation closer to the 50 $^{th}$ percentile, when compared to our peer group and relevant market data as described below. Finally, with respect to Mr. Gravelle, prior to 2013, FNF and FIS paid equal portions of Mr. Gravelle's annual base salary of $460,000. In the first quarter of 2013, Mr. Gravelle became a full-time employee of FNF, ceased serving as an executive officer of FIS, and became the Senior Vice President, General Counsel and Corporate Secretary of Remy, a majority-owned but publicly traded subsidiary of FNF. In connection with these changes, Mr. Gravelle's aggregate salary was increased to $485,000 so that Mr. Gravelle's annual base salary, when aggregated with his annual cash incentives, would bring his target total annual cash compensation to between the 50 $^{th}$ and 75 $^{th}$ percentiles. However, a portion of his base salary ($148,000) and target bonus opportunity ($81,400) is paid by Remy, so that FNF only pays $337,000 of Mr. Gravelle's base salary.

***Annual Performance-Based Cash Incentive***

We award annual cash incentives based upon the achievement of pre-defined business and financial objectives relating to our FNF core operations, which are specified in the first quarter of the year. The annual incentive program plays an important role in our approach to total compensation. It motivates participants to work hard and proficiently toward improving our FNF core operations performance for a fiscal year, and it requires that we achieve defined annual financial performance goals before participants become eligible for an incentive payout. We believe that achieving our annual business and financial objectives is important to executing our business strategy, strengthening our products and services, improving customer satisfaction and gaining new customers and delivering long term value to stockholders. In addition, the incentive program helps to attract and retain a highly qualified workforce and to maintain a market competitive compensation program.

In the first quarter of 2013, our compensation committee approved the fiscal year FNF business performance objectives and a target incentive opportunity for each participant, as well as the potential incentive opportunity range for maximum and threshold performance. No annual incentive payments are payable to a named executive officer if the pre-established, minimum performance levels are not met, and payments are capped at the maximum performance payout level. In addition, the financial performance measures under the plan are derived from our annual financial statements (Form 10-K), which are subject to an audit by our independent registered public accounting firm, KPMG LLP. The short-term incentive award targets were established by our compensation committee as described above for our named executive officers as a percentage of the individual's base salary. Our named executive officers' 2013 target bonus percentages were the same as their 2012 target bonus percentages.

The amount of the annual incentives actually paid depends on the level of achievement of the pre-established goals as follows:

- If threshold performance is not achieved, no incentive will be paid.
- If threshold performance is achieved, the incentive payout will equal 50% of the executive's target incentive opportunity.
- If target performance is achieved, the incentive payout will equal 100% of the executive's target incentive opportunity.

- If maximum performance is achieved, the incentive payout will equal 200% (240% for Mr. Gravelle and 300% for Mr. Foley) of the executive’s target incentive opportunity.
- Between these levels, the payout is prorated.

The Long-Term Investment Success Incentive Program relating to our portfolio company investments (described below) provides that if the amount paid to a participating executive in a calendar year pursuant to that program is greater than 50% of the executive’s annual cash incentive (annual bonus) paid for the calendar year, the executive’s annual cash incentive (annual bonus) for such prior calendar year will be reduced by 50% unless otherwise determined by the compensation committee. All of the named executive officers were subject to this bonus reduction except for Mr. Quirk, who did not participate in the Long-Term Investment Success Incentive Program. In addition, under the annual cash incentive program, the committee retained discretion to otherwise reduce, but not to increase, the amounts earned, although no such discretion was exercised in 2013.

Threshold performance levels were established to challenge our named executive officers. Maximum performance levels were established to limit short-term incentive awards so as to avoid excessive compensation while encouraging executives to reach for performance beyond the target levels. An important tenet of our pay for performance philosophy is to utilize our compensation programs to motivate our executives to achieve performance levels that reach beyond what is expected of us as a company. Our use of minimum and maximum award opportunity levels has remained consistent over the years.

Target performance levels are intended to be difficult to achieve, but not unrealistic. The performance targets were based on discussions between management and our compensation committee. In setting 2013 performance targets, our compensation committee considered the following:

- the Mortgage Bankers Association’s projection that mortgage originations would decline;
- consistency among 2013 performance targets and our 2013 business plan;
- 2013 performance targets as compared to 2012 performance targets and 2012 actual performance;
- alignment of the 2013 performance targets with the investment community’s published projections for us and for other key publicly-traded title company competitors; and
- the effect that reaching performance targets would have on our growth and margins.

The 2013 performance goals were return on equity relating to our FNF core operations, or ROE, and pre-tax margin relating to our title segment. These performance goals are among the most important measures in evaluating the financial performance of our business, and they can have a significant impact on long-term stock price and the investing community’s expectations. The two goals, when combined with the strong focus on long-term stockholder return created by our equity-based incentives, our long-term investment success incentive and significant stock ownership by our named executive officers, also provide a degree of checks and balances that requires our named executive officers to consider both short-term and long-term performance. Consequently, the annual incentive performance targets are synchronized with stockholder expectations, desired increase in our stock price, our annual budget, our long-term financial plan, and our Board of Directors’ expectations. Moreover, the targets and results are transparent to our named executive officers and stockholders because they are based on audited financial statements. In the following table, we explain how we calculate the performance measures and why we use them.

| Performance Measure | How Calculated | Reason for Use |
|---|---|---|
| Return on Equity Relating to FNF Core Operations (ROE) | ROE was calculated by taking GAAP net income for 2013 and dividing it by total stockholders' equity as of the beginning of 2013 (after reduction for net income and equity related to our portfolio company investments). | ROE is a measure of profit earned in comparison to the total amount of stockholder equity. ROE was selected as a relevant performance goal because it is an effective measure of financial success and it is commonly used within the title industry. The use of ROE as a performance goal encourages executive officers to pursue responsible growth and investment opportunities that provide desired returns. Moreover, we believe that ROE is a measure that is clearly understood by both our executive officers and stockholders. |
| Pre-Tax Margin Relating to Our Title Segment | Pre-tax title margin is determined by dividing the earnings before income taxes and noncontrolling interests for the Fidelity National Title Group segment by total revenues of the Fidelity National Title Group segment. | We selected pre-tax margin (relating to our title segment) as a measure for the short-term incentives because we believe pre-tax margin is a financial measure that is significantly influenced by the performance of our executives, and it aligns the executives' short-term incentive opportunity with one of our key corporate growth objectives and is commonly used within the title industry. |

Final calculations are subject to adjustment for acquisitions, divestitures, major restructuring charges, non-budgeted discontinued operations and currency fluctuations. In 2013, we excluded realized gains on losses from the pre-tax margin calculation as well as a one-time employment litigation settlement and an executive severance payment. We did not make any other adjustments to the performance targets in calculating the 2013 performance results.

Set forth below are the 2013 weightings of the threshold, target and maximum performance levels, and 2013 performance results, which show that we reached the maximum performance level for both performance measures.

| Performance Metric | Weight | Threshold | Target | Maximum | Results |
|---|---|---|---|---|---|
| ROE (FNF core operations) | 50% | 7% | 10% | 13% | 14%** |
| Pre-Tax Margin (Title Segment) * | 50% | 7% | 10% | 13% | 14%** |

* Pre-Tax Margin calculation excludes realized gains and losses.

** Payout percentage is capped at maximum (300% of target incentive for Mr. Foley, 240% for Mr. Gravelle and 200% of target incentive for all other officers other than Messrs. Foley and Gravelle).

The table below lists our named executive officers and shows each named executive officer's target percentage under our annual incentive plan, the initial calculation of their 2013 incentive awards based on the 2013 performance results shown in the table above, and the amounts actually paid under the annual incentive plan. Our superior performance in 2013 resulted in the annual incentives being payable at their maximum levels.

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However, our superior performance under the Long-Term Investment Success Incentive Program also resulted in payments under that program to participating named executive officers in amounts that were greater than 50% of each such executive's annual FNF cash incentive award for 2013. As a result and in accordance with the terms of that program, the annual FNF cash incentive was reduced by 50% for the named executive officers except Mr. Quirk, who did not participate in the Long-Term Investment Success Incentive Program. The incentives earned by our named executive officers were approved by our compensation committee and are reflected in the Summary Compensation Table under the heading Non-Equity Incentive Plan Compensation.

| Name | 2013 Base Salary | 2013 Annual Incentive Target | 2013 Incentive Pay | Maximum Performance Multiplier | 2013 Total Incentive Earned | 2013 Reduced Incentive Paid |
|---|---|---|---|---|---|---|
| William P. Foley, II | $850,000 | 225% | $1,912,500 | 300% | $5,737,500 | $2,868,750 |
| Raymond R. Quirk | 740,000 | 150% | 1,110,000 | 200% | 2,220,000 | 2,220,000 |
| Anthony J. Park | 435,000 | 100% | 435,000 | 200% | 870,000 | 435,000 |
| Brent B. Bickett | 550,500 | 150% | 825,750 | 200% | 1,651,500 | 825,800 |
| Michael L. Gravelle * | 337,000 | 120% | 404,400 | 240% | 685,400 | 342,700 |
| George P. Scanlon ** | 740,000 | 150% | 1,110,000 | 200% | 2,073,480 | 1,037,014 |

* Mr. Gravelle also received $148,000 in annual base salary and is eligible for a target bonus of $81,400 (or 55% of base salary) from Remy in connection with his services to Remy as its Senior Vice President, General Counsel and Corporate Secretary. For 2013, the actual bonus paid to Mr. Gravelle by Remy was $45,064. These amounts are not included in the table above as they are not relevant to the calculation of base salary and annual cash incentives by FNF. In addition, his annual incentive target percentage and maximum performance multiplier apply in each case to his actual paid FNF salary.

** Effective December 7, 2013, Mr. Scanlon transitioned from the role of Chief Executive Officer and his employment with FNF ended. Pursuant to the release agreement entered into by and between FNF and Mr. Scanlon (as described in further detail below), Mr. Scanlon was entitled to receive a pro-rated portion of the actual annual bonus that he would have been entitled to receive had he remained employed with FNF (subject to reduction due to the Long-Term Investment Success Incentive Program).

***Long-Term Equity Incentives***

The underlying principles of our equity incentive program are to emphasize performance-based compensation, to focus our executives on objective, measurable results, to align our executives' interests with the interests of our stockholders, to support the long-term nature of our investment strategy, and to attract, retain and motivate talented executives. Our approach to long-term equity incentives generally has two elements: (1) performance-based restricted stock that vests and is earned based on the achievement of certain pre-tax title margin goals (described below) and required years of service, and (2) performance-based stock options, which vest based on required years of service. FNF stock options are performance-based because they do not have realizable value unless our stock price rises after grant. For our named executive officers to reach their target compensation level, our stock price must rise by 17% from the stock option grant price. We also believe that stock options are more closely aligned to future stockholder returns. For these reasons, the compensation committee increased the proportion of the annual grant awards for 2013 consisting of stock options from 25% to 50%. Finally, as discussed earlier, we use stock ownership guidelines to complement our long-term equity incentives, so executives maintain a strong link to the interests of stockholders and to the movements in our stock price.

There was no material change to the 2013 equity incentive program from the 2012 equity incentive program, other than the increase in the emphasis on stock options versus restricted stock. We use our stockholder-approved omnibus incentive plan for long-term incentive awards. Our omnibus incentive plan allows us to grant stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other share-based or cash awards.

We do not attempt to time the granting of awards to any internal or external events. Our general practice has been for our compensation committee to make awards during the fourth quarter of each year following the release of our financial results for the third quarter. We also may grant awards in connection with significant new hires, promotions or changes in duties.

Our compensation committee considers several qualitative and quantitative factors when determining award levels, and ultimately uses its judgment when determining the terms of individual awards. The factors the committee considers include the following:

- an analysis of competitive marketplace compensation data provided to our compensation committee by Strategic Compensation Group;
- the executive's level of responsibility and ability to influence our performance;
- the executive's level of experience, skills and knowledge;
- the need to retain and motivate highly talented executives, especially considering the current down business cycle;
- corporate governance considerations related to executive compensation; and
- our current business environment, objectives and strategy, including projections from the Mortgage Bankers Association related to mortgage originations which, for 2013, were expected to (and did in fact) decline.

While our compensation committee considered each of the factors set forth above in arriving at the specific awards granted to each of our named executive officers in 2013, its determination was not formulaic; rather, our compensation committee exercised its discretion to make decisions based on the totality of the factors.

In addition, in February 2013, the Remy compensation committee approved grants of restricted stock and stock options of Remy, our majority-owned subsidiary, to Messrs. Foley, Bickett, and Scanlon, who are members of the Board of Directors of Remy, and to Mr. Gravelle, who is the Senior Vice President, General Counsel and Corporate Secretary of Remy. The awards were intended to reward Messrs. Foley, Bickett, Gravelle and Scanlon for their contributions to Remy and to incentivize them to contribute to Remy's prosperity going forward. Remy is a very important investment, and we believe each named executive officer's future involvement with Remy is important to the success of that investment. The Remy restricted stock and stock options granted to Messrs. Foley, Bickett and Scanlon vest as to 50% of the shares subject to each award on each of the first and second anniversaries of the date of grant, which is consistent with the vesting schedule applicable for all other Remy directors. The Remy restricted stock and stock options granted to Mr. Gravelle vest as to one-third of the shares subject to each award on each of the first, second and third anniversaries of the date of grant which is consistent with the vesting schedule applicable to time-based vesting awards granted to all other Remy named executive officers.

*Performance-Based Restricted Stock.* In November 2013, we granted performance-based restricted stock to our named executive officers under our omnibus plan. The performance element is based upon achievement of pre-tax margin in our title segment of 8.5% in at least two of the five quarters beginning October 1, 2013. In the fourth quarter of 2013, we achieved a pre-tax margin in our title segment of 11.0%. Calculation of the goal excludes material claim loss reserve adjustments (positive or negative) for prior period loss developments, extraordinary events or accounting adjustments, acquisitions, divestitures, major restructuring charges and non-budgeted discontinued operations. In determining the applicable performance criteria, the compensation committee considered a number of different goals that would appropriately and adequately measure the performance of our FNF core operations and selected pre-tax margin in our title segment because it is more reflective of the performance of our FNF core operations than any other goal. The pre-tax title margin performance goal is also used as a performance measure in our annual cash incentive program. We selected pre-tax margin because it is one of the most important measures in evaluating the performance of our business, as well as the performance of our executives as it is a measure that executives can directly affect. Pre-tax title margin measures our achievements in operating efficiency, profitability and capital management. In addition, it is a key measure used by investors and has a significant impact on long-term stock price. We believe these awards help us create long-term stockholder value by linking the interests of our named executive officers, who are in positions to directly influence stockholder value, with the interests of our stockholders. In addition to aligning the executive's interest with the interests of our stockholders, our compensation committee believes these restricted stock awards aid in retention because the executive must remain employed for at least three years before the restricted stock is eligible to fully vest. Our named executive officers will receive credit for dividends paid on the shares at the same time as they are paid to regular stockholders, but payment of those dividends will be subject to the same vesting requirements as the underlying shares—in other words, if the underlying shares do not vest, the dividends are forfeited. The number of shares subject to the restricted stock awards is disclosed in the Grants of Plan-Based Awards table.

We also granted performance-based restricted stock in 2011 and 2012 to our named executive officers under our omnibus plan. The terms of these awards are consistent with the terms applicable to the 2013 awards.

*Stock Options* . In November 2013, the compensation committee reviewed our equity compensation program and determined that the annual grants should continue to consist of stock options, but that the proportion of the annual grant awards that consists of stock options should increase from 25% to 50%. The compensation committee made this determination because they believe options are more closely aligned to future stockholder returns—FNF's stock price must rise significantly over the option grant price for our named executive officers to reach their target compensation levels—and options represent a better mix of risk and reward as they tie the value of the award to sustained long-term future stock price performance. To reach the target value of compensation from the 2013 stock option award, the FNF stock price must rise by approximately 17% from the closing stock price of $27.90 on the date of grant. This creates the incentive for our management team to focus on the future, and to make the right long-term decisions that will grow our business. We intend for our stock option awards to:

- enhance the link between creating stockholder value and long-term incentive compensation, because the executive realizes value from options only to the extent the value of our stock increases after the date of the option grant;
- retain the named executive officers through a three-year vesting period; and
- maintain market-competitive levels of total compensation.

The stock options were awarded with an exercise price equal to the fair market value of a share of our common stock on the date of grant. The awards vest proportionately each year over three years based on continued employment with us and have a seven year term. We do not engage in or permit "backdating" or re-pricing of stock options, and our stock plans prohibit these practices.

***Long-Term Investment Success Incentive Program Relating to Portfolio Company Investments***

As mentioned above, FNF has diversified its business operations over the past few years. FNF is now comprised of two discreet and separate businesses—our core business, which consists of our core title insurance, technology and transaction services to the real estate and mortgage industries, and our portfolio company investments, which consists of majority and minority investments in certain portfolio companies. In 2012, FNF adopted the Long-Term Investment Success Incentive Program to address the significant lack of focus by our compensation programs on the importance of our portfolio company investments. By the end of 2013, our portfolio company investments comprised 31% of FNF's 2013 revenue. Our portfolio company investments have so far made a substantial contribution to the overall success of FNF and our stockholder return for 2013.

The basic thrust of the Long-Term Investment Success Incentive Program is to motivate participating executives to deliver a substantial return to FNF, as well as to the several private equity investment partners with whom FNF invests on these deals, with 80% of the return on investment going to FNF and its investment partners, and 20% going to the incentive pool. This concept is modeled after incentive programs that are common in private equity partnerships similar to some of FNF's investment partners. The program is designed to enhance our capacity to offer competitive compensation opportunities to executives who have the ability to impact the strategies and long-term financial performance of certain of our portfolio company investments, while aligning their interests with those of our stockholders.

As discussed in our 2013 proxy statement, our compensation committee reviewed our incentive structure in 2012 and determined that, as FNF continues to expand its portfolio company investments, it was important to recognize and reward specific executives who are key to the success of certain of our portfolio company investments. The Long-Term Investment Success Incentive Program recognizes and emphasizes our investment strategy. The executives who participate in this long-term incentive, including our named executive officers except for Mr. Quirk, spend a substantial amount of time and resources on the strategies at our portfolio company investments and influence their long-term financial performance. The extent to which a particular executive participates in this program depends on his or her leadership and oversight of the relevant business and/or corporate function for which he or she is responsible and such executive's contributions with respect to our strategic initiatives and development.

In September 2012 and March 2013, FNF made cash incentive grants under our omnibus plan that are intended to measure and reward the success of several of our portfolio company investments, namely Remy, ABRH and J. Alexander's, over multiple measurement periods within a multi-year performance period, and to incentivize the participating executives to identify additional portfolio companies in which we should invest. As achieving above average investment returns from these portfolio company acquisitions is beneficial to us and our stockholders, the program is intended to incentivize and reward the executives who are significantly involved in our diversified investments in the portfolio companies by aligning a significant portion of the executive's long-term incentive compensation with the return on investment relating to each of these portfolio company investments. The program is also designed to aid in retention of the executives by imposing net income and service-based vesting conditions on payments under the program.

For both the September 2012 and March 2013 awards, the portfolio company investments were initially Remy, ABRH, J. Alexander's and Ceridian. In October 2013, the compensation committee decided to exclude the return on investment in Ceridian, since Ceridian was in a state of significant transition with the spin-off of its Comdata division, a reworking of the investment strategy with our Ceridian investment partners, and other issues. Consequently, no incentives will be earned under the program with respect to Ceridian in 2013.

All of the named executive officers, other than Mr. Quirk, received awards in September 2012 and March 2013. Mr. Quirk did not participate in the program because he is responsible for our FNF core operations.

As was disclosed in detail in our 2013 proxy statement, participating executives may earn cash incentives under the awards granted in September 2012 and March 2013 in accordance with the following terms:

- The Performance Period for the September 2012 awards consists of 4 measurement periods: July 1, 2012 through December 31, 2013; July 1, 2012 through December 31, 2014; July 1, 2012 through December 31, 2015; and July 1, 2012 through December 31, 2016. The Performance Period for the March 2013 awards consists of 4 measurement periods: January 1, 2013 through December 31, 2013; January 1, 2013 through December 31, 2014; January 1, 2013 through December 31, 2015; and January 1, 2013 through December 31, 2016.
- For each measurement period and with respect to each investment, the compensation committee will determine whether we have recognized at least an 8% return on investment ("ROI") (compounded annually) on the investment since July 1, 2012, in the case of the September 2012 awards, and January 1, 2013, in the case of the March 2013 awards. The 8% ROI threshold is modeled after incentive programs that are common in private equity partnerships similar to some of FNF's investment partners, wherein the investors require that they receive a preferred compounded rate of return (8% is a common rate) before returns are shared with management. For this purpose, "return on

investment” means realized and unrealized pre-tax gain from FNF’s equity investment in each investment during the relevant measurement period. ROI will be determined irrespective of cash gains calculated for our Federal tax calculation and shall not include gain attributable to the investment’s income statement gain or loss. In addition, the compensation committee may, in its discretion, exclude from ROI any realized or recorded gain on the investment to the extent it determines that inclusion of such gain would be inconsistent with the spirit and intent of the program.

- Provided the 8% ROI threshold is achieved, we will begin to credit amounts to a notional incentive pool. All ROI in excess of this 8% threshold will be credited to the incentive pool until an 80/20 allocation of ROI is achieved. The intent is to reflect an 80/20 allocation of ROI between FNF and the incentive pool, with 80% of ROI being allocated to FNF and 20% of ROI being allocated to the incentive pool. This allocation approach is modeled after incentive programs that are common in private equity partnerships. Once this 80/20 allocation is achieved, any further ROI will be allocated 80% to FNF and 20% to the incentive pool.
- Under each award granted to a participating executive, the executive may earn a specified percentage of the incentive pool up to a maximum amount of $25,000,000 per award. With respect to the named executive officers, the specified percentages are currently: Mr. Foley 60%; Mr. Scanlon 5%; Mr. Bickett 14%; Mr. Park 2%; and Mr. Gravelle 5%. The allocations were based on our Compensation Committee’s assessment of the relative abilities the named executive officers have to impact the strategies and long-term performance of the relevant portfolio company investments. However, our compensation committee has retained discretion to reduce the amount credited to the incentive pool and payable to a participating executive. In March 2013, the compensation committee exercised its negative discretion to limit the amount creditable to the incentive pool for the measurement period ending December 31, 2013, to 80% of the amount that would otherwise be credited with respect to such period. The remaining 20% that is not credited to the incentive pool for the first measurement period will be available for the second measurement period ending December 31, 2014, in accordance with the terms and conditions of the incentive program.
- Beginning in 2013, if the amount paid to a participating executive in a calendar year pursuant to the incentive program (whether relating to the measurement period ending on the last day of the prior calendar year or to any previously banked amounts) is greater than 50% of the executive’s annual cash incentive (annual bonus) for the prior calendar year, the executive’s annual cash incentive (annual bonus) for such prior calendar year will be reduced by 50% unless otherwise determined by the compensation committee. The amounts paid under the Long-Term Investment Success Incentive Program in 2014 were greater than 50% of each participating executive’s annual cash incentive for 2013. Consequently, each of the participating named executive officer’s annual incentives for 2013 were reduced by 50%.
- For each measurement period, the executive must generally remain employed through the last day of the measurement period, and FNF must achieve positive net income in order for the executive to earn his or her respective portion of the incentive pool. For this purpose, net income means net earnings as reflected in our consolidated statements of earnings in our annual report on Form 10-K and will be measured over the calendar year that ends coincident with the last day of the applicable measurement period. If the service condition is satisfied, but we do not achieve positive net income, then the amount credited to the incentive pool and allocable to the executive will be paid to the executive only if and when positive net income is achieved in one of the remaining measurement periods. If the executive’s employment is terminated due to death, by us due to disability or without “cause” or by the executive for “good reason” (as such terms are defined in the executive’s employment agreement), then the executive remains eligible, subject to all of the other terms and conditions of the awards, to earn a pro-rated portion of any amounts credited to the incentive pool for open measurement periods.
- Unless otherwise determined by the compensation committee, if an employee receives any additional long-term investment success incentive awards relating to one or more of the investments and measuring ROI over one or more overlapping time periods, to avoid duplication, the amounts that

would otherwise be credited with respect to such investments to the employee's award account under such additional awards will be reduced so that the employee does not receive a credit under more than one award for the same ROI. The March 2013 awards include this reduction to the extent amounts are credited under the September 2012 awards with respect to the same investments and overlapping time periods.

- All amounts payable under the program are subject to our clawback policy, which is described below.

The first measurement period under the awards granted in September 2012 and March 2013 ended December 31, 2013. The tables below reflect the results for the first measurement period and the resulting payouts to the named executive officers.

| Investment | Return on Investment | 80% Allocated to FNF | 20% Incentive Pool |
|---|---|---|---|
| Remy | $ 152,500,000 | $ 122,000,000 | $ 30,500,000 |
| Restaurant Group | 242,900,000 | 194,300,000 | 48,600,000 |
| **Total** | 395,400,000 | 316,300,000 | 79,100,000 |

| Name | Percentage of Incentive Pool | Total Incentive Potential | 20% Reduction of Total Incentive | 80% of Total Incentive Potential Paid (a) | Related 2013 Annual Incentive Reduction |
|---|---|---|---|---|---|
| William P. Foley, II | 60% | $47,260,000 | $ 9,452,000 | $37,806,843 | $2,868,000 |
| Anthony J. Park | 2% | 1,580,000 | 316,000 | 1,265,322 | 435,000 |
| Brent B. Bickett | 14% | 11,070,000 | 2,214,000 | 8,857,254 | 825,800 |
| Michael L. Gravelle | 5% | 3,950,000 | 791,000 | 3,163,305 | 342,700 |
| George P. Scanlon * | 5% | 3,480,000 | 454,000 | 3,024,120 | 1,036,740 |

* Effective December 7, 2013, Mr. Scanlon transitioned from the role of Chief Executive Officer and his employment with FNF ended. Pursuant to the release agreement entered into by and between FNF and Mr. Scanlon (as described in further detail below), Mr. Scanlon is entitled to receive a pro-rated portion equal to 95.6% his total incentive potential for the first measurement periods under the awards, and proportionately decreasing percentages of any amounts credited with respect to subsequent measurement periods.

(a) A majority of the amounts earned under the Long-Term Investment Success Incentive Program for 2013 were earned over, and were based on, a performance period that began in 2012. However, because of the nature of the Long-Term Investment Success Incentive Program, we are required to report the full lump-sum incentive award paid under this program as 2013 compensation.

### *Adoption of Clawback Policy*

In December 2010, our compensation committee adopted a policy to recover any incentive-based compensation from our executive officers if we are required to prepare an accounting restatement due to material noncompliance with financial reporting requirements, and the incentive-based compensation paid during the preceding three-year period would have been lower had the compensation been based on the restated financial results. No clawbacks were made in 2013.

### *Benefit Plans*

We provide retirement and other benefits to our U.S. employees under a number of compensation and benefit plans. Our named executive officers generally participate in the same compensation and benefit plans as our other executives and employees. All employees in the United States, including our named executive officers, are eligible to participate in our 401(k) plan and our Employee Stock Purchase Plan. In addition, our named executive officers are eligible to participate in broad-based health and welfare plans. We do not offer pensions or supplemental executive retirement plans for our named executive officers.

*401(k) Plan.* We sponsor a defined contribution savings plan that is intended to be qualified under Section 401(a) of the Internal Revenue Code. The plan contains a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code, as well as an employee stock ownership plan feature. Participating employees may contribute up to 40% of their eligible compensation, but not more than statutory limits, generally $17,500 in 2013. We made matching contributions in 2013 of approximately $16.9 million, and this was credited to the FNF Stock Fund in the FNF 401(k) Plan.

A participant may receive the value of his or her vested account balance upon termination of employment. A participant is always 100% vested in his or her voluntary contributions. Vesting in matching contributions, if any, occurs proportionally each year over three years based on continued employment with us.

*Deferred Compensation Plan.* We provide our named executive officers, as well as other key employees, with the opportunity to defer receipt of their compensation under a nonqualified deferred compensation plan. None of our named executive officers, other than Messrs. Park and Gravelle, elected to defer 2013 compensation into the plan. A description of the plan and information regarding our named executive officers' interests under the plan can be found in the Nonqualified Deferred Compensation table and accompanying narrative.

*Employee Stock Purchase Plan.* We have historically sponsored an employee stock purchase plan (the **prior ESPP** ), which provided a program through which our executives and employees could purchase shares of our common stock through payroll deductions and through matching employer contributions. Participants could elect to contribute between 3% and 15% of their salary into the prior ESPP through payroll deduction. At the end of each calendar quarter, we would make a matching contribution to the account of each participant who has been continuously employed by us or a participating subsidiary for the last four calendar quarters. For most employees, matching contributions have been equal to 1/3 of the amount contributed during the quarter that is one year earlier than the quarter in which the matching contribution was made. For officers, including our named executive officers, and for employees who have completed at least ten consecutive years of employment with us, the matching contribution has been 1/2 of such amount. The matching contributions, together with the employee deferrals, have then been used to purchase shares of our common stock on the open market. Due to the exhaustion of the prior ESPP's share reserve, the prior ESPP was frozen in September 2013. Since participants had made contributions to the prior ESPP with the expectation that they would receive quarterly matching contributions, provided that they satisfy the four calendar quarter requirement, FNF determined that it was appropriate to make discretionary grants of stock under the FNF omnibus plan in amounts that were comparable to what would have been received by the participant had FNF been able to make matching contributions under the prior ESPP. The discretionary grants made to our company's named executive officers are disclosed below in the Summary Compensation Table and the Grants of Plan-Based Awards Table. In 2013, we adopted the Current ESPP under which our executives and employees have been permitted to purchase shares of our common stock through payroll deductions, but the Current ESPP does not provide for employer matching contributions.

*Health and Welfare Benefits.* We sponsor various broad-based health and welfare benefit plans for our employees. Certain executives, including our named executive officers, are provided with additional life insurance. The taxable portion of the premiums on this additional life insurance is reflected in the Summary Compensation Table under the column All Other Compensation and related footnote.

*Other Benefits* . We continue to provide a few special benefits to our executives but have lessened the benefits since 2012. In general, the additional benefits provided are intended to help our named executive officers be more productive and efficient and to protect us and the executive from certain business risks and potential threats. In 2013, certain of our named executive officers received personal use of the corporate aircraft. In addition, Mr. Foley received accounting services through the first half of 2013, which then ended. In 2013, we paid no membership dues for social and recreational clubs. Our compensation committee regularly reviews the additional benefits provided to our executive officers and believes they are minimal. Further detail regarding other benefits in 2013 can be found in the Summary Compensation Table under the column All Other Compensation and related footnote.

**Role of Compensation Committee, Compensation Consultant and Executive Officers**

Our compensation committee is responsible for reviewing, approving and monitoring all compensation programs for our named executive officers, as well as our other officers. Our compensation committee is also responsible for administering the Fidelity National Financial, Inc. Annual Incentive Plan, which we refer to as our annual incentive plan, the Fidelity National Financial, Inc. Amended and Restated 2005 Omnibus Incentive Plan, which we refer to as our **omnibus incentive plan** , administering programs that are implemented under the omnibus incentive plan, including the long-term investment success cash incentive program described above, and approving individual grants and awards under those plans for our executive officers.

To further the objectives of our compensation program, our compensation committee engaged Strategic Compensation Group, LLC, which we refer to as Strategic Compensation Group, an independent compensation consultant, to conduct an annual review of our compensation programs for our named executive officers and other key executives and our board of directors. The consultant is engaged to suggest compensation changes with alternatives for the committee to consider. In April 2013, the compensation committee reviewed the final rules issued by the New York Stock Exchange regarding the independence of consultants to the compensation committee, considered these rules relative to Strategic Compensation Group and affirmed the consultant’s independence.

In 2013, Strategic Compensation Group provided our compensation committee with relevant market data on compensation, including annual salary, annual incentives, long-term incentives, other benefits, total compensation and pay mix, and alternatives to consider when making compensation decisions. Strategic Compensation Group also assisted our compensation committee in its review of the compensation risk assessment that is completed on an annual basis. Strategic Compensation Group was selected by our compensation committee, reported directly to the committee, received compensation only for services related to executive compensation issues, and neither it nor any affiliated company provided any other services to us.

Our Executive Chairman participated in the 2013 executive compensation process by making recommendations with respect to equity-based incentive compensation awards. Our former Chief Executive Officer, Mr. Scanlon, and our current Chief Executive Officer, Mr. Quirk, made recommendations with respect to their respective direct reports, as discussed further below. In addition, Mr. Gravelle, our Executive Vice President, General Counsel and Corporate Secretary, coordinated with our compensation committee members and the consultant in preparing the committee’s meeting agendas and, at the direction of the committee, assisted Strategic Compensation Group in gathering financial information about FNF and stock ownership information for our executives for inclusion in the consultant’s reports to our compensation committee. Our executive officers do not make recommendations to our compensation committee with respect to their own compensation.

While our compensation committee carefully considers the information provided by, and the recommendations of, Strategic Compensation Group and the individuals who participate in the compensation process, our compensation committee retains complete discretion to accept, reject or modify any recommended compensation decisions.

**Establishing Executive Compensation Levels**

We operate in a highly competitive industry and compete with our peers and competitors to attract and retain highly skilled executives within that industry. To attract and retain talented executives with the leadership abilities and skills necessary for building long-term stockholder value, motivate our executives to perform at a high level and reward outstanding achievement, our compensation committee sets total compensation at levels it determines to be competitive in our market.

When determining the overall compensation of our named executive officers, including base salaries and annual and long-term incentives, our compensation committee considers a number of important qualitative and quantitative factors including:

- the executive officer's experience, knowledge, skills, level of responsibility and potential to influence our company's performance;
- the executive officer's prior salary levels, annual incentive awards, annual incentive award targets and long-term equity incentive awards;
- the business environment and our business objectives and strategy;
- our financial performance in the prior year;
- the need to retain and motivate executives (even in the current business cycle, it is critical that we not lose key people and long term incentives help to retain key people);
- corporate governance and regulatory factors related to executive compensation;
- marketplace compensation levels and practices; and
- our focus on the performance of our portfolio company investments.

In evaluating the compensation of our Chief Executive Officer's direct reports, our compensation committee also considers the Chief Executive Officer's recommendations to the committee. This includes his review of the performance of the other named executive officers, job responsibilities, importance to our overall business strategy, and our compensation philosophy. Our Chief Executive Officer does not make a recommendation to our compensation committee regarding his own compensation. The compensation decisions are not formulaic, and the members of our compensation committee did not assign precise weights to the factors listed above. Our compensation committee utilized their individual and collective business judgment to review, assess, and approve compensation for our named executive officers.

To support its review of our executive compensation and benefit programs for 2013, our compensation committee engaged Strategic Compensation Group, an independent compensation consultant to conduct a marketplace review of the compensation we pay to our executive officers. Our compensation committee has the sole authority to hire a compensation consultant and to approve the compensation consultant's fees and terms of engagement. Strategic Compensation Group gathered marketplace compensation data on total compensation, which consisted of annual salary, annual incentives, long-term incentives, executive benefits, executive ownership levels, overhang and dilution from the equity incentive plan, compensation levels as a percent of revenue, pay mix and other key statistics. This data is collected and analyzed twice during the year, once in the first quarter and again in the fourth quarter. The marketplace compensation data provided a point of reference for our compensation committee, but our compensation committee ultimately made compensation decisions based on all of the factors described above.

At the beginning of each year, the compensation committee reviews specific marketplace compensation surveys to benchmark executive compensation. The committee strives for a consistent set of compensation surveys from year to year, so that the benchmark information is consistent and comparable. Strategic Compensation Group assisted our compensation committee in analyzing the marketplace compensation surveys that were included in the marketplace compensation data. Strategic Compensation Group used three marketplace data sources: (1) a general executive compensation survey prepared by Towers Watson, a global professional services company providing risk and financial management services, which contained data on over 300 companies (in using this survey, our compensation committee applied a formula contained in the survey that allows for the adjustment of the survey's compensation amounts to take into account differences in revenues between the survey companies and our company); (2) a general executive compensation survey of over 3,000 companies with a specific focus on about 126 companies with revenues of between $7 billion and $12 billion, and (3) compensation information for a group of companies, which we refer to as the **FNF peer group** . The FNF peer group was based on a revenue range of $1/2$ to 2 times the projected 2013 revenue for FNF (which at the time was estimated to be $8.7 billion), industry focus (generally the insurance industry based on Global Industry Classification Standard (GICS) Code), nature and complexity of operations, and because they compete with us for business and/or executive talent. The 2013 peer group was consistent with the peer group used by the compensation committee in 2012, except that: (i) two companies, Arch Capital Group Ltd. and Transatlantic Holdings, were removed as Arch Capital's revenue fell below our revenue range and Transatlantic Holdings was acquired and was no longer publicly traded; and five companies (Aon plc, Chubb Corporation, Leucadia National Corporation, Marsh & McLennan Companies, Inc., and XL Group plc) were added because they met the revenue range requirement and they were in the same insurance industry as FNF. When defining the peer group, we attempt to apply the standards used by ISS for identifying peer groups for public companies. The 2013 peer group consisted of:

- American Financial Group
- Aon plc
- Assurant Inc.
- Automatic Data Processing, Inc.
- Berkley (WR) Corp.
- Chubb Corporation
- CNA Financial Corporation
- Discover Financial Services
- Everest Re Group Ltd.
- First American Financial Corporation
- Genworth Financial, Inc.
- Leucadia National Corporation
- Lincoln National Corp.
- Marsh & McLennan Companies, Inc.
- Partnerre Ltd.
- Principal Financial Group
- Unum Group
- XL Group plc

The revenue range of these companies at that time was between $4.9 billion and $13.7 billion, with a median revenue of $9.5 billion. This compares to the FNF 2013 revenue estimate at that time of about $8.7 billion.

In addition to the compensation surveys, Strategic Compensation Group gathers compensation practices data from independent sources such ISS and Glass Lewis. That data is helpful to the compensation committee when reviewing the executive compensation practices used by FNF.

We primarily focused on the 50th-75th percentile of the peer group data when considering what our named executive officers' 2013 target total compensation levels should be. Our compensation committee used the other two sources of compensation data described above in making its compensation decisions in 2013 as a point of reference in evaluating whether compensation was within a "market" range; however, in general those two sources were given less weight when considering what the named executive officers' 2013 target total compensation should be as we think the peer group data is the best indicator of total compensation provided by our key competitors and peers.

While the compensation decisions of our compensation committee ultimately were subjective judgments, our compensation committee also considered the following factors in making compensation decisions for our named executive officers. In determining the total compensation for Mr. Scanlon (prior to his transition from Chief Executive Officer), our compensation committee considered his role and responsibility as Chief Executive Officer, particularly in connection with his responsibility of continuing FNF's long term strategic plan. In determining the total compensation for Mr. Foley, our compensation committee considered his success as the overall leader of FNF in developing and implementing FNF's long-term strategy, his substantial knowledge of and contributions to the overall management of FNF's title operations, and his leadership in connection with FNF's successful investments in portfolio companies. In determining the total compensation for Mr. Quirk, our compensation committee considered his 28 years of experience with FNF working in the title business and his importance to the continued successful operation of FNF's title business. In determining the total compensation for Mr. Park, our compensation committee considered his role and responsibility for accounting and financial reporting matters, as well as his 23 years of experience with FNF. In determining the total compensation for Mr. Bickett, our compensation committee considered his contribution to corporate finance matters, corporate development and mergers and acquisitions, as well as his 15 years of experience with FNF. In determining the total compensation for Mr. Gravelle, our compensation committee considered his role and responsibility for legal, corporate secretarial, and mergers and acquisitions (legal) matters, as well as his 21 years of experience with FNF.

The marketplace compensation information in this discussion is not deemed filed or a part of this compensation discussion and analysis for certification purposes.

**Employment Agreements and Post-Termination Compensation and Benefits**

We have entered into employment agreements with each of our named executive officers. These agreements provide us and the executives with certain rights and obligations following a termination of employment, and in some instances, following a change in control. We believe these agreements are necessary to protect our legitimate business interests, as well as to protect the executives in the event of certain termination events. A description of the material terms of the agreements can be found in the narrative following the Grants of Plan-Based Awards table and in the Potential Payments Upon Termination or Change in Control section.

**Tax and Accounting Considerations**

Our compensation committee considers the impact of tax and accounting treatment when determining executive compensation.

Section 162(m) of the Internal Revenue Code places a limit of $1,000,000 on the amount that can be deducted in any one year for compensation paid to certain executive officers. There is, however, an exception for certain performance-based compensation. Our compensation committee takes the deduction limitation under Section 162(m) into account when structuring and approving awards under our annual incentive plan and our omnibus plan. However, our compensation committee may approve compensation that will not meet these requirements.

Our compensation committee also considers the accounting impact when structuring and approving awards. We account for share-based payments, including stock option grants, in accordance with ASC Topic 718, which governs the appropriate accounting treatment of share-based payments under generally accepted accounting principles.

**Compensation Committee Report**

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management, and the compensation committee recommended to the board that the Compensation Discussion and Analysis be included in this Amendment No. 1 on Form 10-K/A.

THE COMPENSATION COMMITTEE

Daniel D. (Ron) Lane
Richard N. Massey
Cary H. Thompson

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The following table contains information concerning the cash and non-cash compensation awarded to or earned by our named executive officers for the years indicated.

**Summary Compensation Table**

| Name and Principal Position | Fiscal Year | Salary ($) (1) | Bonus ($) | Stock Awards ($) (2) | Option Awards ($) (3) | Non-Equity Incentive Plan Compensation ($) (4) | All Other Compensation ($) (5) | Total ($) |
|---|---|---|---|---|---|---|---|---|
| Raymond R. Quirk | 2013 | 740,000 | — | 2,000,012 | 1,949,898 | 2,220,000 | 287,622 | 7,197,532 |
| Chief Executive Officer | 2012 | 728,141 | — | 2,999,997 | 581,249 | 2,220,000 | 216,502 | 6,745,889 |
| | 2011 | 740,000 | — | 2,867,941 | — | 4,228,125 | 162,778 | 7,998,844 |
| Anthony J. Park | 2013 | 429,615 | — | 479,992 | 467,976 | 1,700,322 | 128,210 | 3,206,115 |
| Executive Vice President and Chief | 2012 | 404,599 | — | 800,002 | 155,000 | 830,000 | 111,264 | 2,300,865 |
| Financial Officer | 2011 | 400,000 | — | 716,989 | — | 1,488,500 | 63,096 | 2,668,585 |
| William P. Foley, II | 2013 | 741,692 | — | 4,355,013 | 4,338,500 | 40,675,593 | 852,451 | 50,963,249 |
| Chairman of the Board | 2012 | 625,000 | — | 7,399,992 | 1,375,623 | 4,657,500 | 933,952 | 14,992,067 |
| | 2011 | 600,000 | — | 7,331,011 | — | 3,600,000 | 991,486 | 12,522,497 |
| Brent B. Bickett | 2013 | 550,500 | — | 1,170,017 | 1,202,421 | 9,683,004 | 368,779 | 12,974,722 |
| President | 2012 | 409,069 | — | 2,100,006 | 387,499 | 1,238,250 | 344,228 | 4,479,052 |
| | 2011 | 183,000 | — | 1,821,830 | — | 549,000 | 250,152 | 2,803,982 |
| Michael L. Gravelle | 2013 | 422,406 | — | 1,119,993 | 1,053,679 | 3,551,069 | 100,993 | 6,248,135 |
| Executive Vice President, General Counsel and Corporate Secretary | | | | | | | | |
| George P. Scanlon * | 2013 | 752,588 | — | 70,004 | 29,979 | 4,061,134 | 8,031,553 | 12,945,255 |
| Former Chief Executive Officer | 2012 | 693,141 | — | 2,999,997 | 581,249 | 2,220,000 | 245,488 | 6,739,875 |
| | 2011 | 600,000 | — | 2,867,941 | — | 4,955,625 | 207,900 | 8,631,466 |

* Effective December 7, 2013, Mr. Scanlon transitioned from the role of Chief Executive Officer and his employment with FNF ended.

(1) Amounts shown are not reduced to reflect the named executive officers' elections, if any, to defer receipt of salary, if any, into our 401(k) plan, ESPP, or deferred compensation plans. In addition, the amount for Mr. Gravelle for 2013 also includes $148,000 in salary paid by Remy in connection with his employment by Remy as its Senior Vice President, General Counsel and Corporate Secretary.

(2) Represents the grant date fair value of restricted stock awards granted in 2013 computed in accordance with ASC Topic 718, excluding forfeiture assumptions. These awards consisted of our restricted shares issued under the FNF omnibus plan. Assumptions used in the calculation of these amounts are included in Footnote O to our audited financial statements for the fiscal year ended December 31, 2013 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2014. The amounts for 2013 include $106,006, $70,004, $70,004 and $70,004 with respect to Messrs. Foley, Bickett, Gravelle and Scanlon, respectively, relating to the February 21, 2013 grant of Remy restricted stock. As of March 28, 2014, we owned approximately 51% of Remy's common stock and we consolidate the operations of Remy.

(3) Represents the grant date fair value of stock option awards granted in 2013, computed in accordance with ASC Topic 718. Assumptions used in the calculation of this amount are included in Footnote O to our audited financial statements for the fiscal year ended December 31, 2013 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2014. The amounts for 2013 also include $44,972, $29,979, $29,979, and $29,979 with respect to Messrs. Foley, Bickett, Gravelle, and Scanlon respectively, relating to the February 21, 2013 grant of Remy stock options; and $150,000 and $100,000 with respect to Messrs. Foley and Bickett, respectively, relating to the August 26, 2013 grant of FNES stock options. As of March 28, 2014, we owned approximately 51% of Remy's common stock and 36% of FNES' common stock. We consolidate the operations of Remy and account for FNES under the equity method of accounting.

(4) Represents amounts earned under the FNF annual incentive plan and Long-Term Investment Success Incentive Program. In 2013, the named executive officers, other than Mr. Quirk, earned the following amounts under the FNF annual incentive plan, the September 2012 awards under the Long-Term Investment Success Incentive Program and the March 2013 awards under the Long-Term Investment Success Incentive Program, respectively: Mr. Park $435,000, $1,265,322, and $0; Mr. Foley $2,868,800, $25,000,000 and $12,806,843; Mr. Bickett $825,800, $8,857,254 and $0; Mr. Gravelle $342,700, $3,163,305 and $0; and Mr. Scanlon $1,037,014, $3,024,120 and $0. Mr. Quirk did not participate in the Long-Term Investment Success Incentive Program. The amount for Mr. Gravelle for 2013 also includes a $45,064 performance-based bonus paid by Remy in connection with his employment by Remy as its Senior Vice President, General Counsel and Corporate Secretary.

(5) Amounts shown for 2013 include matching contributions to our ESPP; dividends paid on restricted stock; life insurance premiums paid by us; health insurance fees paid by us under the executive medical plan; fees received for services on the boards of directors of affiliates; personal use of a company airplane; utilization of accounting services through March 31, 2013, which then ended; and, in the case of Mr. Scanlon, cash severance benefits paid pursuant to his employment agreement and office supply and administrative support benefits in connection with his ongoing responsibilities as a director of Remy, as set forth below.

| | Foley | Quirk | Park | Bickett | Gravelle | Scanlon |
|---|---|---|---|---|---|---|
| ESPP Matching Contributions | $ 33,029 | $ 27,157 | $22,282 | $ 13,468 | $12,661 | $ 35,485 |
| Common Stock Grants | 11,163 | 8,538 | 7,183 | 9,528 | 3,980 | 12,808 |
| Restricted Stock Dividends | 401,047 | 208,725 | 52,437 | 68,927 | 37,973 | 187,089 |
| Life Insurance Premiums | 1,143 | 1,143 | 135 | 135 | 206 | 387 |
| Director Fees Paid By Affiliates * | 203,042 | — | — | 128,334 | — | 114,042 |
| Personal Airplane Use | 170,709 | 9,740 | — | 102,216 | — | 10,543 |
| Executive Medical | 32,319 | 32,319 | 46,173 | 46,173 | 46,173 | 46,173 |
| Cash Severance Per Employment Agreement | — | — | — | — | — | 7,625,026 |

* Beginning January 1, 2014, Messrs. Foley and Bickett will not receive director fees for serving on the board of our affiliates.

The following table sets forth information concerning awards granted to the named executive officers during the fiscal year ended December 31, 2013.

## Grants of Plan-Based Awards

| | | Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1) | | | Estimated Possible Payouts Under Equity Incentive Plan Awards (2) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| (a) Name | (b) Grant Date | (c) Threshold ($) | (d) Target ($) | (e) Maximum ($) | (f) Threshold (#) | (g) Target (#) | (h) Maximum (#) | (i) All Other Stock Awards: Number of Shares of Stock or Units (#) (3) | (j) All other Option Awards: Number of Securities Underlying Options (#) (4) | (k) Exercise or Base Price of Option Awards ($/Share) | (l) Grant Fair Value of Stock and Option Awards ($) |
| William P. Foley, II | 2/21/2013 | — | — | — | — | — | — | 5,676 | 5,933 | 18.50 | 150,037 |
| | 8/26/2013 | — | — | — | — | — | — | — | 2,100 | 392.49 | 150,000 |
| | 11/21/2013 | — | — | — | — | 152,330 | — | — | 887,265 | 27.90 | 8,393,535 |
| | Annual Incentive Plan | 956,250 | 1,912,500 | 5,737,500 | — | — | — | — | — | — | — |
| | Long-Term Investment Success Incentive Program | — | — | 25,000,000 | — | — | — | — | — | — | — |
| Raymond R. Quirk | 11/21/2013 | — | — | — | — | 71,685 | — | — | 417,537 | 27.90 | 3,949,909 |
| | Annual Incentive Plan | 555,000 | 1,110,000 | 2,220,000 | — | — | — | — | — | — | — |
| Brent B. Bickett | 2/21/2013 | — | — | — | — | — | — | 3,784 | 3,955 | 18.50 | 100,002 |
| | 8/26/2013 | — | — | — | — | — | — | — | 1,400 | 392.49 | 100,000 |
| | 11/21/2013 | — | — | — | — | 39,427 | — | — | 229,645 | 27.90 | 2,172,455 |
| | Annual Incentive Plan | 412,900 | 825,800 | 1,651,600 | — | — | — | — | — | — | — |
| | Long-Term Investment Success Incentive Program | — | — | 25,000,000 | — | — | — | — | — | — | — |
| Anthony J. Park | 11/21/2013 | — | — | — | — | 17,204 | — | — | 100,209 | 27.90 | 947,968 |
| | Annual Incentive Plan | 217,500 | 435,000 | 870,000 | — | — | — | — | — | — | — |
| | Long-Term Investment Success Incentive Program | — | — | 25,000,000 | — | — | — | — | — | — | — |
| Michael L. Gravelle | 2/21/2013 | — | — | — | — | 1,891 | — | 1,892 | 3,955 | 18.50 | 100,002 |
| | 11/21/2013 | — | — | — | — | 37,634 | — | — | 219,207 | 27.90 | 2,073,685 |
| | Annual Incentive Plan | 202,000 | 404,000 | 808,000 | — | — | — | — | — | — | — |
| | Long-Term Investment Success Incentive Program | — | — | 25,000,000 | — | — | — | — | — | — | — |
| | Remy Annual Incentive Plan | 40,700 | 81,400 | 122,100 | — | — | — | — | — | — | — |
| George P. Scanlon | 2/21/2013 | — | — | — | — | — | — | 3,784 | 3,955 | 18.50 | 100,002 |
| | Annual Incentive Plan | 555,000 | 1,110,000 | 2,220,000 | — | — | — | — | — | — | — |
| | Long-Term Investment Success Incentive Program | — | — | 25,000,000 | — | — | — | — | — | — | — |

(1) The amounts shown in column (c) reflect the minimum payment levels under the FNF annual incentive plan and, additionally for Mr. Gravelle, the minimum payout levels under the Remy annual incentive bonus program. For the FNF annual incentive Plan, the minimum payout levels are 50% of the target amounts shown in column (d) under the FNF annual incentive plan. The amount shown in column (e) under the FNF annual incentive plan for everyone except Mr. Foley and Mr. Gravelle is 200% of the target amount. For Mr. Foley and Mr. Gravelle, the amount in column (e) is 300% and 240%, respectively, of the target amount. These amounts are based on the individual's 2013 salary and position. The amounts shown in columns (c), (d) and (e) for Mr. Gravelle with respect to the Remy annual incentive bonus program reflect the minimum, target and maximum amounts, respectively, payable to Mr. Gravelle under that plan. Mr. Gravelle's target under the Remy annual incentive bonus program was 55% of his base salary paid by Remy in 2013, the minimum payout level is 50% of the target amount shown in column (d) and the maximum is 150% of the target amount.

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The amounts shown in column (e) for the Long-Term Investment Success Incentive Program are the maximum potential incentives that may be earned under that program for the awards granted in 2013. The $25 million maximum is based on the limit in our 2005 Omnibus Incentive Plan. Amounts will not be earned under the 2013 awards to the extent a payment is earned under the 2012 award for the same performance period. Consequently, we expect that an amount will be earned under the 2013 awards only to the extent the amount earned under the 2012 award is capped due to the $25 million limitation under our 2005 Omnibus Incentive Plan. Amounts earned under the 2012 and 2013 Long-Term Investment Success Incentive Program awards for the performance periods ending December 31, 2013 were paid in March 2014, and are reflected in the Summary Compensation Table under the heading Non-Equity Incentive Plan Compensation. As described in detail in the "Compensation Discussion and Analysis and Executive and Director Compensation" above, the incentive program does not include target and threshold amounts for participating executives. The amount shown in the target column represents an estimate of the amounts that will be earned with respect to the 2013 award over the entire performance period, ending December 31, 2016.

(2) The amounts shown in column (f) for Mr. Gravelle reflect 50% of the total number of shares of performance-based restricted stock awarded to Mr. Gravelle in 2013, which reflects the number of shares he would receive if Remy achieves the minimum level of performance with respect to the award. The amounts shown in column (g) reflect the number of shares of performance-based restricted stock granted to each named executive officer under the FNF omnibus plan, and additionally for Mr. Gravelle, under the Remy omnibus incentive plan. As Mr. Scanlon transitioned from the role of our Chief Executive Officer in December 2013, he did not receive any grants under the omnibus plan for 2013.

(3) The amounts shown in column (i) for Messrs. Foley, Bickett, Gravelle and Scanlon reflect the number of shares of Remy restricted stock granted to each named executive officer on February 21, 2013.

(4) For each named executive officer other than Messrs. Foley, Bickett, Gravelle and Scanlon, the amounts shown in column (j) reflect the number of stock options granted to each named executive officer under the omnibus plan on November 21, 2013 (grant date fair value per option is $4.67 per option granted). For Messrs. Foley and Bickett, the amounts shown in column (j) reflect (a) the number of stock options granted to each named executive officer under the omnibus plan on November 21, 2013 (grant date fair value per option is $4.67 per option granted), (b) the number of Remy stock options granted to each named executive officer on February 21, 2013 (grant date fair value per option is $7.59 per option granted), and (c) the number of FNES stock options granted to each named executive officer on August 26, 2013 (grant date fair value per option is $71.43 per option granted). For Mr. Gravelle, the amounts shown in column (j) reflect (a) the number of stock options granted to the named executive officer under the omnibus plan on November 21, 2013 (grant date fair value per option is $4.67 per option granted), and (b) the number of Remy stock options granted to the named executive officer on February 21, 2013 (grant date fair value per option is $7.59 per option granted). For Mr. Scanlon, the amounts shown in column (j) reflect the number of Remy stock options granted to the named executive officer on February 21, 2013 (grant date fair value per option is $7.59 per option granted). As Mr. Scanlon transitioned from the role of our Chief Executive Officer in December 2013, he did not receive any grants under the omnibus plan for 2013.

***Employment Agreements***

We have entered into employment agreements with all of our named executive officers. Additional information regarding post-termination benefits provided under these employment agreements can be found in the "Potential Payments Upon Termination or Change in Control" section.

*William P. Foley, II*

We entered into a three-year amended and restated employment agreement with Mr. Foley, effective July 2, 2008, to serve as our Executive Chairman, with a provision for automatic annual extensions beginning on the first anniversary of the effective date and continuing thereafter unless either party provides timely notice that the term should not be extended. Prior to the amendments described below, under the terms of the agreement, Mr. Foley's minimum annual base salary was $600,000 and his annual cash incentive target was 250% of his annual base salary, with amounts payable depending on performance relative to targeted results. Mr. Foley is entitled to supplemental disability insurance sufficient to provide at least 2/3 of his pre-disability base salary, and Mr. Foley and his eligible dependents are entitled to medical and other insurance coverage we provide to our other top executives as a group. Mr. Foley is also eligible to receive equity grants under our equity incentive plans, as determined by our compensation committee.

Effective as of February 4, 2010, we entered into an amendment to Mr. Foley’s employment agreement with Mr. Foley. The amendment provides that, if any payments or benefits to be paid to Mr. Foley pursuant to the terms of the employment agreement would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then Mr. Foley may elect for such payments to be reduced to one dollar less than the amount that would constitute a “parachute payment” under Section 280G of the Internal Revenue Code. If Mr. Foley does not elect to have such payments so reduced, Mr. Foley is responsible for payment of any excise tax resulting from such payments and shall not be entitled to a gross-up payment under the employment agreement.

The amendment to Mr. Foley’s employment agreement also (i) reduces his annual incentive bonus target from 250% of his annual base salary to 200% of his annual base salary, and (ii) eliminates the obligation of FNF to make severance payments to Mr. Foley in the event he terminates his employment following a change in control without good reason.

Effective as of August 1, 2012, FNF and Mr. Foley entered in a second amendment to Mr. Foley’s employment agreement, pursuant to which Mr. Foley’s minimum annual base salary was increased to $690,000. This amendment also increased Mr. Foley’s annual cash incentive target to 225% of his annual base salary, with amounts payable depending on performance relative to targeted results.

Effective as of August 27, 2013, FNF and Mr. Foley entered in a third amendment to Mr. Foley’s employment agreement, pursuant to which Mr. Foley’s minimum annual base salary was increased to $850,000.

Mr. Foley’s employment agreement contains provisions related to the payment of benefits upon certain termination events. The details of these provisions are set forth in the “Potential Payments Upon Termination or Change in Control” section.

*George P. Scanlon*

We entered into an employment agreement with Mr. Scanlon, effective as of June 1, 2010, to serve as our Chief Operating Officer. Subsequently, we entered into a new three-year amended and restated employment agreement with Mr. Scanlon, effective November 1, 2010, to serve as our Chief Executive Officer, with a provision for automatic annual extensions on the first anniversary of the effective date and for an additional year each anniversary thereafter unless either party gives written notice to the other not to extend the employment term at least 270 days before such extension would be effectuated. The employment agreement provided that we would pay Mr. Scanlon a base salary of no less than $600,000 per year, and that Mr. Scanlon was eligible for an annual incentive bonus opportunity under the FNF annual incentive plan, with amounts payable depending on performance relative to targeted results. For the period from November 1, 2010 through the remainder of the employment term, Mr. Scanlon’s target bonus was set at 150% of his base salary, with a maximum of up to 300% of his base salary. Mr. Scanlon was entitled to supplemental disability insurance sufficient to provide at least 2/3 of his pre-disability base salary, and he and his eligible dependents were entitled to medical and other insurance coverage we provide to our other top executives as a group. Mr. Scanlon was also eligible to receive equity grants under our equity incentive plans, as determined by our compensation committee. The employment agreement also provided that, if any payments or benefits to be paid to Mr. Scanlon pursuant to the terms of the employment agreement would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then Mr. Scanlon may elect for such payments to be reduced to one dollar less than the amount that would constitute a “parachute payment” under Section 280G of the Internal Revenue Code; and that if Mr. Scanlon does not elect to have such payments so reduced, Mr. Scanlon is responsible for payment of any excise tax resulting from such payments and shall not be entitled to a gross-up payment under the employment agreement.

Effective December 7, 2013, FNF entered into a Release Agreement pursuant to which Mr. Scanlon transitioned from his role as Chief Executive Officer and his employment with FNF terminated. Pursuant to the Release Agreement, Mr. Scanlon is entitled to receive the following benefits, consistent with the terms of his employment agreement: (i) a pro-rated portion of his actual annual bonus under the 2013 annual incentive plan based upon the bonus that he would have earned multiplied by the percentage of 2013 completed by Mr. Scanlon before December 7, 2013; (ii) a lump sum cash payment equal to $7,455,000, which is 250% of the sum of (A) his base salary and (B) the highest annual bonus paid to him within the last 3 years or, if higher, his target bonus for 2013 ($2,220,000) and the dollar equivalent of his remaining match under the Employee Stock Purchas Plan, which was $55,000; (iii) the right to convert any life insurance provided by us into an individual policy, plus a lump sum cash payment equal to $7,148.16 which represents a lump sum payment equal to 36 months of monthly life insurance premiums; (iv) COBRA coverage (so long as the executive pays the premiums) for a period of three years or, if earlier, until eligible for comparable benefits from another employer, plus a lump sum cash payment equal to $162,877.32 which represents a lump sum payment equal to 36 months of monthly medical and dental premiums; and (v) full vesting acceleration of all stock options, restricted stock, performance shares and other equity-based awards outstanding as of December 7, 2013. In addition, for so long as he remains a director of an FNF subsidiary, Mr. Scanlon is entitled to: (A) preferred use of our company airplane at a discount to retain charter rates; (B) continued payment and support for Mr. Scanlon’s personal computer, iPad and iPhone; and (C) continued availability of administrative support for his service on the board of Remy. Finally, in accordance with his September 2012 and March 2013 awards under the Long-Term Investment Success

Incentive Program, a 95.6% pro-rata payment for the measurement period from July 1, 2012 through December 31, 2013, a 57.4% pro-rata payment for the measurement period from July 1, 2012 through December 31, 2014, a 41% pro-rata payment for the measurement period from July 1, 2012 through December 31, 2015, and a 31.9% pro-rata payment for the measurement period from July 1, 2012 through December 31, 2016, less, in each case, amounts previously paid under the awards. Further information regarding this agreement is set forth in the “Potential Payments Upon Termination or Change in Control” section.

*Raymond R. Quirk*

We entered into a three-year amended and restated employment agreement with Mr. Quirk, effective October 10, 2008, to serve as our President, with a provision for automatic annual extensions beginning on the first anniversary of the effective date and continuing thereafter unless either party provides timely notice that the term should not be extended. Under the terms of the agreement, Mr. Quirk’s minimum annual base salary is $740,000, with an annual cash incentive target of 150% of his annual base salary, with amounts payable depending on performance relative to targeted results. Mr. Quirk is entitled to supplemental disability insurance sufficient to provide at least 2/3 of his pre-disability base salary, and Mr. Quirk and his eligible dependents are entitled to medical and other insurance coverage we provide to our other top executives as a group. Mr. Quirk is also entitled to, but does not receive, the payment of initiation and membership dues in any social or recreational clubs that we deem appropriate to maintain our business relationships, and he is eligible to receive equity grants under our equity incentive plans, as determined by our compensation committee.

Effective as of February 4, 2010, FNF and Mr. Quirk entered into an amendment to Mr. Quirk’s employment agreement. The amendment provides that, if any payments or benefits to be paid to Mr. Quirk pursuant to the terms of the employment agreement would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then Mr. Quirk may elect for such payments to be reduced to one dollar less than the amount that would constitute a “parachute payment” under Section 280G of the Internal Revenue Code. If Mr. Quirk does not elect to have such payments so reduced, Mr. Quirk is responsible for payment of any excise tax resulting from such payments and shall not be entitled to a gross-up payment under the employment agreement.

Mr. Quirk’s employment agreement contains provisions related to the payment of benefits upon certain termination events. The details of these provisions are set forth in the “Potential Payments Upon Termination or Change in Control” section.

*Anthony J. Park*

We entered into a three-year amended and restated employment agreement with Mr. Park, effective October 10, 2008, to serve as our Executive Vice President, Chief Financial Officer, with a provision for automatic annual extensions beginning on the first anniversary of the effective date and continuing thereafter unless either party provides timely notice that the term should not be extended. Under the terms of the agreement, Mr. Park’s minimum annual base salary is $375,000, with an annual cash incentive target equal to at least 100% of his annual base salary, with amounts payable depending on performance relative to targeted results. Mr. Park is entitled to supplemental disability insurance sufficient to provide at least 2/3 of his pre-disability base salary, and Mr. Park and his eligible dependents are entitled to medical and other insurance coverage we provide to our other top executives as a group. Mr. Park is also entitled to, but does not receive, the payment of initiation and membership dues in any social or recreational clubs that we deem appropriate to maintain our business relationships, and he is eligible to receive equity grants under our equity incentive plans, as determined by our compensation committee.

Effective as of February 4, 2010, FNF and Mr. Park entered into an amendment to Mr. Park’s employment agreement. The amendment provides that, if any payments or benefits to be paid to Mr. Park pursuant to the terms of the employment agreement would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then Mr. Park may elect for such payments to be reduced to one dollar less than the amount that would constitute a “parachute payment” under Section 280G of the Internal Revenue Code. If Mr. Park does not elect to have such payments so reduced, Mr. Park is responsible for payment of any excise tax resulting from such payments and shall not be entitled to a gross-up payment under the employment agreement.

Mr. Park’s employment agreement contains provisions related to the payment of benefits upon certain termination events. The details of these provisions are set forth in the “Potential Payments Upon Termination or Change in Control” section.

*Brent B. Bickett*

We entered into a three-year amended and restated employment agreement with Mr. Bickett, effective July 2, 2008, to serve as our Executive Vice President, Corporate Finance, with a provision for automatic annual extensions beginning on the first anniversary of the effective date and continuing thereafter unless either party provides timely notice that the term should not be extended. Effective as of January 1, 2012, we entered into an amendment to the employment agreement with Mr. Bickett pursuant to which Mr. Bickett was entitled to a minimum annual base salary of $276,500 and an annual cash bonus target of 150% of his annual base salary, with amounts payable depending on performance relative to targeted results. Effective as of July 1, 2012, we entered into an additional amendment to the employment agreement with Mr. Bickett in connection with his increased role and full-time status with FNF. Under the terms of the agreement, as amended, Mr. Bickett's minimum annual base salary is $550,500, with an annual cash bonus target of 150% of his annual base salary, with amounts payable depending on performance relative to targeted results. Mr. Bickett is entitled to purchase supplemental disability insurance sufficient to provide at least 60% of his pre-disability base salary, and Mr. Bickett and his eligible dependents are entitled to medical and other insurance coverage we provide to our other top executives as a group. Mr. Bickett is also eligible to receive equity grants under our equity incentive plans, as determined by our compensation committee.

Effective as of February 4, 2010, FNF and Mr. Bickett entered into an amendment to Mr. Bickett's employment agreement. The amendment provides that, if any payments or benefits to be paid to Mr. Bickett pursuant to the terms of the employment agreement would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then Mr. Bickett may elect for such payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Internal Revenue Code. If Mr. Bickett does not elect to have such payments so reduced, Mr. Bickett is responsible for payment of any excise tax resulting from such payments and shall not be entitled to a gross-up payment under the employment agreement.

Mr. Bickett's employment agreement contains provisions related to the payment of benefits upon certain termination events. The details of these provisions are set forth in the "Potential Payments Upon Termination or Change in Control" section.

*Michael L. Gravelle*

We entered into a three-year amended and restated employment agreement with Mr. Gravelle, effective January 1, 2010, to serve as our Executive Vice President, General Counsel and Corporate Secretary, with a provision for automatic annual extensions beginning on the first anniversary of the effective date and continuing thereafter unless either party provides timely notice that the term should not be extended. Under the terms of the agreement as amended effective January 30, 2013, Mr. Gravelle's minimum annual FNF base salary is $337,000, with an annual cash incentive target equal to at least 120% of his paid FNF base salary with a maximum of up to 240% of his paid FNF base salary, with amounts payable depending on performance relative to targeted results. Mr. Gravelle is entitled to purchase supplemental disability insurance sufficient to provide at least 60% of his pre-disability base salary, and Mr. Gravelle and his eligible dependents are entitled to medical and other insurance coverage we provide to our other top executives as a group. Mr. Gravelle is also entitled to, but does not receive, the payment of initiation and membership dues in any social or recreational clubs that we deem appropriate to maintain our business relationships, and he is eligible to receive equity grants under our equity incentive plans, as determined by our compensation committee.

The agreement further provides that, if any payments or benefits to be paid to Mr. Gravelle pursuant to the terms of the agreement would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then Mr. Gravelle may elect for such payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Internal Revenue Code. If Mr. Gravelle does not elect to have such payments so reduced, Mr. Gravelle is responsible for payment of any excise tax resulting from such payments and shall not be entitled to a gross-up payment under the employment agreement.

The agreement finally provides that Mr. Gravelle became the Senior Vice President, General Counsel and Corporate Secretary of Remy effective as of February 1, 2013, and ceased being an executive officer of FIS as of February 1, 2013 and acknowledges that Mr. Gravelle would receive an annual base salary of $148,000 and a bonus opportunity at target of 55% ($81,400) from Remy. Mr. Gravelle does not have a separate employment agreement with Remy.

Mr. Gravelle's employment agreement contains provisions related to the payment of benefits upon certain termination events. The details of these provisions are set forth in the "Potential Payments Upon Termination or Change in Control" section.

***Annual Incentive Awards***

In 2013, our compensation committee approved performance-based cash incentive award opportunities for certain of our named executive officers. The performance-based cash incentive award opportunities are calculated by multiplying base salary by the named executive officer's applicable percentage approved by our compensation committee based on the level of performance that we achieved. More information about the annual incentive awards, including the targets and criteria for determining the amounts payable to our named executive officers, can be found in the "Compensation Discussion and Analysis" section.

***Long-Term Investment Success Incentive Awards***

In 2012, we implemented a special cash incentive program under the omnibus plan tied to FNF's return on investment in certain companies or divisions. We granted awards under his program in September 2012 and March 2013 with performance periods from July 1, 2012 through December 31, 2016 and January 1, 2013 through December 31, 2016, respectively. Messrs. Foley, Scanlon, Bickett, Park and Gravelle participate in the program. More information about the program, including the criteria for determining the amounts payable to certain of our named executive officers, can be found in the "Compensation Discussion and Analysis" section.

***Long Term Equity Incentive Awards***

In November 2013, our compensation committee approved grants of performance-based restricted stock and stock options to our named executive officers. The performance element applicable to the performance-based restricted stock is based upon achievement of pre-tax margin in our title segment of 8.5% in at least two of the five quarters beginning October 1, 2013. The restricted stock also vests proportionately each year over three years based on continued employment with us. Stock options vest proportionately each year over three years based on continued employment with us. More information about the long term equity incentive awards can be found in the "Compensation Discussion and Analysis" section.

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### *Salary and Bonus in Proportion to Total Compensation*

The "Compensation Discussion and Analysis" section contains a table showing the proportion of our named executive officers' salary to total compensation for 2013.

## Outstanding FNF Equity Awards at Fiscal Year End

| | | Option Awards (1) | | | | | Stock Awards (2) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Equity Incentive Plan Awards: | |
| **Name** | **Grant Date** | **Number of Securities Underlying Unexercised Options (#) Exercisable** | **Number of Securities Underlying Unexercised Options (#) Unexercisable** | **Equity Incentive Plan Awards: Number of Securities Underlying Unearned Options (#)** | **Option Exercise Price ($)** | **Option Expiration Date** | **Number of Shares or Units of Stock That Have Not Vested (#)** | **Market Value of Shares or Units of Stock that Have Not Vested ($)** | **Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)** | **Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)** |
| William P. Foley, II | 10/28/2011 | — | — | — | — | — | 118,033 | 3,830,171 | — | — |
| William P. Foley, II | 11/8/2012 | 60,528 | 121,058 | — | 22.59 | 11/8/2019 | 209,532 | 6,799,313 | — | — |
| William P. Foley, II | 11/21/2013 | — | 887,265 | — | 27.90 | 11/21/2020 | — | — | 152,330 | 4,943,109 |
| Anthony J. Park | 11/8/2007 | 98,333 | — | — | 13.64 | 11/8/2015 | — | — | — | — |
| Anthony J. Park | 11/23/2009 | 30,000 | — | — | 14.06 | 11/23/2017 | — | — | — | — |
| Anthony J. Park | 10/28/2011 | — | — | — | — | — | 15,301 | 496,517 | — | — |
| Anthony J. Park | 11/8/2012 | 6,820 | 13,640 | — | 22.59 | 11/8/2019 | 23,610 | 766,145 | — | — |
| Anthony J. Park | 11/21/2013 | — | 100,209 | — | 27.90 | 11/21/2020 | — | — | 17,204 | 558,270 |
| Raymond R. Quirk | 11/8/2007 | 400,000 | — | — | 13.64 | 11/8/2015 | — | — | — | — |
| Raymond R. Quirk | 10/27/2008 | 341,667 | — | — | 7.09 | 10/27/2016 | — | — | — | — |
| Raymond R. Quirk | 11/23/2009 | 140,000 | — | — | 14.06 | 11/23/2017 | — | — | — | — |
| Raymond R. Quirk | 10/28/2011 | — | — | — | — | — | 61,203 | 1,986,037 | — | — |
| Raymond R. Quirk | 11/8/2012 | 25,575 | 51,151 | — | 22.59 | 11/8/2019 | 88,535 | 2,872,961 | — | — |
| Raymond R. Quirk | 11/21/2013 | — | 417,537 | — | 27.90 | 11/21/2020 | — | — | 71,685 | 2,326,178 |
| Brent B. Bickett | 11/8/2007 | 120,000 | — | — | 13.64 | 8/19/2015 | — | — | — | — |
| Brent B. Bickett | 11/23/2009 | 30,000 | — | — | 14.06 | 11/23/2017 | — | — | — | — |
| Brent B. Bickett | 10/28/2011 | — | — | — | — | — | 19,672 | 638,356 | — | — |
| Brent B. Bickett | 11/8/2012 | 17,050 | 34,101 | — | 22.59 | 11/8/2019 | 59,024 | 1,915,329 | — | — |
| Brent B. Bickett | 11/21/2013 | — | 229,645 | — | 27.90 | 11/21/2020 | — | — | 39,427 | 1,279,406 |
| Michael L. Gravelle | 5/31/2006 | 24,793 | — | — | 20.92 | 5/31/2016 | — | — | — | — |
| Michael L. Gravelle | 11/8/2007 | 40,000 | — | — | 13.64 | 11/8/2015 | — | — | — | — |
| Michael L. Gravelle | 10/27/2008 | 66,667 | — | — | 7.09 | 10/27/2016 | — | — | — | — |
| Michael L. Gravelle | 11/23/2009 | 30,000 | — | — | 14.06 | 11/23/2016 | — | — | — | — |
| Michael L. Gravelle | 10/28/2011 | — | — | — | — | — | 10,929 | 354,646 | — | — |
| Michael L. Gravelle | 11/8/2012 | 10,528 | — | — | 22.59 | 11/8/2019 | 36,447 | 1,182,705 | — | — |
| Michael L. Gravelle | 11/21/2013 | — | 219,207 | — | 27.90 | 11/21/2020 | — | — | 37,634 | 1,221,223 |
| George P. Scanlon | 6/1/2010 | 100,000 | — | — | 13.99 | 6/1/2017 | — | — | — | — |
| George P. Scanlon | 11/8/2012 | 76,726 | — | — | 22.59 | 11/8/2019 | — | — | — | — |

(1) Option grants made in 2013, 2012, 2009, 2008 and 2006 were granted under the omnibus incentive plan as part of our 2013, 2012, 2009, 2008 and 2006 long-term incentive compensation and vest 33% annually over a period of three years from the date of grant. Option grants made in 2007 were granted under the omnibus plan as part of our 2007 long-term incentive compensation and vest 25% annually over a period of four years from the date of grant.

(2) We made the October 2011, November 2012 and November 2013 stock awards under the omnibus incentive plan. The October 2011 grants vest 33% annually over three years provided we achieve pre-tax margin of 6% in our title segment in at least two of the five quarters beginning October 1, 2011. The November 2012 grants vest 33% annually over three years provided we achieve pre-tax margin of 8% in our title segment in at least two of the five quarters beginning October 1, 2012. The November 2013 grants vest 33% annually over three years provided we achieve pre-tax margin of 8.5% in our title segment in at least two of the five quarters beginning October 1, 2013. Market values are based on the December 31, 2013 closing price of $32.45.

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**Outstanding Ceridian Option Awards at Fiscal Year End**

| Name | Grant Date | Number of Securities Underlying Unexercised Options Unexercisable (#) | Number of Securities Underlying Unexercised Options Exercisable (#) | Option Exercise Price ($) | Option Expiration Date |
|---|---|---|---|---|---|
| William P. Foley, II HCM * (1) | 12/7/2010 | 111,468 | 111,468 | 6.73 | 12/7/2020 |
| William P. Foley, II ComData * (2) | 12/7/2010 | 229,245 | 229,245 | 3.27 | 12/7/2020 |

* As a result of Ceridian splitting ComData and HCM during the year, Mr. Foley's outstanding Ceridian options have been modified to represent options in the split entities. This split resulted in no additional compensation for Mr. Foley, due to the fair value of his options at the time of the modification being the same as his former options in Ceridian

(1) 50% of the options vest quarterly over three years from the date of grant, and vest immediately upon a change in control of HCM. The remaining 50% vest upon the earliest to occur of (i) a change in control of Ceridian or (ii) following an Initial Public Offering if the equity value of the common stock equals at least $13.46 and the optionee's service with Ceridian has not terminated.

(2) 50% of the options vest quarterly over three years from the date of grant, and vest immediately upon a change in control of ComData. The remaining 50% vest upon the earliest to occur of (i) a change in control of Ceridian or (ii) following an Initial Public Offering if the equity value of the common stock equals at least $6.54 and the optionee's service with Ceridian has not terminated.

**Outstanding Remy Restricted Stock and Stock Option Awards at Fiscal Year End**

| Name | Grant Date (1) | Number of Securities Underlying Unexercised Options Unexercisable (#) | Number of Securities Underlying Unexercised Options Exercisable (#) | Option Exercise Price ($) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested ($) |
|---|---|---|---|---|---|---|---|
| William P. Foley, II | 2/21/2013 | 5,933 | — | 18.50 | 2/21/2020 | 5,676 | 132,634 |
| | 2/24/2012 | — | — | — | — | 8,571 | 199,876 |
| Brent B. Bickett | 2/21/2013 | 3,784 | — | 18.50 | 2/21/2020 | 3,955 | 92,231 |
| | 2/24/2012 | — | — | — | — | 2,857 | 66,625 |
| Michael L. Gravelle | 2/21/2013 | 3,784 | — | 18.50 | 2/21/2020 | 3,955 | 92,231 |
| George P. Scanlon | 2/21/2013 | 3,784 | — | 18.50 | 2/21/2020 | 3,955 | 92,231 |

(1) The restricted stock and stock options granted to Messrs. Foley, Bickett and Scanlon vest as to 50% of the shares subject to each award on each of the first and second anniversaries of the date of grant. The restricted stock and stock options granted to Mr. Gravelle vest as to one-third of the shares subject to each award on each of the first, second and third anniversaries of the date of grant.

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### Outstanding FNES Option Awards at Fiscal Year End

| Name | Grant Date (1) | Number of Securities Underlying Unexercised Options Unexercisable (#) | Number of Securities Underlying Unexercised Options Exercisable (#) | Option Exercise Price ($) | Option Expiration Date |
|---|---|---|---|---|---|
| William P. Foley, II | 8/26/2013 | 2,100 | — | 392.49 | 8/26/2020 |
| Brent B. Bickett | 8/26/2013 | 1,400 | — | 392.49 | 8/26/2020 |

(1) The stock options vest as to 33% of the shares on the date of grant and on each of the first and second anniversaries of the date of grant.

The following table sets forth information concerning each exercise of stock options, stock appreciation rights and similar instruments, and each vesting of stock, including restricted stock, restricted stock units and similar instruments, during the fiscal year ended December 31, 2013 for each of the named executive officers on an aggregated basis:

### Option Exercises and Stock Vested

| | Option Awards | | Stock Awards | |
|---|---|---|---|---|
| Name | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise ($) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting ($) |
| William P. Foley, II | — | — | 336,007 | 9,186,750 |
| Anthony J. Park | 75,000 | 2,049,878 | 42,702 | 1,167,639 |
| Raymond R. Quirk | 125,000 | 3,205,550 | 168,632 | 4,604,145 |
| Brent B. Bickett | 109,904 | 2,902,252 | 64,780 | 1,769,546 |
| Michael L. Gravelle | — | — | 36,951 | 1,009,236 |
| George P. Scanlon | — | — | 472,192 | 8,607,279 |

(1) The restricted stock vesting for Mr. Scanlon includes 316,409 shares, with a realized value of $4,343,899, which were accelerated in 2013 as he transitioned from his role as Chief Executive Officer and his employment with FNF terminated.

### Nonqualified Deferred Compensation

Under our nonqualified deferred compensation plan, which was amended and restated effective January 1, 2009, participants, including our named executive officers, can defer up to 75% of their base salary and 100% of their monthly, quarterly and annual incentives, subject to a minimum deferral of $16,500. Deferral elections are made during specified enrollment periods. Deferrals and related earnings are not subject to vesting conditions.

Participants' accounts are bookkeeping entries only and participants' benefits are unsecured. Participants' accounts are credited or debited daily based on the performance of hypothetical investments selected by the participant, and may be changed on any business day. The funds from which participants may select hypothetical investments, and the 2013 rates of return on these investments, are listed in the following table:

| Name of Fund | 2013 Rate of Return | Name of Fund | 2013 Rate of Return |
|---|---|---|---|
| Nationwide NVIT Money Market V | 0% | Goldman Sachs VIT Mid Cap Value | 32.89% |
| PIMCO VIT Real Return Portfolio | (9.91%) | T Rowe Price Mid Cap Growth II | 36.40% |
| PIMCO VIT Total Return Portfolio | (2.11%) | Royce Capital Small Cap | 34.75% |
| LASSO Long and Short Strategic Opportunities | 9.40% | Vanguard VIF Small Company Growth Portfolio | 46.54% |
| T. Rowe Price Equity Income II Portfolio | 29.41% | MFS VIT II International Value Svc | 27.63% |
| Dreyfus Stock Index | 32.03% | American Funds IS International | 21.63% |
| American Funds IS Growth | 30.10% | Lazard Retirement Emerging Markets | (1.24%) |
| Invesco VIF Global Real Estate | 2.71% | Van Eck VIP Global Hard Assets | 10.53% |
| Ivy VIP High Income | 10.50% | | |

Upon retirement, which generally means separation of employment after attaining age sixty, an individual may elect either a lump-sum withdrawal or installment payments over 5, 10 or 15 years. Similar payment elections are available for pre-retirement survivor benefits. In the event of a termination prior to retirement, distributions are paid over a 5-year period. Account balances less than the applicable Internal Revenue Code Section 402(g) limit will be distributed in a lump-sum. Participants can elect to receive in-service distributions in a plan year designated by the participant and these amounts will be paid within two and one-half months from the close of the plan year in which they were elected to be paid. The participant may also petition us to suspend elected deferrals, and to receive partial or full payout under the plan, in the event of an unforeseeable financial emergency, provided that the participant does not have other resources to meet the hardship.

Plan participation continues until termination of employment. Participants will receive their account balance in a lump-sum distribution if employment is terminated within two years after a change in control.

In 2004, Section 409A of the Internal Revenue Code was passed. Section 409A changed the tax laws applicable to nonqualified deferred compensation plans, generally placing more restrictions on the timing of deferrals and distributions. The deferred compensation plan contains amounts deferred before and after the passage of Section 409A.

For amounts subject to Section 409A, which in general terms includes amounts deferred after December 31, 2004, a modification to a participant's payment elections may be made upon the following events:

- Retirement: Participants may modify the distribution schedule for a retirement distribution from a lump-sum to annual installments or vice versa, however, a modification to the form of payment requires that the payment(s) commence at least five years after the participant's retirement, and this election must be filed with the administrator at least 12 months prior to retirement.
- In-service Distributions: Participants may modify each in-service distribution date by extending it by at least five years; however, participants may not accelerate the in-service distribution date and this election must be filed with the administrator at least 12 months prior to the scheduled in-service distribution date.

Deferral amounts that were vested on or before December 31, 2004 are generally not subject to Section 409A and are governed by more liberal distribution provisions that were in effect prior to the passage of Section 409A. For example, a participant may withdraw these grandfathered amounts at any time, subject to a withdrawal penalty of ten percent, or may change the payment elections for these grandfathered amounts if notice is timely provided.

The table below describes the contributions and distributions made with respect to the named executive officers' accounts under our nonqualified deferred compensation plan. None of the named executive officers, other than Messrs. Park and Gravelle, deferred 2013 compensation under the plan.

| Name | Executive Contributions in Last FY ($) | Registrant Contributions in Last FY ($) | Aggregate Earnings in Last FY ($) | Aggregate Withdrawals/ Distributions ($) | Aggregate Balance at Last FYE ($) |
|---|---|---|---|---|---|
| William P. Foley, II | — | — | 470,122 | — | 2,052,374 |
| Anthony J. Park | 75,000 | — | 49,184 | — | 276,716 |
| Brent B. Bickett | — | — | 106,778 | — | 453,630 |
| Michael L. Gravelle | 73,281 | — | 41,615 | — | 197,503 |

## Potential Payments Upon Termination or Change-in-Control

In this section, we discuss the nature and estimated value of payments and benefits we would provide to our named executive officers in the event of termination of employment or a change in control. The amounts described in this section reflect amounts that would have been payable under (i) our plans, (ii) where applicable, with respect to the named executive officers other than Mr. Scanlon, their employment agreements if their employment had terminated on December 31, 2013, and (iii) for Mr. Scanlon, his Release Agreement based on his actual termination date of December 7, 2013.

For the named executive officers other than Mr. Scanlon, the types of termination situations include a voluntary termination by the executive, with or without good reason, a termination by us either for cause or not for cause and termination in the event of disability or death. We also describe the estimated payments and benefits that would be provided upon a change in control without a termination of employment. The actual payments and benefits that would be provided upon a termination of employment would be based on the named executive officers' compensation and benefit levels at the time of the termination of employment and the value of accelerated vesting of share-based awards would be dependent on the value of the underlying stock.

For each type of employment termination, the named executive officers would be, and Mr. Scanlon is, entitled to benefits that are available generally to our domestic salaried employees, such as distributions under our 401(k) savings plan, certain disability benefits and accrued vacation. We have not described or provided an estimate of the value of any payments or benefits under plans or arrangements that do not discriminate in scope, terms or operation in favor of a named executive officer and that are generally available to all salaried employees. In addition to these generally available plans and arrangements, the named executive officers would be entitled to benefits under our nonqualified deferred compensation plan, as described above in the Nonqualified Deferred Compensation table and accompanying narrative.

### *Potential Payments under Employment Agreements*

As discussed above, we have entered into employment agreements with our named executive officers. The agreements contain provisions for the payment of severance benefits following certain termination events. Below is a summary of the payments and benefits that the named executive officers other than Mr. Scanlon would receive in connection with various employment termination scenarios.

Under the terms of each employment agreement, if the executive's employment is terminated by us for any reason other than for cause and not due to death or disability, or by the executive for good reason then the executive is entitled to receive:

- any accrued obligations,
- a prorated annual incentive based on the actual incentive the named executive officer would have earned for the year of termination,

- a lump-sum payment equal to 200% (or 300% in the case of Mr. Foley, or 250% in the case of Mr. Scanlon) of the sum of the executive's (a) annual base salary and (b) the highest annual bonus paid to the executive within the 3 years preceding his termination or, if higher, the target bonus opportunity in the year in which the termination of employment occurs,
- immediate vesting and/or payment of all our equity awards (except performance-based awards, which vest pursuant to the terms of the awards),
- the right to convert any life insurance provided by us into an individual policy, plus a lump sum cash payment equal to thirty-six months of premiums, and
- other COBRA coverage (so long as the executive pays the premiums) for a period of three years or, if earlier, until eligible for comparable benefits from another employer, plus a lump sum cash payment equal to the sum of thirty-six monthly COBRA premium payments.

If the executive's employment terminates due to death or disability, we will pay him, or his estate:

- any accrued obligations,
- a prorated annual bonus based on (a) the target annual bonus opportunity in the year in which the termination occurs or the prior year if no target annual bonus opportunity has yet been determined and (b) the fraction of the year the executive was employed, and
- in the case of Mr. Gravelle, the unpaid portion of his annual base salary for the remainder of the employment term.

In addition, the employment agreement of each executive, other than Messrs. Gravelle and Bickett, provides for supplemental disability insurance sufficient to provide at least 2/3 of the executive's pre-disability base salary. In the case of Messrs. Gravelle and Bickett, they are entitled to purchase supplemental disability insurance sufficient to provide 60% of their pre-disability base salary. For purposes of the agreements, an executive will be deemed to have a "disability" if he is entitled to receive long-term disability benefits under our long-term disability plan.

If the executive's employment is terminated by FNF for cause or by the executive without good reason our only obligation is the payment of any accrued obligations.

For purposes of each agreement, "cause" means the executive's:

- persistent failure to perform duties consistent with a commercially reasonable standard of care,
- willful neglect of duties,
- conviction of, or pleading nolo contendere to, criminal or other illegal activities involving dishonesty,
- material breach of the employment agreement, or
- impeding or failing to materially cooperate with an investigation authorized by our board.

For purposes of each agreement, other than Mr. Gravelle's agreement, "good reason" includes:

- a material diminution in the executive's position or title or the assignment of duties to the executive that are materially inconsistent with the executive's position or title,
- a material diminution of the executive's base salary or annual bonus opportunity,
- within six months immediately preceding or within two years immediately following a change in control, (1) a material adverse change in the executive's status, authority or responsibility, (2) a material adverse change in the position to whom the executive reports or to the executive's service relationship as a result of such reporting structure change, or a material diminution in the authority, duties or responsibilities of the position to whom the executive reports, (3) a material diminution in the budget over which the executive has managing authority, or (4) a material change in the geographic location of the executive's place of employment, or

- our material breach of any of our obligations under the employment agreement.

For purposes of each agreement, other than Mr. Gravelle's agreement, a "change in control" means:

- an acquisition by an individual, entity or group of more than 50% of our voting power,
- a merger in which we are not the surviving entity, unless our stockholders immediately prior to the merger hold more than 50% of the combined voting power of the resulting corporation after the merger,
- a reverse merger in which we are the surviving entity but in which more than 50% of the combined voting power is transferred to persons different from those holding the securities immediately prior to such merger,
- during any period of 2 consecutive years during the employment term, a change in the majority of our board, unless the changes are approved by 2/3 of the directors then in office,
- a sale, transfer or other disposition of our assets that have a total fair market value equal to or more than 1/3 of the total fair market value of all of our assets immediately before the sale, transfer or disposition, other than a sale, transfer or disposition to an entity (1) which immediately after the sale, transfer or disposition owns 50% of our voting stock or (2) 50% of the voting stock of which is owned by us after the sale, transfer or disposition, or
- our stockholders approve a plan or proposal for the liquidation or dissolution of our company.

For purposes of Mr. Gravelle's agreement, "good reason" includes:

- a material adverse change in his position or title, or a material diminution in his managerial authority, duties or responsibilities or the conditions under which such duties or responsibilities are performed;
- a material adverse change in the position to whom he reports or a material diminution in the managerial authority, duties or responsibilities of the person in that position;
- A material change in the geographic location of his principal working location, which FNF has determined to be a relocation of more than 35 miles;
- a material diminution of the executive's base salary or annual bonus opportunity; or
- a material breach by FNF of any of its obligations under the employment agreement.

***Potential Payments Under FNF Omnibus Incentive Plan***

In addition to the post-termination rights and obligations set forth in the employment agreements of our named executive officers, the FNF omnibus incentive plan provides for the potential acceleration of vesting and/or payment of equity awards in connection with a change in control. Under the FNF omnibus incentive plan, except as otherwise provided in a participant's award agreement, upon the occurrence of a change in control any and all outstanding options and stock appreciation rights will become immediately exercisable, any restriction imposed on restricted stock, restricted stock units and other awards will lapse, and any and all performance shares, performance units and other awards 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 FNF omnibus plan, the term "change in control" means the occurrence of any of the following events:

- an acquisition by an individual, entity or group of 25% or more of our voting power (except for acquisitions by us or any of our employee benefit plans),
- during any period of 2 consecutive years, a change in the majority of our board, unless the change is approved by 2/3 of the directors then in office,
- a reorganization, merger, share exchange, consolidation or sale or other disposition of all or substantially all of our assets; excluding, however, a transaction pursuant to which we retain specified levels of stock ownership and board seats, or
- our stockholders approve a plan or proposal for our liquidation or dissolution.

***Potential Payments under Long-Term Investment Success Cash Incentive Awards***

As discussed above, we have implemented a long-term investment success cash incentive program that is designed to motivate our executives to help FNF maximize its return on investment in certain portfolio companies by aligning a portion of the executive's long-term incentive compensation with FNF's return related to the specific investment. Although executives are generally required to remain employed through the last day of the applicable measurement period in order to earn any incentive payable as a result of ROI recognized by FNF for such period, if the executive's employment is terminated due to death, by FNF due to disability or without "cause" or by the executive for "good reason" (as such terms are defined in the executive's employment agreement and described above), then the executive may still earn a pro-rated portion of any amounts credited to the incentive pool for any open measurement periods.

***Estimated Cash Severance Payments***

Our estimate of the cash severance amounts that would be provided to the named executive officers, other than Mr. Scanlon, assumes that their employment terminated on December 31, 2013. The severance amounts do not include a prorated 2013 annual incentive since the named executive officers, other than Mr. Scanlon, would have been paid based on their service through the end of the year and therefore would have received the amount whether or not the termination occurred.

For a termination of employment by us not for cause or a termination by the executive for good reason, the following payments would have been made under the employment agreements: Mr. Foley $16,658,893; Mr. Park $2,695,639; Mr. Quirk $6,056,393; Mr. Bickett $3,744,174; and Mr. Gravelle $1,759,527. Upon a termination of the executives' employment due to death or disability, the executives would receive any accrued obligations. Finally, each of Messrs. Foley, Park, Bickett and Gravelle would also be entitled to receive a pro-rated amount of any incentives payable pursuant to the new, long-term investment success cash incentive program described above. However, we have not provided a numerical value attributable to that pro-rata amount as we will not be able to determine such value until each of the 4 measurement periods in the Performance Period (July 1, 2012-December 31, 2016) has closed.

***Estimated Equity Values***

As disclosed in the Outstanding FNF Equity Awards at Fiscal Year-End table, each named executive officer, other than Mr. Scanlon, had outstanding unvested stock options and restricted stock awards on December 31, 2013. Under the terms of the FNF omnibus plan and award agreements, these stock options and restricted stock awards would vest upon a change in control. In addition, under the named executive officers' employment agreements, the portion of these stock options and restricted stock awards that vest based solely on the passage of time would vest upon any termination of employment by us not for cause or a termination by the executive for good reason.

In any other termination event, all unvested stock options and restricted stock awards would expire at the employment termination date. The following estimates are based on a stock price of $32.45 per share, which was the closing price of our common stock on December 31, 2013. The stock option amounts reflect the excess of this share price over the exercise price of the unvested stock options that would vest. The restricted stock amounts were determined by multiplying the number of shares that would vest by $32.45. Our estimate of the value of equity that would vest assumes that a change in control and, as applicable, a termination of employment occurred on December 31, 2013.

The estimated value of the FNF stock options held by the named executive officers, other than Mr. Scanlon, that would vest upon a change in control would be as follows: Mr. Foley $5,230,688; Mr. Park $590,441; Mr. Quirk $2,404,142; Mr. Bickett $1,896,821; and Mr. Gravelle $1,205,024. The estimated value of FNF restricted stock awards held by the named executive officers, other than Mr. Scanlon, that would vest upon a change in control would be as follows: Mr. Foley $12,955,663; Mr. Park $1,820,932; Mr. Quirk $7,185,176; Mr. Bickett $3,833,091; and Mr. Gravelle $6,582,904. The estimated value of restricted stock awards held by the named executive officers, other than Mr. Scanlon, that would vest upon a termination of the named executive officers' employment by us not for cause or a termination by the executives for good reason would be as follows: Mr. Foley $10,629,484; Mr. Park $1,262,662; Mr. Quirk $4,858,998; Mr. Bickett $2,553,685; and Mr. Gravelle $5,370,443.

***Payments under Release Agreement with Mr. Scanlon***

Effective December 7, 2013, FNF entered into a Release Agreement pursuant to which Mr. Scanlon transitioned from his role as Chief Executive Officer and his employment with FNF terminated. Pursuant to the Release Agreement, Mr. Scanlon was entitled to receive the following benefits, consistent with the terms of his employment agreement: (i) a pro-rated portion of his actual annual bonus under the 2013 annual incentive plan based upon the bonus that he would have earned multiplied by the percentage of 2013 completed by Mr. Scanlon before December 7, 2013; (ii) a lump sum cash payment equal to 250% of the sum of (A) his base salary and (B) the highest annual bonus paid to him within the last 3 years or, if higher, his target bonus for 2013 ($2,220,000) and the dollar equivalent of his remaining match under the Employee Stock Purchase Plan, which was $55,000; (iii) the right to convert any life insurance provided by us into an individual policy, plus a lump sum cash payment equal to $7,148.16 which represents a lump sum payment equal to 36 months of monthly life insurance premiums; (iv) COBRA coverage (so long as the executive pays the premiums) for a period of three years or, if earlier, until eligible for comparable benefits from another employer, plus a lump sum cash payment equal to $162,877.32 which represents a lump sum payment equal to 36 months of monthly medical and dental premiums; and (v) full vesting acceleration of all stock options, restricted stock, performance shares and other equity-based awards outstanding as of December 7, 2013. In addition, for so long as he remains a director of an FNF subsidiary: (A) preferred use of our company airplane at a discount to retain charter rates; (B) continued payment and support for Mr. Scanlon's personal computer, iPad and iPhone; and (C) continued availability of administrative support for his service on the board of the FNF subsidiary. Finally, in accordance with his September 2012 and March 2013 awards under the Long-Term Investment Success Incentive Program, a 95.6% pro-rata payment for the measurement period from July 1, 2012 through December 31, 2013, a 57.4% pro-rata payment for the measurement period from July 1, 2012 through December 31, 2014, a 41% pro-rata payment for the measurement period from July 1, 2012 through December 31, 2015, and a 31.9% pro-rata payment for the measurement period from July 1, 2012 through December 31, 2016, less, in each case, amounts previously paid under the awards. Further information regarding this agreement is set forth in the "Potential Payments Upon Termination or Change in Control" section.

The value of Mr. Scanlon's pro-rata bonus payment for 2013, cash severance benefits, equity awards that accelerated in connection with his termination, and pro-rata payment under the Long-Term Investment Success Incentive Plan for the measurement period ended December 31, 2013, equaled $1,037,014, $7,625,026, $4,343,899 and $3,024,120, respectively. We have not provided a numerical value attributable to that pro-rata amount that will be payable for the remaining measurement period as we will not be able to determine such value until each of the 3 remaining measurement periods in the Performance Period (July 1, 2012-December 31, 2016) has closed. The value of each accelerated stock option was determined by multiplying (i) the number of stock options that were accelerated by (ii) the excess of the closing price of our common stock on the New York Stock Exchange on the last business day prior to December 7, 2013 ($29.01 on December 6, 2013) over the exercise price of the options accelerated. The value of each accelerated restricted stock award as determined by multiplying (i) the number of shares of restricted stock that were accelerated by (ii) the closing price of our common stock on the New York Stock Exchange on the last business day prior to December 7, 2013 ($29.01 on December 6, 2013).

### Compensation Committee Interlocks and Insider Participation

The compensation committee is currently composed of Daniel D. (Ron) Lane (Chair), Cary H. Thompson, and Richard N. Massey. During fiscal year 2013, no member of the compensation committee was a former or current officer or employee of FNF or any of its subsidiaries. In addition, during fiscal year 2013, none of our executive officers served (i) as a member of the compensation committee or board of directors of another entity, one of whose executive officers served on our compensation committee, or (ii) as a member of the compensation committee of another entity, one of whose executive officers served on our board.

### Discussion of Our Compensation Policies and Practices as They Relate to Risk Management

We reviewed our compensation policies and practices for all employees, including our named executive officers, and determined that our compensation programs are not reasonably likely to have a material adverse effect on our company. In conducting the analysis, we reviewed the structure of our executive, non-officer and sales commission incentive programs and the internal controls and risk abatement processes that are in place for each program. We also reviewed data compiled across our direct title operations, agency title operations, ServiceLink, Remy, Restaurant Group and corporate operations relative to total revenue, total profits, total compensation expenses and incentive program expenses (including as a percentage of both revenue and total compensation expenses).

We believe that several design features of our executive compensation program mitigate risk. We set base salaries at levels that provide our employees with assured cash compensation that is appropriate to their job duties and level of responsibility and that, when taken together with incentive awards, motivate them to perform at a high level without encouraging inappropriate risk taking to achieve a reasonable level of secure compensation.

With respect to our executives' incentive opportunities, we believe that our use of measurable corporate financial performance goals, multiple performance levels and minimum, target and maximum achievable payouts, together with the compensation committee's discretion to reduce awards, serve to mitigate excessive risk-taking. The risk of overstatement of financial figures to which incentives are tied is mitigated by the compensation committee's review and approval of the awards and payments under the awards, our ability to recover any incentive-based compensation pursuant to our clawback policy and the internal and external review of our financials. We also believe that our balance of stock options and restricted stock and use of multi-year vesting schedules in our long-term incentive awards encourages recipients to deliver incremental value to our stockholders and aligns their interests with our sustainable long-term performance, thereby mitigating risk. In addition, in 2009 we increased required stock ownership multiples for some executives and included stock retention requirements in our restricted stock awards, both of which help to align our executives interests with our long-term performance and mitigate risk.

With respect to our non-officer incentive program, we believe that our use of clearly communicated performance goals and close monitoring by our corporate accounting group, corporate underwriting group and senior management serve to mitigate excessive risk-taking. Our sales commission incentive program is based on revenue generation, which is critical to our performance. We have controls in place that mitigate the risk that transactions might be recommended or executed to earn short-term, commission-based incentive compensation, including operational management oversight and approval, management reporting, and detailed underwriting guidelines and approval escalation.

## Director Compensation

Directors who are our salaried employees receive no additional compensation for services as a director or as a member of a committee of our board. In 2013, all non-employee directors received an annual retainer of $75,000, payable quarterly, plus $2,500 for each board meeting attended in 2013. The chairman and each member of the audit committee received an additional annual fee (payable in quarterly installments) of $40,000 and $15,000, respectively, for their service on the audit committee, plus a fee of $3,000 for each audit committee meeting attended in 2013. The chairmen and each member of the compensation committee and the corporate governance and nominating committee received an additional annual fee (payable in quarterly installments) of $10,000 and $6,000, respectively, for their service on such committees, plus a fee of $1,500 for each committee meeting attended in 2013. Mr. Ammerman deferred the fees he earned in 2013 for his services as a director and the chairman of the audit committee. In addition, in 2013 each non-employee director received a long-term incentive award of 5,108 restricted shares and 29,749 stock options except for the lead director, Mr. Hagerty, who received a long-term incentive award of 5,556 restricted shares and 32,359 stock options, Mr. Rood, who received an additional long-term incentive award of 3,771 restricted shares in connection with his initial appointment to the board, and General Lyon, who retired from the board of directors in May 2013 and thus did not receive any long-term incentive awards during 2013. The restricted shares were granted under the FNF omnibus plan and vest proportionately each year over three years from the date of grant based upon continued service on our board. However, in upon retirement of General Lyon from the board of directors, his unvested shares of restricted stock (19,241) and stock options (5,115) were accelerated and vested effective as of the date of his retirement from the board in May 2013. We also reimburse each non-employee director for all reasonable out-of-pocket expenses incurred in connection with attendance at board and committee meetings. Finally, each non-employee member of our board is eligible to participate in our deferred compensation plan to the extent he elects to defer any board or committee fees.

The following table sets forth information concerning the compensation of our directors for the fiscal year ending December 31, 2013:

| Name | Fees Earned or Paid in Cash ($) (1) | Stock Awards ($) (2) | Option Awards ($) (3) | All Other Compensation ($) (4) | Total ($) |
|---|---|---|---|---|---|
| Douglas K. Ammerman | 162,500 | 142,513 | 138,928 | 6,015 | 451,146 |
| Willie D. Davis | 137,500 | 142,513 | 138,928 | 6,015 | 426,146 |
| Thomas M. Hagerty | 104,000 | 155,012 | 151,117 | 6,590 | 418,013 |
| Daniel D. (Ron) Lane | 161,000 | 142,513 | 138,928 | 6,015 | 449,446 |
| General William Lyon 5 | 63,750 | 123,895 | 63,305 | 8,849 | 355,230 |
| Richard N. Massey | 109,000 | 142,513 | 138,928 | 6,015 | 397,646 |
| Peter O. Shea, Jr. | 100,000 | 142,513 | 138,928 | 6,015 | 388,646 |
| Cary H. Thompson | 109,000 | 142,513 | 138,928 | 6,015 | 397,646 |
| Frank P. Willey | 92,500 | 142,513 | 138,928 | 6,015 | 381,146 |
| John D. Rood | 31,991 | 242,520 | 138,928 | — | 414,629 |

(1) Represents the cash portion of annual board and committee retainers and meeting fees earned for services as a director in 2013.

(2) Amounts shown for all directors, other than General Lyon, represent the grant date fair value of restricted stock awards granted in 2013, computed in accordance with FASB ASC Topic 718. These awards consisted of restricted shares granted in November 2013 which vest over a period of three years from the grant date. Assumptions used in the calculation of these amounts are included in Footnote O to our audited financial statements for the fiscal year ended December 31, 2013 included in our Annual Report on Form 10-K filed with the SEC on February 28, 2014. Restricted stock awards granted for the fiscal year ended December 31, 2013 for each director were as follows: Mr. Ammerman 5,108; Mr. Davis 5,108; Mr. Hagerty 5,556; Mr. Lane 5,108; Mr. Massey 5,108; Mr. Shea, Jr. 5,108; Mr. Thompson 5,108; Mr. Willey 5,108; and Mr. Rood 8,879. The fair value of the awards as shown above is based on a per share fair value of $27.90, except with respect to 3,771 restricted shares granted to Mr. Rood, the fair value of which is based on a per share fair value of $26.52. As of December 31, 2013, restricted stock awards outstanding for each director were as follows: Mr. Ammerman 14,508; Mr. Davis 14,508; Mr. Hagerty 15,874; Mr. Lane 14,508; Mr. Massey 14,508; Mr. Shea, Jr. 14,508; Mr. Thompson 14,508; Mr. Willey 14,508; and Mr. Rood 8,879.

(3) Option awards granted for the fiscal year ended December 31, 2013 for each director were as follows: Mr. Ammerman 29,749; Mr. Davis 29,749; Mr. Hagerty 32,359; Mr. Lane 29,749; Mr. Massey 29,749; Mr. Shea, Jr. 29,749; Mr. Thompson 29,749; Mr. Willey 29,749; and Mr. Rood 29,749. The fair value of the awards as shown above is based on the Black-Scholes Option value of $4.67. As of December 31, 2013, stock option awards outstanding for each director were as follows: Mr. Ammerman 108,864; Mr. Davis 108,864; Mr. Hagerty 113,986; Mr. Lane 108,864; Mr. Massey 108,864; Mr. Shea, Jr. 79,115; Mr. Thompson 38,197; Mr. Willey 108,864; and Mr. Rood 29,749.

(4) Amounts shown for all directors reflect dividends paid on shares of restricted stock in 2013.

(5) Effective May 22, 2013, General Lyon retired from the board of directors.

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## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The number of our FNF common shares beneficially owned by each individual or group is based upon information in documents filed by such person with the Securities and Exchange Commission, other publicly available information or information available to us. Percentage ownership in the following tables is based on 276,850,108 shares of FNF common stock outstanding as of April 29, 2014. Unless otherwise indicated, each of the stockholders has sole voting and investment power with respect to the shares of common stock beneficially owned by that stockholder. The number of shares beneficially owned by each stockholder is determined under rules issued by the Securities and Exchange Commission.

**Security Ownership of Certain Beneficial Owners**

The following table sets forth information regarding beneficial ownership of our Old FNF common stock by each stockholder who is known by FNF to beneficially own 5% or more of our common stock:

| Name | Number of Shares Beneficially Owned | Percent of Class |
|---|---|---|
| T. Rowe Price Associates, Inc. (1) | 22,188,894 | 8.0% |
| BlackRock, Inc. (2) | 18,361,961 | 6.6% |
| Corvex Management LP (3) | 18,285,547 | 6.6% |
| Vanguard Group, Inc. (3) | 13,162,331 | 4.8% |

(1) According to Schedule 13G filed February 11, 2014, T. Rowe Price Associates, Inc., whose address is 100 East Pratt St., Baltimore, MD 210202, may be deemed to be the beneficial owner of 22,188,894 shares.

(2) According to Schedule 13G/A filed February 10, 2014, BlackRock, Inc., whose address is 40 East 52nd Street, New York, NY 10022, may be deemed to be the beneficial owner of 18,361,961 shares.

(3) According to Schedule 13D/A filed January 6, 2014, Corvex Management LP., whose address is 712 Fifth Ave. 23 rd Floor, New York, NY 10019, may be deemed to be the beneficial owner of 18,285,547 shares.

(4) According to Schedule 13G filed February 12, 2014, Vanguard Group, Inc., whose address is PO BOX 2600 V26, Valley Forge, PA 19482, may be deemed to be the beneficial owner of 13,162,331shares.

**Security Ownership of Management and Directors**

| Name | Number of Shares Owned(1) | Number of Options(2) | Total | Percent of Total |
|---|---|---|---|---|
| Douglas K. Ammerman | 62,465 | 108,864 | 171,329(3) | * |
| Brent B. Bickett | 464,375 | 430,796 | 895,171 | * |
| Willie D. Davis | 66,213 | 108,864 | 175,077 | * |
| William P. Foley, II | 6,897,836(3) | 1,068,851 | 7,966,687 | 2.9% |
| Michael L. Gravelle | 194,569 | 412,253 | 606,822 | * |
| Thomas M. Hagerty | 92,320 | 113,986 | 206,306 | * |
| Daniel D. (Ron) Lane | 249,721 | 108,864 | 358,585 | * |
| Richard N. Massey | 125,164 | 108,864 | 234,028 | * |
| Anthony J. Park | 307,408(4) | 249,002 | 556,410(4) | * |
| Raymond R. Quirk | 1,304,738(5) | 1,375,930 | 2,680,668(5) | 1.0% |
| John D. Rood | 8,879 | 29,749 | — | * |
| Peter O. Shea, Jr. | 52,634 | 108,864 | 161,498 | * |
| Cary H. Thompson | 27,811 | 38,197 | 66,008 | * |
| Frank P. Willey | 1,206,080 | 108,864 | 1,314,944 | * |
| All directors and officers (15 persons) | 11,310,924 | 4,703,122 | 16,014,046 | 5.8% |

* Represents less than 1% of our common stock

(1) Includes the following pledged shares: Mr. Foley 4,012,121 shares; and Mr. Willey 600,000 shares; and all directors and officers as a group 4,612,121 shares.

(2) Represents shares subject to stock options that are exercisable on March 28, 2014 or become exercisable within 60 days of March 28, 2014.
(3) Included in this amount are 2,645,122 shares held by Folco Development Corporation, of which Mr. Foley and his spouse are the sole stockholders, and 708,106 shares held by Foley Family Charitable Foundation.
(4) Included in this amount are 154,650 shares held by the Anthony J. Park and Deborah L. Park Living Trusts.
(5) Included in this amount are 1,035,630 shares held by the Quirk 2002 Trust and 47,193 shares held by the Raymond Quirk 2004 Trust.

**Securities Authorized for Issuance Under Equity Compensation Plans**

The following table provides information as of December 31, 2013 about our common stock which may be issued under our equity compensation plans:

| Plan Category | Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a) | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b) | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c) |
|---|---|---|---|
| Equity compensation plans approved by security holders | 9,358,740 | $ 20.15 | 4,363,613(1) |
| Equity compensation plans not approved by security holders | — | — | 7,535,926(2) |
| **Total** | 9,358,740 | $ 20.15 | 11,899,539 |

(1) In addition to being available for future issuance upon exercise of options and stock appreciation rights, 4,363,613 shares under the FNF omnibus plan may be issued in connection with awards of restricted stock, restricted stock units, performance shares, performance units or other stock-based awards.
(2) 7,535,926 shares may be issued under the Fidelity National Financial, Inc. Amended and Restated LPS Omnibus Incentive Plan, which was assumed and amended by FNF in connection with the merger of Lender Processing Services, Inc. with FNF. No securities are currently outstanding under the plan. In accordance with New York Stock Exchange Rules, no stockholder approval was required for the listing of the shares under the plan or for the assumption and amendment of the plan by FNF. Awards under the plan may be made to employees, directors and consultants of FNF and its subsidiaries, other than individuals who were employed or providing services to FNF or any of its subsidiaries immediately prior to date of the merger, January 2, 2014. No awards may be made under the plan after June 30, 2018.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

## CORPORATE GOVERNANCE AND RELATED MATTERS

### Corporate Governance Guidelines

Our board of directors adopted a set of corporate governance guidelines in September 2005 to provide, along with the charters of the committees of the board of directors, a framework for the functioning of the board of directors and its committees and to establish a common set of expectations as to how the board of directors should perform its functions. The Corporate Governance Guidelines address the composition of the board of directors, the selection of directors, the functioning of the board of directors, the committees of the board of directors, the evaluation and compensation of directors and the expectations of directors, including ethics and conflicts of interest. These guidelines specifically provide that a majority of the members of the board of directors must be outside directors whom the board of directors has determined have no material relationship with us and whom otherwise meet the independence criteria established by the New York Stock Exchange. The board of directors reviews these guidelines and other aspects of our governance at least annually. A copy of our Corporate Governance Guidelines is available for review on the Investor Relations page of our website at www.fnf.com.

### Code of Ethics and Business Conduct

Our board of directors has adopted a Code of Ethics for Senior Financial Officers, which is applicable to our Chief Executive Officer, our Chief Financial Officer and our Chief Accounting Officer, and a Code of Business Conduct and Ethics, which is applicable to all our directors, officers and employees. The purpose of these codes is to: (i) promote honest and ethical conduct, including the ethical handling of conflicts of interest; (ii) promote full, fair, accurate, timely and understandable disclosure; (iii) promote compliance with applicable laws and governmental rules and regulations; (iv) ensure the protection of our legitimate business interests, including corporate opportunities, assets and confidential information; and (v) deter wrongdoing. Our codes of ethics were adopted to reinvigorate and renew our commitment to our longstanding standards for ethical business practices. Our reputation for integrity is one of our most important assets and each of our employees and directors is expected to contribute to the care and preservation of that asset. Under our codes of ethics, an amendment to or a waiver or modification of any ethics policy applicable to our directors or executive officers must be disclosed to the extent required under Securities and Exchange Commission and/or New York Stock Exchange rules. We intend to disclose any such amendment or waiver by posting it on the Investor Relations page of our website at www.fnf.com.

Copies of our Code of Business Conduct and Ethics and our Code of Ethics for Senior Financial Officers are available for review on the Investor Relations page of our website at www.fnf.com.

### The Board of Directors

In 2013, our board of directors was composed of Douglas K. Ammerman, Willie D. Davis, William P. Foley, II, General William Lyon (who resigned in May 2013), Thomas M. Hagerty, Daniel D. (Ron) Lane, Richard N. Massey, John D. Rood (who was elected in May 2013), Peter O. Shea, Jr., Cary H. Thompson, and Frank P. Willey, with Mr. Foley serving as Executive Chairman of the board of directors.

Our board of directors met or acted by written consent ten times in 2013. All directors attended at least 75% of the meetings of the board of directors and of the committees on which they served during 2013, except for General Lyon who resigned from our board of directors in May 2013 and Mr. Rood who was elected to our board of directors in May 2013. Our non-management directors also met periodically in executive sessions without management, and our lead director presides over those executive sessions. We do not, as a general matter, require the members of our board of directors to attend our annual meeting of stockholders, although each of our directors is invited to attend our 2014 annual meeting. During 2013, none of the members of our board of directors attended the annual meeting of stockholders.

**Director Independence**

Nine of the ten members of our board of directors are non-employees. On January 28, 2014, the board of directors determined that Douglas K. Ammerman, Willie D. Davis, Daniel D. Lane, Richard N. Massey, John D. Rood, Peter O. Shea, Jr. and Cary H. Thompson are independent under the criteria established by the New York Stock Exchange and our Corporate Governance Guidelines. The board of directors also determined that Messrs. Lane, Massey and Thompson meet the additional independence standards of the New York Stock Exchange for compensation committee members.

In determining independence, the board of directors considered all relationships that might bear on our directors' independence from FNF. The board of directors determined that William P. Foley, II is not independent because he is the Executive Chairman and an employee of FNF, Frank P. Willey is not independent because he is a partner in a law firm that received payments from FNF, and Thomas M. Hagerty is not independent because he is Managing Director of a private equity firm that will receive payments in 2014 under a management fee arrangement with respect to the private equity firm's interests in Black Knight Financial Services, LLC ( **BKFS** ) and ServiceLink, LLC ( **ServiceLink** ).

In considering Cary H. Thompson's independence, the board of directors considered that Mr. Thompson is a Vice Chairman of Bank of America Merrill Lynch, and that FNF made payments to and received payments from entities affiliated with Bank of America Merrill Lynch in 2013. The board of directors determined that these payments do not impair Mr. Thompson's independence because his compensation from Bank of America Merrill Lynch is not dependent on the amount of business Bank of America Merrill Lynch or its affiliates does with FNF or its subsidiaries. The board of directors also considered that Mr. Thompson is a director of BKFS and ServiceLink, and has received a small profits interest in those entities as compensation for his services as a director. The board of directors determined that this relationship was not of a nature that would impair Mr. Thompson's ability to exercise his independent judgment.

In considering Richard N. Massey's independence, the board of directors considered that Mr. Massey is a partner of Westrock Capital, LLC, a private investment partnership that holds, among other investments, an investment of less than 10% of the ownership interests in American Blue Ribbon Holdings, LLC, in which we hold a majority ownership interest. The board of directors determined that this relationship was not of a nature that would impair Mr. Massey's ability to exercise his independent judgment. The board of directors also considered that Mr. Massey is a director of BKFS and ServiceLink, and has received a small profits interest in those entities as compensation for his services as a director. The board of directors determined that this relationship was not of a nature that would impair Mr. Massey's ability to exercise his independent judgment.

**Committees of the Board of Directors**

The board of directors has four standing committees: an audit committee, a compensation committee, a corporate governance and nominating committee and an executive committee. The charters of the audit, compensation and corporate governance and nominating committees are available on the Investor Relations page of our website at www.fnf.com.

**Corporate Governance and Nominating Committee**

The members of the corporate governance and nominating committee are Richard N. Massey (Chair) and Peter O. Shea, Jr. Each of Messrs. Massey and Shea was deemed to be independent by the board of directors, as required by the New York Stock Exchange. The corporate governance and nominating committee met or acted by written consent two times in 2013.

The primary functions of the corporate governance and nominating committee, as identified in its charter, are:

- identifying individuals qualified to become members of the board of directors and making recommendations to the board of directors regarding nominees for election;
- developing and recommending to the board of directors a set of corporate governance principles applicable to us and reviewing such principles at least annually;

- establishing procedures for the corporate governance and nominating committee to exercise oversight of the evaluation of the board of directors and management;
- evaluating, at least annually, the performance of the corporate governance and nominating committee;
- considering nominees recommended by stockholders; and
- assisting management in the preparation of the disclosure in our annual proxy statement regarding the operations of the corporate governance and nominating committee.

The corporate governance and nominating committee has not established specific minimum age, education, years of business experience or specific types of skills for potential director candidates, but, in general, will consider, among other things, the following criteria in fulfilling its duty to recommend nominees for election as directors:

- personal qualities and characteristics, accomplishments and reputation in the business community;
- current knowledge and contacts in the communities in which we do business and in our industry or other industries relevant to our business;
- ability and willingness to commit adequate time to the board of directors and committee matters;
- the fit of the individual's skills and personality with those of other directors and potential directors in building a board that is effective, collegial and responsive to our needs; and
- diversity of viewpoints, background, experience and other demographics of our board of directors.

The corporate governance and nominating committee would consider qualified candidates for directors suggested by current directors, management and our stockholders. The corporate governance and nominating committee and the board of directors apply the same criteria in evaluating candidates nominated by stockholders as in evaluating candidates recommended by other sources. Stockholders can suggest qualified candidates for director to the corporate governance and nominating committee by writing to our Corporate Secretary at 601 Riverside Avenue, Jacksonville, Florida 32204. The submission must provide the information required by, and otherwise comply with the procedures set forth in, Section 3.1 of our Bylaws. Section 3.1 also requires that the nomination notice be submitted by a prescribed time in advance of the meeting. Upon receipt of a stockholder-proposed director candidate, the corporate secretary will assess the board of directors' needs, primarily whether or not there is any current pending vacancy or a possible need to be filled by adding or replacing a director. The corporate secretary will also prepare a director profile by comparing the desired list of criteria with the candidate's qualifications. Submissions that meet the criteria outlined above and in our Corporate Governance Guidelines will be forwarded to the Chairman of the corporate governance and nominating committee for further review and consideration. To date, no suggestions with respect to candidates for nomination have been received from stockholders.

### Audit Committee

The members of the audit committee are Douglas K. Ammerman (Chair), Willie D. Davis and Daniel D. (Ron) Lane. The board of directors has determined that each of the audit committee members is financially literate and independent as required by the rules of the Securities and Exchange Commission and the New York Stock Exchange, and that each of Messrs. Ammerman, Davis, and Lane is an audit committee financial expert, as defined by the rules of the SEC. The board of directors also reviewed Mr. Ammerman's service on the audit committee in light of his concurrent service on the audit committees of three other companies. The board of directors considered Mr. Ammerman's extensive financial and accounting background and expertise as a former partner of KPMG, his knowledge of our company and understanding of our financial statements as a long-time director and audit committee member, and the fact that Mr. Ammerman is retired from active employment, and determined that Mr. Ammerman's service on the audit committees of four public companies, including FNF's audit committee, would not impair his ability to effectively serve on FNF's audit committee. The audit committee met nine times in 2013.

The primary functions of the audit committee include:

- appointing, compensating and overseeing our independent registered public accounting firm;
- overseeing the integrity of our financial statements and our compliance with legal and regulatory requirements;
- discussing the annual audited financial statements and unaudited quarterly financial statements with management and the independent registered public accounting firm;
- establishing procedures for receiving, processing and retaining complaints (including anonymous complaints) we receive concerning accounting controls or auditing issues;
- approving audit and non-audit services provided by our independent registered public accounting firm;
- discussing earnings press releases and financial information provided to analysts and rating agencies;
- discussing policies with respect to risk assessment and risk management; and
- producing an annual report for inclusion in our proxy statement, in accordance with applicable rules and regulations.

The audit committee is a separately-designated standing committee established in accordance with Section 3(a)(58)(A) of the Exchange Act.

**Report of the Audit Committee**

The audit committee of the board of directors submits the following report on the performance of certain of its responsibilities for the year 2013:

The primary function of our audit committee is oversight of (i) the quality and integrity of our financial statements and related disclosures, (ii) our compliance with legal and regulatory requirements, (iii) the independent registered public accounting firm's qualifications and independence, and (iv) the performance of our internal audit function and independent registered public accounting firm. Our audit committee acts under a written charter, which was adopted in 2005 and subsequently approved by our board of directors. We review the adequacy of our charter at least annually. Our audit committee is comprised of the three directors named below, each of whom has been determined by the board of directors to be independent as defined by New York Stock Exchange independence standards. In addition, our board of directors has determined that each of Messrs. Ammerman, Davis and Lane is an audit committee financial expert as defined by SEC rules.

In performing our oversight function, we reviewed and discussed with management and KPMG our independent registered public accounting firm, our audited financial statements as of and for the year ended December 31, 2013. Management and, KPMG reported to us that our consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations and cash flows of FNF and its subsidiaries in conformity with generally accepted accounting principles. We also discussed with KPMG, LLP matters covered by the Public Company Accounting Oversight Board Auditing Standards No. 16 (Communication With Audit Committees).

We have received and reviewed the written disclosures and the letter from KPMG required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and have discussed with them their independence. In addition, we have considered whether KPMG's provision of non-audit services to us is compatible with their independence.

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Finally, we discussed with our internal auditors and KPMG the overall scope and plans for their respective audits. We met with KPMG at each meeting. Management was present for some, but not all, of these discussions. Our discussions with them included the results of their examinations, their evaluations of our internal controls and the overall quality of our financial reporting.

Based on the reviews and discussions referred to above, we recommended to our board of directors that the audited financial statements referred to above be included in our Annual Report on Form 10-K for the fiscal year ended 2013 and that KPMG be appointed independent registered public accounting firm for FNF for 2014.

In carrying out our responsibilities, we look to management and the independent registered public accounting firm. Management is responsible for the preparation and fair presentation of our financial statements and for maintaining effective internal control. Management is also responsible for assessing and maintaining the effectiveness of internal control over the financial reporting process. The independent registered public accounting firm is responsible for auditing our annual financial statements and expressing an opinion as to whether the statements are fairly stated in conformity with generally accepted accounting principles. The independent registered public accounting firm performs its responsibilities in accordance with the standards of the Public Company Accounting Oversight Board. Our members are not professionally engaged in the practice of accounting or auditing, and are not experts under the Exchange Act in either of those fields or in auditor independence.

The foregoing report is provided by the following independent directors, who constitute the committee:

AUDIT COMMITTEE

Douglas K. Ammerman (Chair)
Willie D. Davis
Daniel D. (Ron) Lane

**Compensation Committee**

The members of the compensation committee are Daniel D. (Ron) Lane (Chair), Cary H. Thompson and Richard N. Massey. Each of Messrs. Lane, Thompson and Massey was deemed to be independent by the board of directors, as required by the New York Stock Exchange. The compensation committee met or acted by written consent eight times during 2013. The functions of the compensation committee include the following:

- discharging the board of directors responsibilities relating to compensation of our executives;
- reviewing and approving corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluating the Chief Executive Officer's performance in light of those goals and objectives, and setting the Chief Executive Officer's compensation level based on this evaluation;
- making recommendations to the board of directors with respect to incentive-compensation plans and equity-based plans;
- approving equity compensation awards; and
- producing an annual report on executive compensation for inclusion in our proxy statement, in accordance with applicable rules and regulations.

**Executive Committee**

The members of the executive committee are William P. Foley, II (Chair), Cary H. Thompson and Richard N. Massey. Mr. Thompson and Mr. Massey were deemed to be independent by our board of directors. The executive committee did not meet in 2013. Subject to limits under state law, the executive committee may invoke all of the power and authority of the board of directors in the management of FNF.

**Board of Directors Leadership Structure and Role in Risk Oversight**

We separated the positions of CEO and Chairman of the board of directors in recognition of the differences between the two roles. In October 2009, our board of directors adopted a Charter of Lead Independent Director, and in 2014 it appointed Richard N. Massey, one of our independent directors, to serve as Lead Director. The responsibilities of the Lead Director are to:

- preside at meetings of the board of directors in the absence of, or upon the request of, the Chairman;
- serve as a designated member of the Executive Committee of the board of directors;
- call and preside over all executive meetings of non-employee directors and independent directors and report to the board, as appropriate, concerning such meetings;
- review board meeting agendas and schedules in collaboration with the Chairman and recommend matters for the board to consider and information to be provided to the board;
- serve as a liaison and supplemental channel of communication between non-employee/independent directors and the Chairman without inhibiting direct communications between the Chairman and other directors;
- serve as the principal liaison for consultation and communication between the non-employee/independent directors and stockholders;
- advise the Chairman concerning the retention of advisors and consultants who report directly to the board of directors; and
- be available to major stockholders for consultation and direct communication.

The board of directors considers it to be useful and appropriate to designate a Lead Director to serve in a lead capacity to coordinate the activities of the other non-employee directors and to perform such other duties and responsibilities as the board of directors may determine.

The board of directors administers its risk oversight function directly and through committees. The audit committee oversees FNF's financial reporting process, risk management program, legal and regulatory compliance, performance of the independent auditor, internal audit function, and financial and disclosure controls. Management identifies strategic risks of FNF and aligns the annual audit plan with the auditable risks. Management presents the identified risks and the audit plan to the audit committee for review and approval. Management also reports quarterly to the audit committee and the board of directors regarding claims. The audit committee also receives quarterly reports on compliance matters. The corporate governance and nominating committee considers the adequacy of FNF's governance structures and policies. The compensation committee reviews and approves FNF's compensation and other benefit plans, policies and programs and considers whether any of those plans, policies or programs creates risks that are likely to have a material adverse effect on FNF. Each committee provides reports on its activities to the full board of directors.

**Contacting the Board of Directors**

Any stockholder or other interested person who desires to contact any member of the board or the non-management members of the board as a group may do so by writing to: Board of Directors, c/o Corporate Secretary, Fidelity National Financial, Inc., 601 Riverside Avenue, Jacksonville, FL 32204. Communications received are distributed by the Corporate Secretary to the appropriate member or members of the board.

## Certain Relationships and Related Transactions

### *Certain Relationships with FIS*

Our Chairman, William P. Foley, II, also serves as the Vice Chairman of the board of directors of FIS. In addition to Mr. Foley, our directors Thomas M. Hagerty and Richard N. Massey also serve as directors of FIS. We refer to these directors as the dual-service directors. Michael L. Gravelle, who serves as our Executive Vice President, General Counsel and Corporate Secretary, also served as Executive Vice President, Chief Legal Officer and Corporate Secretary of FIS until January 31, 2013. Mr. Gravelle and each of the dual-service directors during 2013 owned common stock, and options to buy additional common stock, of both FNF and of FIS.

Historically, we have provided a variety of services to FIS, and FIS has provided various services to us, pursuant to agreements and arrangements between us and FIS. Some of these agreements and arrangements were entered into in connection with our separation from FIS described below, and others were already in existence prior to the separation or have been entered into since the separation from FIS.

On October 24, 2006, we completed the acquisition of substantially all of the assets and liabilities of our predecessor company, also named Fidelity National Financial, Inc. (other than interests in FIS and in a small subsidiary, FNF Capital Leasing, Inc.) in exchange for shares of our common stock (the **asset contribution** ). In connection with the asset contribution, effective as of October 26, 2006, our predecessor company distributed all of the shares it acquired from us in connection with the asset contribution, together with certain other of our shares, to old FNF's stockholders in a tax-free distribution (the **Full Spin-Off** ). Following the Full Spin-Off, effective as of November 9, 2006, our predecessor company merged with and into FIS (the **FIS Merger** ). We refer to the FIS Merger, the asset contribution and the Full Spin-Off collectively as the **separation from FIS** . In connection with the separation from FIS, we entered into various agreements with FIS, including a tax disaffiliation agreement, a cross-indemnity agreement, and an agreement regarding the sharing of premium expenses for certain ongoing insurance policies we purchased. While these agreements continue in effect, no payments for indemnification or liability have been made by us or by FIS under any of these agreements.

### *Arrangements with FIS*

*Overview*

In 2013, there were various agreements between FIS and us. These agreements included:

- the master information technology and application development services agreement;
- the interchange use and cost sharing agreements for corporate aircraft; and
- our investment agreement with FIS.

*Master Information Technology Services Agreement*

We are party to a master information technology services agreement with FIS, pursuant to which FIS provides various services to us, such as IT infrastructure support and data center management. Under this 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 agrees to use reasonable best efforts to provide these services without interruption throughout the term of the master services agreement, except for scheduled maintenance. We can also request services that are not specified in the agreement, 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.

Under this agreement, we are obligated to pay FIS for the services that we (and our subsidiaries) utilize, calculated under a specific and comprehensive pricing schedule. 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 the complexity of the technical development and technology support provided by FIS to us. The net amount we paid FIS under this agreement during 2013 was approximately $34.4 million.

In addition, under the master information technology services agreement with FIS, we provided to FIS administrative corporate support services and cost sharing services. The pricing for the services provided by us under this agreement was on a cost-only basis, so that we were in effect reimbursed by FIS for the costs and expenses incurred in providing these services. During 2013, we paid $0.2 million to FIS for services rendered. There were no corporate services rendered to us by FIS or its subsidiaries.

We entered into an amendment to the master information technology services agreement on July 2, 2008 that provided that the agreement was effective for a term of five years from that date unless earlier terminated in accordance with its terms, and gave us the right to renew the agreement for two successive one-year periods by providing a written notice of our intent to renew at least six months prior to the expiration date. On May 23, 2013, we entered into an additional amendment to the master information technology services agreement which exercised our right to renew the agreement for one year, and provided us the right to renew the agreement for two additional successive one-year periods by providing a written notice of our intent to renew at least 30 days prior to the expiration date, with failure to provide renewal notice serving as evidence of our intent not to renew. On December 31, 2013, the agreement was further amended to provide us the right to terminate the agreement for any reason by providing 150 days prior written notice to FIS, subject to payment of certain minimum fees. We may also terminate the agreement or any particular statement of work or base services agreement subject to certain minimum fees and prior notice requirements, as specified for each service. In addition, if either party fails to perform its obligations under the agreement, the other party may terminate after the expiration of certain cure periods. We are currently negotiating with FIS concerning the terms of a new master information technology services agreement.

*Interchange Use and Cost Sharing Agreements for Corporate Aircraft*

On July 2, 2008, we entered into an interchange agreement with FIS with respect to our continued use of the corporate aircraft leased or owned by FIS, and the use by FIS of the corporate aircraft leased by us. We also entered into a cost sharing agreement with FIS with respect to the sharing of certain costs relating to other corporate aircraft that are leased or owned by us but used by FIS from time to time. These arrangements provide us with access from time to time to additional corporate aircraft that we can use for our business purposes. The interchange agreement has a perpetual term, but may be terminated at any time by any party upon 30 days prior written notice. The cost sharing agreement continues so long as we own or lease the corporate aircraft (or any replacement corporate aircraft) that is subject to the cost sharing arrangement with FIS. Under the interchange agreement, we reimburse FIS, or FIS reimburses us, for the net cost differential of our use of the aircraft owned or leased by FIS, and their respective aggregate use of our aircraft. The interchange use and the amounts for which each of us can be reimbursed are subject to Federal Aviation Authority regulations and are the same as would apply to any third party with whom we would enter into an aircraft interchange arrangement. During 2013, the amount that we received from FIS, net of amounts paid to FIS, was approximately $6.2 million.

*Investment in Fidelity National Information Services, Inc.*

On October 1, 2009, pursuant to an investment agreement with Thomas H. Lee Partners, L.P. ( **THL** ) and FNF dated as of March 31, 2009, FIS issued and sold (a) to THL in a private placement 12.9 million shares of FIS common stock for an aggregate purchase price of approximately $200.0 million and (b) to FNF in a private placement 3.2 million shares of FIS common stock for an aggregate purchase price of approximately $50.0 million. FIS paid each of THL and FNF a transaction fee equal to 3% of their respective investments. The investment agreement provides that neither THL nor FNF may transfer the shares purchased in the investments, subject to limited exceptions, for 180 days after the closing. During the third quarter of 2010, we sold 1,611,574 shares of common stock of FIS in a tender offer by FIS at $29.00 per share for a realized gain of $21.7 million. During the fourth quarter of 2013, we sold 300,000 shares for a realized gain of $11 million. The fair market value of our investment in FIS common stock was $68 million as of April 29, 2014.

***Other Related Party Arrangements***

*Certain Other Related Party Arrangements*

During 2013, certain entities owned or controlled by our Executive Chairman, William P. Foley II, paid us an aggregate of $151,326 for corporate support services such as legal, information technology, accounting and bookkeeping services. Amounts paid to FNF by entities owned or controlled by Mr. Foley are believed to be at market rates for similar services or at the cost to provide the service incurred by FNF. Also, during 2013, we paid, in the ordinary course of business, amounts to certain companies owned, in whole or part by Mr. Foley, including $282,598 to Rock Creek Cattle Company, Ltd. and affiliated companies related primarily to hosting meetings of FNF and our affiliate, American Blue Ribbon Holdings, LLC, and $71,199 to Foley Family Wines for wine purchases related to employee recognitions and donations, and $3,869 to Mr. Foley's other affiliated companies primarily for hosting company events. Collectively, these amounts are 42% less than the same amounts that FNF reported last year. We believe the amounts charged to us in the foregoing transactions were fair and reasonable and represent market (or discounted) rates that would be charged to unaffiliated third party customers for the same types of services. We believe that FNF receives intangible business benefits as a result of these activities as they foster increased loyalty to FNF.

Sara Bennett, the daughter-in-law of Mr. Quirk, is an attorney who is employed by an FNF subsidiary as underwriting counsel. In 2013, Ms. Bennett's gross earnings were $171,969, which is consistent with other employees holding similar titles at FNF. She also received health and other benefits customarily provided to similarly situated employees.

Hennelly & Grossfeld, LLP provided litigation claims legal services to FNF and received payment of $3,793,409 in legal fees and expenses in 2013, which is 13% lower than the amount of legal fees and expenses that FNF paid this firm in 2012. Mr. Willey is a partner of this firm, but he did not individually provide any legal services to FNF. FNF selects claims counsel through a competitive bidding process, in which Hennelly & Grossfeld, LLP participates.

As of April 29, 2014, we own $965,521 in equity securities in William Lyon Homes, a company in which General Lyon is the Chief Executive Officer. We originally acquired our interest in these securities through an open market purchase transaction.

***Review, Approval or Ratification of Transactions with Related Persons***

Pursuant to our codes of ethics, a "conflict of interest" occurs when an individual's private interest interferes or appears to interfere with our interests, and can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Anything that would present a conflict for a director, officer or employee would also likely present a conflict if it is related to a member of his or her family. Our code of ethics states that clear conflict of interest situations involving directors, executive officers and other employees who occupy supervisory positions or who have discretionary authority in dealing with any third party specified below may include the following:

- any significant ownership interest in any supplier or customer;
- any consulting or employment relationship with any customer, supplier or competitor; and
- selling anything to us or buying anything from us, except on the same terms and conditions as comparable directors, officers or employees are permitted to so purchase or sell.

It is our policy to review all relationships and transactions in which we and our directors or executive officers (or their immediate family members) are participants in order to determine whether the director or officer in question has or may have a direct or indirect material interest. Our Chief Compliance Officer, together with our legal staff, is primarily responsible for developing and implementing procedures to obtain the necessary information from our directors and officers regarding transactions to/from related persons. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest must be discussed promptly with our Chief Compliance Officer. The Chief Compliance Officer, together with our legal staff, then reviews the transaction or relationship, and considers the material terms of the transaction or relationship, including the importance of the transaction or relationship to us, the nature of the related person's interest in the transaction or relationship, whether the transaction or relationship would likely impair the judgment of a director or executive officer to act in our best interest, and any other factors such officer deems appropriate. After reviewing the facts and circumstances of each transaction, the Chief Compliance Officer, with assistance from the legal staff, determines whether the director or officer in question has a direct or indirect material interest in the transaction and whether or not to approve the transaction in question.

With respect to our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, our codes of ethics require that each such officer must:

- discuss any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest with our General Counsel;
- in the case of our Chief Financial Officer and Chief Accounting Officer, obtain the prior written approval of our General Counsel for all material transactions or relationships that could reasonably be expected to give rise to a conflict of interest; and
- in the case of our Chief Executive Officer, obtain the prior written approval of the audit committee for all material transactions that could reasonably be expected to give rise to a conflict of interest.

In the case of any material transactions or relationships involving our Chief Financial Officer or our Chief Accounting Officer, the General Counsel must submit a list of any approved material transactions semi-annually to the audit committee for its review.

Under SEC rules, certain transactions in which we are or will be a participant and in which our directors, executive officers, certain stockholders and certain other related persons had or will have a direct or indirect material interest are required to be disclosed in this related person transactions section of our proxy statement. In addition to the procedures above, our audit committee reviews and approves or ratifies any such transactions that are required to be disclosed. The audit committee makes these decisions based on its consideration of all relevant factors. The review may be before or after the commencement of the transaction. If a transaction is reviewed and not approved or ratified, the committee may recommend a course of action to be taken.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16 of the Securities Exchange Act of 1934, requires FNF's executive officers and directors to file reports of their ownership, and changes in ownership, of FNF's common stock with the SEC. Executive officers and directors are required by the SEC's regulations to furnish FNF with copies of all forms they file pursuant to Section 16 and FNF is required to report any failure of its directors and executive officers to file by the relevant due date any of these reports during fiscal year 2013. Based solely upon a review of these reports, we believe all of FNF's directors and executive officers complied with the requirements of Section 16(a) in 2013, except that each of our directors and executive officers (including Messrs. Ammerman, Bickett, Davis, Foley, Gravelle, Hagerty, Lane, Massey, Park, Quirk, Rood, Sadowski, Shea, Thompson and Willey) filed one report with respect to one transaction two days late, and Mr. Foley filed one additional report with respect to one transaction one day late.

## ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

### *Principal Accountant Fees and Services*

The audit committee has appointed KPMG LLP to audit the consolidated financial statements of FNF for the 2014 fiscal year. KPMG LLP or its predecessors have continuously acted as the independent registered public accounting firm for FNF commencing with the fiscal year ended December 31, 1988.

For services rendered to us during or in connection with our years ended December 31, 2013 and 2012, we were billed the following fees by KPMG LLP:

| | 2013 | 2012 |
|---|---|---|
| | (In thousands) | |
| Audit Fees | $3,561 | $4,326 |
| Audit-Related Fees | 488 | 750 |
| Tax Fees | 166 | 345 |
| All Other Fees | — | — |

*Audit Fees.* Audit fees consisted principally of fees for the audits, registration statements and other filings related to FNF's 2013 and 2012 financial statements, and audits of FNF's subsidiaries required for regulatory reporting purposes, including billings for out of pocket expenses incurred.

*Audit-Related Fees.* Audit-related fees in 2013 and 2012 consisted principally of fees for Service Organization Control Reports I audits and in both years included other non-recurring audits of subsidiaries.

*Tax Fees.* Tax fees for 2013 and 2012 consisted principally of fees for tax compliance, tax planning and tax advice.

*All Other Services.* FNF incurred no other fees in 2013 or 2012.

### *Approval of Accountants' Services*

In accordance with the requirements of the Sarbanes-Oxley Act of 2002, all audit and audit-related work and all non-audit work performed by KPMG is approved in advance by the audit committee, including the proposed fees for such work. Our pre-approval policy provides that, unless a type of service to be provided by KPMG has been generally pre-approved by the audit committee, it will require specific pre-approval by the audit committee. In addition, any proposed services exceeding pre-approved maximum fee amounts also require pre-approval by the audit committee. Our pre-approval policy provides that specific pre-approval authority is delegated to our audit committee chairman, provided that the estimated fee for the proposed service does not exceed a pre-approved maximum amount set by the committee. Our audit committee chairman must report any pre-approval decisions to the audit committee at its next scheduled meeting.

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*Exhibits Index*

| Exhibit Number | Description |
|---|---|
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Fidelity National Financial, Inc.

By: /s/ *Raymond R. Quirk*
Raymond R. Quirk
Chief Executive Officer

Date: April 30, 2014

**Exhibit 31.1**

**CERTIFICATIONS**

I, Raymond R. Quirk, certify that:

1. I have reviewed this Amendment No. 1 on Form 10-K/A of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2014

By: /s/ Raymond R. Quirk
Raymond R. Quirk
Chief Executive Officer

**Exhibit 31.2**

# CERTIFICATIONS

I, Anthony J. Park, certify that:

1. I have reviewed this Amendment No. 1 on Form 10-K/A of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2014

By: /s/ Anthony J. Park
Anthony J. Park
Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Executive Officer of Fidelity National Financial, Inc., a Delaware corporation (the “Company”), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: April 30, 2014

By: /s/ Raymond R. Quirk
Raymond R. Quirk
Chief Executive Officer

**Exhibit 32.2**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Financial Officer of Fidelity National Financial, Inc., a Delaware corporation (the “Company”), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: April 30, 2014

By: /s/ Anthony J. Park
Anthony J. Park
Chief Financial Officer

# FIDELITY NATIONAL FINANCIAL, INC.

## FORM 10-K
(Annual Report)

## Filed 02/27/13 for the Period Ending 12/31/12

| | |
|---|---|
| Address | 601 RIVERSIDE AVENUE<br>,<br>JACKSONVILLE, FL 32204 |
| Telephone | 904-854-8100 |
| CIK | 0001331875 |
| Symbol | FNF |
| SIC Code | 6361 - Title Insurance |
| Industry | Insurance (Prop. & Casualty) |
| Sector | Financial |
| Fiscal Year | 12/31 |

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# Form 10-K

**(Mark One)**

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2012**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File No. 1-32630**

# Fidelity National Financial, Inc.

*(Exact name of registrant as specified in its charter)*

| | |
|---|---|
| **Delaware** | **16-1725106** |
| *(State or other jurisdiction of incorporation or organization)* | *(I.R.S. Employer Identification No.)* |
| **601 Riverside Avenue**<br>**Jacksonville, Florida 32204** | **(904) 854-8100** |
| *(Address of principal executive offices, including zip code)* | *(Registrant's telephone number, including area code)* |

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|
| Common Stock, $0.0001 par value | New York Stock Exchange |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the shares of the common stock held by non-affiliates of the registrant as of June 30, 2012 was $4,081,912,032 based on the closing price of $19.26 as reported by the New York Stock Exchange.

As of January 31, 2013, there were 228,595,354 shares of Common Stock outstanding.

The information in Part III hereof is incorporated herein by reference to the registrant's Proxy Statement on Schedule 14A for the fiscal year ended December 31, 2012, to be filed within 120 days after the close of the fiscal year that is the subject of this Report.

**FIDELITY NATIONAL FINANCIAL, INC.**
**FORM 10-K**
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# PART I

## Item 1. *Business*

We are a leading provider of title insurance, mortgage services and other diversified services. We are the nation's largest title insurance company through our title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title and Alamo Title - that collectively issue more title insurance policies than any other title company in the United States. We also hold a 55% ownership interest in American Blue Ribbon Holdings, LLC ("ABRH"), the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Stoney River Legendary Steaks concepts. We also own 100% of J. Alexander's LLC ("J. Alexander's"). In addition, we own a 51% ownership interest in Remy International, Inc. ("Remy"), a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles. FNF also owns a minority interest in Ceridian Corporation ("Ceridian"), a leading provider of global human capital management and payment solutions.

We currently have four reporting segments as follows:

- *Fidelity National Title Group.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee’s sales guarantees, recordings and reconveyances, and home warranty insurance.
- *Remy.* This segment consists of the operations of Remy, in which we have a 51% ownership interest. Remy is a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles.
- *Restaurant Group.* The Restaurant Group segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Stoney River Legendary Steaks. This segment also includes the recently acquired J. Alexander's.
- *Corporate and Other*. The corporate and other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, other smaller operations, and our share in the operations of certain equity investments, including Ceridian.

### C ***ompetitive 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 and other title-related services for real estate transactions. Through the third quarter of 2012 , our insurance companies had a 33.7% share of the U.S. title insurance market, according to the American Land Title Association ("ALTA").

*Established relationships with our customers.* We have strong relationships with the customers who use our title services. Our distribution network, which includes almost 1,200 direct residential title offices and approximately 5,000 agents, is among the largest in the United States. We also benefit from strong brand recognition in our multiple 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 brands.

*Strong value proposition for our customers.* We provide our customers with title insurance and escrow and other title-related 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 competitive operating margins in part by monitoring our businesses in a disciplined manner through continual evaluation of title order activity and management of our cost structure. When compared to our industry competitors, we also believe that our structure is more efficiently designed; which allows us to operate with lower overhead costs.

*Commercial title insurance.* While residential title insurance comprises the majority of our business, we are also a significant 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 that require the underwriting and issuing of larger commercial title policies.

*Corporate principles.* A cornerstone of our management philosophy and operating success is the six fundamental precepts upon which we were founded, which are:

- Autonomy and entrepreneurship;
- Bias for action;
- Customer-oriented and motivated;
- Minimize bureaucracy;
- Employee ownership; and
- Highest standard of conduct.

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

We believe that our competitive strengths position us well to take advantage of future changes to the real estate market.

***Strategy***

*Fidelity National Title Group*

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 do the following:

- *Continue to operate multiple title brands independently* . We believe that in order to maintain and strengthen our title insurance customer base, we must operate our strongest brands in a given marketplace independently of each other. Our national and regional brands include Fidelity National Title, Chicago Title, Commonwealth Land Title, Lawyers Title, Ticor Title, and Alamo Title. In our largest markets, we operate multiple brands. This approach allows us to continue to attract customers who identify with a particular brand 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 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 industry 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. We continue to monitor, evaluate and execute upon the consolidation of administrative functions, legal entity structure, and office consolidation, as necessary, to respond to the continually changing marketplace. We maintain shorter durations on our investment portfolio to mitigate our interest rate risk. A more detailed discussion of our investment strategies is included in “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 continuing to deploy new information system technologies to our direct and agency operations. We expect to improve the process of ordering title and escrow services and improve the delivery of our products to our customers.
- *Maintain values supporting our strategy.* We believe that our continued focus on and support of our long-established corporate culture will reinforce and support our business strategy. Our goal is to foster and support a corporate culture where our employees and agents 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.

*Acquisitions, Dispositions, Minority Owned Operating Subsidiaries and Financings*

Acquisitions have been an important part of our growth strategy. On an ongoing basis, with assistance from our advisors, we actively evaluate possible transactions, such as acquisitions and dispositions of business units and operating assets and business combination transactions, as well as possible means of financing the growth and operations of our business units or raising funds, through securities offerings or otherwise, for debt repayment or other purposes. In the future, we may seek to sell certain investments or other assets to increase our liquidity. Further, our management has stated that we may make acquisitions in lines of business that are not directly tied to or synergistic with our core operating segments. There can be no assurance, however, that any suitable opportunities will arise or that any particular transaction will be completed. We have made a number of acquisitions over the past three years to strengthen and expand our service offerings and customer base in our various businesses, and to expand into other businesses or where we otherwise saw value.

On December 31, 2012, we acquired Digital Insurance, Inc. ("Digital Insurance"). Total consideration paid was $98.2 million in cash, net of cash acquired of $3.1 million. We have consolidated the operations of Digital Insurance as of December 31, 2012. Digital Insurance is the nation's leading employee benefits platform specializing in health insurance distribution and benefits management for small and mid-sized businesses.

In September 2012, we successfully completed a tender offer for the outstanding common stock of J. Alexander's Corporation for $14.50 per share. Total consideration paid was $70.4 million in cash, net of cash acquired of $6.9 million. Effective October 29, 2012, following a one-month waiting period required under the Tennessee Business Corporation Act, we completed the closing of the short-form merger with J. Alexander's and now own 100% of J. Alexander's, which later became J. Alexander's LLC. We have consolidated the operations of J. Alexander's beginning September 26, 2012. As of December 31, 2012, J. Alexander's operates 33 J. Alexander's restaurants in 13 states. Subsequent to year-end on February 25, 2013, we merged Stoney River Legendary Steaks into J. Alexander's.

During the third quarter of 2012, we acquired 1.5 million additional shares of Remy, increasing our ownership interest to 16.3 million shares or 51% of Remy's total outstanding common shares. As a result of this acquisition we began to consolidate the results of Remy effective August 14, 2012. We previously held a 47% ownership interest in Remy. Total consideration paid for the additional 1.5 million shares was $31.3 million and cash acquired upon consolidation of Remy was $95.5 million. Goodwill has been recorded based on the amount that the purchase price exceeded the fair value of the net assets acquired. Our 47% equity method investment prior to consolidation of $179.2 million was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheets. A realized gain of $78.8 million was recognized in 2012 for the difference between our basis in our equity method investment of Remy prior to consolidation and the fair value of our investment in Remy at August 14, 2012, the date we acquired control and began to consolidate its operations.

On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's Inc. ("O'Charley's"). We have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55%. As of December 31, 2012, there were 322 company-owned restaurants in the O'Charley's group of companies and 218 company-owned restaurants in the ABRH group of companies. Total consideration paid was $122.2 million in cash, net of cash acquired of $35.0 million. Our investment in ABRH, prior to the merger, was $37.0 million and was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheet. Our investment in O'Charley's prior to the tender offer of $13.8 million was included in Equity securities available for sale on the Consolidated Balance Sheet. We have consolidated the operations of ABRH with the O'Charley's group of companies, beginning on May 11, 2012.

On May 1, 2012, we completed the sale of an 85% interest in our remaining subsidiaries that write personal lines insurance to WT Holdings, Inc. for $ 119.0 million . Accordingly, the results of this business through the date of sale (which we refer to as our "at-risk" insurance business) for all periods presented are reflected in the Consolidated Statements of Earnings as discontinued operations. The at-risk insurance business sale resulted in a pre-tax loss of $ 15.1 million , which was recorded in the fourth quarter of 2011.

On October 31, 2011, we completed the sale of our flood insurance business to WRM America Holdings LLC (“WRM America”) for $ 135.0 million in cash and dividends, and a $ 75.0 million seller note. The seller note was paid in full during 2012. The flood insurance business sale resulted in a pre-tax gain of approximately $ 154.1 million ($ 94.9 million after tax) , which was recorded in 2011.

*Remy*

Remy's strategy is to be the leading global manufacturer and remanufacturer of starters and alternators, yielding superior financial returns, as well as seeking to be a leading participant in the growing production of hybrid electric motors. We believe there are significant opportunities for future growth in this industry.

Remy's strategies for capitalizing on these opportunities include the following:

- Building on market-leading positions in commercial vehicle products by producing durable, high-output starters and alternators for commercial vehicles in both original equipment ("OE") and aftermarket.
- Commitment to expanding manufacturing in growth markets in Asia and South America.
- Continue to invest in hybrid electric motors for commercial vehicles.
- Continue to leverage the benefits of having an OE and aftermarket presence, seeking to provide our aftermarket customers with new products faster than competitors and providing its OE business with useful knowledge regarding long-term product performance and durability.
- Continue to provide value-added services that enhance customer performance, including category management services that strengthen its customer relationships, support customer growth and improve product category profitability.
- Selectively pursue strategic partnerships and acquisitions that leverage its core competencies.

*Restaurant Group*

Our restaurant operations are focused in the family dining, casual dining and upscale-casual dining segments. The Restaurant Group's strategy is to manage our business to achieve long-term profit growth and drive increases in same store sales and guest counts. We have a highly experienced management team that is focused on enhancing the guest experience at our restaurants and building team member engagement. We also utilize a shared service platform that takes advantage of the combined synergies of our operating companies to provide purchasing power and other shared service functions. We expect to continue to maintain a strong balance sheet for our Restaurant Group to support future acquisitions and to provide stability in all operating environments.

**Title Insurance**

*Market for title insurance.* According to Demotech Performance of Title Insurance Companies 2012 Edition, an annual compilation of financial information from the title insurance industry that is published by Demotech Inc., an independent firm ("Demotech"), total operating income for the entire U.S. title insurance industry has decreased from its highest at $17.8 billion in 2005 to its lowest of $10.4 billion in 2011. The size of the industry is closely tied to various macroeconomic factors, including, but not limited to, growth in the gross domestic product, inflation, unemployment, the availability of credit, consumer confidence, interest rates, and sales volumes and prices for new and existing homes, as well as the volume of 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 the 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 or depreciation in the overall value of the real estate market are major factors in total industry revenues. Industry revenues are also driven by factors affecting the volume of real estate closings, such as the state of the economy, the availability of mortgage funding, and changes in interest rates, which affect demand for new mortgage loans and refinancing transactions. Both the volume and the average price of residential real estate transactions have declined from 2007-2011. Beginning in 2008 and continuing through 2011, the mortgage delinquency and default rates caused negative operating results at a number of banks and financial institutions. Multiple banks failed during this time and others may fail in the future, reducing the capacity of the mortgage industry to make loans. During this time, lenders have tightened their underwriting standards which has made it more difficult for buyers to qualify for new loans. However, during this same period, interest rates declined to historically low levels, which spurred higher refinance activity in the period 2009 through 2012. We began to see a stabilization in the volume and average price of residential real estate during 2012. Our revenues in future periods will continue to be subject to these and other factors which are beyond our control and, as a result, are likely to fluctuate.

The U.S. title insurance industry is concentrated among a handful of industry participants. According to Demotech, the top four title insurance groups accounted for 88 % of net premiums written in 2011 . Over 30 independent title insurance companies accounted for the remaining 12 % of net premiums written in 2011 . In December 2008, we acquired LFG’s two principal title insurance underwriters, Commonwealth and Lawyers (the "LFG Underwriters"). 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.

*Title Insurance Policies.* Generally, real estate buyers and mortgage lenders purchase title insurance to insure good and marketable title to real estate and priority of lien. 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. In 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 are a percentage of) either the amount of the mortgage loan or the purchase price of the property insured. Applicable state insurance regulations or regulatory practices may limit the maximum, or in some cases the minimum, premium that can be charged on a policy. Title insurance premiums are due in full at the closing of the real estate transaction. A 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. 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. A title insurer also generally does not know when a property has been sold or refinanced except when it issues the replacement coverage. 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 affiliated title agencies, or 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 insurance company typically performs or directs the title 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 title 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 insurance 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 insurance company is obligated to pay title claims in accordance with the terms of its policies, regardless of whether the title insurance 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 title searches and examinations. A title insurance company's predominant expense relates to such searches and examinations, the preparation of preliminary title reports, policies or commitments, the maintenance of "title plants," which are indexed compilations of public records, maps and other relevant historical documents, and the facilitation and closing of real estate transactions. Claim losses generally result from errors made in the title search and examination process, from hidden defects such as fraud, forgery, incapacity, or missing heirs of the property, and from closing related errors.

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. Residential real estate transaction volume is primarily affected by macroeconomic and seasonal factors while commercial real estate transaction volume is affected primarily by fluctuations in local supply and demand conditions for commercial space.

*Direct and Agency Operations.* 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 just under 1,200 offices throughout the U.S. primarily providing residential real estate title insurance. We continuously monitor the number of direct offices to make sure that it remains in line with our strategy and the current economic environment. 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, Boston, Washington D.C., 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, and in some states are fixed by insurance regulatory requirements. 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 and strategically decrease the number of agents with which we transact business in an effort to reduce future expenses and manage risks. As of December 31, 2012 , we transact business with approximately 5,000 agents.

*Fees and Premiums.* One method of analyzing our business is to examine 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:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2010 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Direct | $ 1,736.0 | 45.2% | $ 1,431.5 | 43.9% | $ 1,404.5 | 38.6% |
| Agency | 2,100.5 | 54.8 | 1,829.6 | 56.1 | 2,236.7 | 61.4 |
| Total title insurance premiums | $ 3,836.5 | 100.0% | $ 3,261.1 | 100.0% | $ 3,641.2 | 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 title operations are divided into approximately 140 profit centers. 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 approximately 5,000 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, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2010 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| California | $ 659.6 | 17.2% | $ 515.3 | 15.8% | $ 570.0 | 15.7% |
| Texas | 495.5 | 12.9 | 401.2 | 12.3 | 412.1 | 11.3 |
| New York | 282.2 | 7.4 | 262.9 | 8.0 | 284.4 | 7.8 |
| Florida | 258.5 | 6.7 | 214.2 | 6.6 | 226.5 | 6.2 |
| Illinois | 183.8 | 4.8 | 149.2 | 4.6 | 156.9 | 4.3 |
| All others | 1,956.9 | 51.0 | 1,718.3 | 52.7 | 1,991.3 | 54.7 |
| Totals | $ 3,836.5 | 100.0% | $ 3,261.1 | 100.0% | $ 3,641.2 | 100.0% |

Remy generates revenue in multiple geographic locations. Revenues are attributed to geographic locations based on the point of sale.

Auto parts revenue in our Remy segment by region was as follows:

| | 2012 |
|---|---|
| United States | 66.0% |
| Asia Pacific | 20.0% |
| Europe | 8.8% |
| South America | 4.2% |
| Mexico | 0.5% |
| Canada | 0.5% |
| Total | 100.0% |

Our Restaurant Group operates restaurants in 45 states throughout the United States.

*Escrow, Title-Related and Other Fees.* 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 collection and trust activities, trustee's sales guarantees, recordings and reconveyances, and home warranty services. The escrow and other services provided by us include all of those typically required in connection with residential and commercial real estate purchases and refinance activities. Escrow, title-related and other fees represented approximately 23.7% , 29.5% , and 25.9% of our revenues in 2012 , 2011 , and 2010 , respectively.

*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 are an 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 the ability of service providers to meet their information systems requirements for electronic product delivery.

*Claims.* An important part of our operations is the handling of title and escrow claims. We employ a large staff of attorneys in our claims department. Our claims processing centers are located in Omaha, Nebraska and Jacksonville, Florida. In-house claims counsel who handle larger claims are also located in other parts of the country.

Claims result from a wide range of causes. These causes generally include, but are not limited to, search and exam errors, forgeries, incorrect legal descriptions, signature and notary errors, unrecorded liens, mechanics' liens, the failure to pay off existing liens, mortgage lending fraud, mishandling or theft of settlement funds (including independent agency defalcations), and mistakes in the escrow process. Under our policies, we are required to defend insureds when covered claims are filed against their interest in the property. Some claimants seek damages in excess of policy limits. Those claims are based on various legal theories, including in some cases allegations of negligence or an intentional tort. We occasionally incur losses in excess of policy limits. Experience shows that most policy claims and claim payments are made in the first six years after the policy has been issued, although claims may also be reported and paid many years later.

Title losses due to independent agency defalcations typically occur when the independent agency misappropriates funds from escrow accounts under its control. Such losses are usually discovered when the independent agency fails to pay off an outstanding mortgage loan at closing (or immediately thereafter) from the proceeds of the new loan. Once the previous lender determines that its loan has not been paid off timely, it will file a claim against the title insurer.

Claims can be complex, vary greatly in dollar amounts and are affected by economic and market conditions and the legal environment existing at the time claims are processed. In our commercial title business, we may issue polices with face amounts well in excess of $100.0 million, and from time to time claims are submitted with respect to large policies. We believe we are appropriately reserved with respect to all claims (large and small) that we currently face. Occasionally we experience large losses from title policies that have been issued or from our escrow operations, or overall worsening loss payment experience, which require us to increase our title loss reserves. These events are unpredictable and adversely affect our earnings. Claims can result in litigation in which we may represent our insured and/or ourselves. We consider this type of litigation to be an ordinary course aspect of the conduct of our business.

*Reinsurance and Coinsurance.* We limit our maximum loss exposure by reinsuring risks with other insurers under excess of loss and case-by-case ("facultative") reinsurance agreements. Reinsurance agreements generally provide 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. Facultative reinsurance agreements are entered into with other title insurers when the transaction to be insured will exceed state statutory or self-imposed limits. Excess of loss reinsurance protects us from a loss from a single occurrence. Through March 1, 2013, our excess of loss coverage is split into two tiers. The first tier provides coverage for residential and commercial transactions up to $100.0 million per loss occurrence, subject to a $10.0 million retention per loss. Prior to any recovery, there is also an additional $5.0 million aggregate retention. The second tier provides additional coverage for commercial transactions in excess of $100.0 million of loss per occurrence up to $400.0 million per occurrence, with the Company participating at 20.0%. We are currently in process of negotiating the terms and conditions of our 2013 - 2014 coverages.

In addition to reinsurance, we carry errors and omissions insurance and fidelity bond coverage, each of which can provide protection to us in the event of certain types of losses that can occur in our businesses.

Our policy is to be selective in choosing our reinsurers, seeking only those companies that we consider to be financially stable and adequately capitalized. In an effort to minimize exposure to the insolvency of a reinsurer, we periodically review the financial condition of our reinsurers.

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 assume.

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.

*Competition.* 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 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 First American Financial Corporation, Old Republic International Corporation and Stewart Information Services Corporation, as well as numerous smaller title insurance companies, underwritten title companies and independent agency operations at the regional and local level. Independent agency operations account for 54.8% of our total title insurance premiums. Several of the smaller competitors have closed their operations in the past few years as a result of the significant decrease in activity in the residential real estate market. The addition or removal of regulatory barriers might result in changes to competition in the title insurance business. 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.

*Regulation.* Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, are subject to extensive regulation under applicable state laws. Each of the insurers is subject to a holding company act in its state of domicile, which regulates, among other matters, the ability to pay dividends and enter into transactions with affiliates. 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. The process of state regulation of changes in rates ranges from states which set rates, to states where individual companies or associations of companies prepare rate filings which are submitted for approval, to a few states in which rate changes do not need to be filed for approval.

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

Pursuant to statutory accounting requirements of the various states in which our title insurers are domiciled, these insurers must defer a portion of premiums as an unearned premium reserve for the protection of policyholders (in addition to their reserves for known claims) 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 a 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, 2012 , the combined statutory unearned premium reserve required and reported for our title insurers was $ 1,777.7 million. In addition to statutory unearned premium reserves and reserves for known claims, each of our insurers maintains surplus funds for policyholder protection and business operations.

Each of our insurance subsidiaries is regulated by the insurance regulatory authority in its respective state of domicile, as well as that of each state in which it is licensed. The insurance commissioners of their respective states of domicile are the primary regulators of our insurance subsidiaries. Each of the insurers is subject to periodic regulatory financial examination by regulatory authorities.

Under the statutes governing insurance holding companies in most states, insurers may not enter into certain transactions, including sales, reinsurance agreements and service or management contracts, with their affiliates unless the regulatory authority 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 to, 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, and to pay any dividends to our stockholders. The payment of dividends or other distributions to us by our insurers 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 to or has approved the payment within the 30-day period. In general, an "extraordinary" dividend or distribution is statutorily defined as a dividend or distribution that, together with other dividends and distributions made within the preceding 12 months, exceeds the greater of:

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

The laws and regulations of some jurisdictions also prohibit an insurer from declaring or paying a dividend except out of its earned surplus or require the insurer to obtain prior regulatory approval. During 2013 , our directly owned title insurers can pay dividends or make distributions to us of approximately $ 255.4 million without prior regulatory approval; however, insurance regulators have the authority to prohibit the payment of ordinary dividends or other payments by our title insurers 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. There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders.

The combined statutory capital and surplus of our title insurers was approximately $ 1,381.1 million and $ 894.7 millio n as of December 31, 2012 and 2011 , respectively. The combined statutory earnings (loss) of our title insurers were $ 272.9 million, $ 151.1 million, and $ (46.6) million for the years ended December 31, 2012 , 2011 , and 2010 , respectively.

As a condition to continued authority to underwrite policies in the states in which our insurers 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 insurers are domiciled, such insurers must maintain certain levels of minimum capital and surplus. Required levels of minimum capital and surplus are not significant to the insurers individually or in the aggregate. Each of our insurers has complied with the minimum statutory requirements as of December 31, 2012 .

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 requirements for each underwritten title company are as follows: $7.5 million for Fidelity National Title Company, $2.5 million for Fidelity National Title Company of California, $3.0 million for Chicago Title Company, and $0.4 million for Ticor Title Company of California, Commonwealth Land Title Company, and Lawyers

Title Company. These companies were in compliance with their respective minimum net worth requirements at December 31, 2012 .

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions. For further discussion, see item 3, Legal Proceedings.

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 in which the 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 acquirer's plans for the insurer's Board of Directors and executive officers, the acquirer'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 insurers, the insurance change of control laws would likely apply to such a transaction.

The National Association of Insurance Commissioners ("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 insurers are domiciled require adherence to NAIC filing procedures, each such insurer, unless it qualifies for an exemption, must file an actuarial opinion with respect to the adequacy of its reserves.

**Ratings**

Our title insurance underwriters are regularly assigned ratings by independent agencies designed to indicate their financial condition and/or claims paying ability. The rating agencies determine ratings by quantitatively and qualitatively analyzing financial data and other information. Our title subsidiaries include Alamo Title, Chicago Title, Commonwealth Land Title, and Fidelity National Title. Standard & Poor's Ratings Group ("S&P"), Moody's Investors Service ("Moody's"), and A. M. Best Company ("A.M. Best") provide ratings for the entire FNF family of companies as a whole as follows:

| | S&P | Moody's | A.M. Best |
|---|---|---|---|
| FNF family of companies | A- | A3 | A- |

The relative position of each of our ratings among the ratings scale assigned by each rating agency is as follows:

- An S&P "A-" rating is the eighth highest rating of 25 ratings for S&P. 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.
- A Moody's "A3" rating is the twelfth highest rating of 33 ratings for Moody's. Moody's states that insurance companies rated "A3" offer good financial security.
- An A.M. Best "A-" rating is the fourth highest rating of 15 ratings for A.M. Best. 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.

Demotech provides financial strength/stability ratings for each of our principal title insurance underwriters individually, as follows:

| | |
|---|---|
| Alamo Title Insurance | A' |
| Chicago Title Insurance Company | A" |
| Commonwealth Land Title Insurance Company | A |
| Fidelity National Title Insurance Company | A' |

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" rating reflects Demotech's opinion that, regardless of the severity of a general economic downturn or deterioration in the insurance cycle, the insurers assigned such rating possess “Exceptional” financial stability related to maintaining positive surplus as regards policyholders. The “A´´ (A double prime)”, “A´ (A prime)” and "A" ratings are the three highest ratings of Demotech's five ratings.

The ratings of S&P, Moody’s, A.M. Best, and Demotech described above are not designed to be, and do not serve as, measures of protection or valuation offered to investors. These financial strength ratings should not be relied on with respect to making an investment in our securities. See “Item 1A. *Risk Factors* — If the rating agencies downgrade our Company, our results of operations and competitive position in the title insurance industry may suffer” for further information.

**Patents, Trademarks and Other Intellectual Property**

We rely on a combination of contractual restrictions, internal security practices, and copyright and trade secret law to establish and protect our software, technology, and expertise across our businesses. Further, we have developed a number of brands that have accumulated substantial goodwill in the marketplace, and we rely on trademark law to protect our rights in that area. We intend to continue our policy of taking all measures we deem necessary to protect our copyright, trade secret, and trademark rights. These legal protections and arrangements afford only limited protection of our proprietary rights, and there is no assurance that our competitors will not independently develop or license products, services, or capabilities that are substantially equivalent or superior to ours.

**Technology and Research and Development**

As a national provider of real estate transaction products and services, we participate in a dynamic industry that is subject to significant regulatory requirements, 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 title segment service offerings, we are continuing to deploy new information system technologies to our direct and agency operations. We continue to improve the process of ordering title and escrow services and improve the delivery of our products to our customers. In order to meet new regulatory requirements, we also continue to expand our data collection and reporting abilities.

**Investment Policies and Investment Portfolio**

Our investment policy is designed to maximize total return through investment income and capital appreciation consistent with moderate risk of principal, while providing adequate liquidity. Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, are subject to extensive regulation under applicable state laws. The various states in which we operate regulate the types of assets that qualify for purposes of capital, surplus, and statutory unearned premium reserves. Our investment policy specifically limits duration and non-investment grade allocations in the core fixed-income portfolio. Maintaining shorter durations on the investment portfolio allows for the mitigation of interest rate risk. Equity securities are utilized to take advantage of perceived value or for strategic purposes. Due to the magnitude of the investment portfolio in relation to our claims loss reserves, durations of investments are not specifically matched to the cash outflows required to pay claims.

As of December 31, 2012 and 2011 , the carrying amount, which approximates the fair value, of total investments, excluding investments in unconsolidated affiliates, was $ 3.7 billion and $ 3.5 billion, respectively.

We purchase investment grade fixed maturity securities, selected non-investment grade fixed maturity securities, preferred stock 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 securities and preferred stock portfolio at December 31, 2012 and 2011 :

| | December 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | | | | 2011 | | | |
| Rating(1) | Amortized Cost | % of Total | Fair Value | % of Total | Amortized Cost | % of Total | Fair Value | % of Total |
| | (Dollars in millions) | | | | | | | |
| Aaa/AAA | $ 439.3 | 13.7% | $ 464.2 | 13.8% | $ 534.7 | 17.3% | $ 565.1 | 17.7% |
| Aa/AA | 1,005.3 | 31.4 | 1,054.0 | 31.4 | 1,084.8 | 35.1 | 1,139.5 | 35.6 |
| A | 799.2 | 24.9 | 843.1 | 25.1 | 728.2 | 23.5 | 759.0 | 23.7 |
| Baa/BBB | 721.7 | 22.5 | 758.1 | 22.6 | 505.7 | 16.3 | 516.2 | 16.1 |
| Ba/BB/B | 200.0 | 6.2 | 203.1 | 6.1 | 159.6 | 5.2 | 153.4 | 4.8 |
| Lower | 13.8 | 0.4 | 8.1 | 0.2 | 68.4 | 2.2 | 55.1 | 1.7 |
| Other (2) | 27.2 | 0.9 | 26.1 | 0.8 | 11.6 | 0.4 | 11.9 | 0.4 |
| | $ 3,206.5 | 100.0% | $ 3,356.7 | 100.0% | $ 3,093.0 | 100.0% | $ 3,200.2 | 100.0% |

(1) Ratings as assigned by Moody’s Investors Service or Standard & Poor’s Ratings Group if a Moody's rating is unavailable.
(2) This category is composed of unrated securities.

The following table presents certain information regarding contractual maturities of our fixed maturity securities:

| | December 31, 2012 | | | |
|---|---|---|---|---|
| Maturity | Amortized Cost | % of Total | Fair Value | % of Total |
| | (Dollars in millions) | | | |
| One year or less | $ 244.6 | 8.2% | $ 248.0 | 7.9% |
| After one year through five years | 1,689.6 | 56.3 | 1,760.1 | 56.0 |
| After five years through ten years | 902.3 | 30.1 | 960.2 | 30.6 |
| After ten years | 17.7 | 0.6 | 18.0 | 0.6 |
| Mortgage-backed/asset-backed securities | 145.4 | 4.8 | 153.5 | 4.9 |
| | $ 2,999.6 | 100.0% | $ 3,139.8 | 100.0% |

At December 31, 2012 substantially all of our mortgage-backed and asset-backed securities are rated AAA by Moody's. The mortgage-backed and asset-backed securities are made up of $ 111.4 million of agency-backed mortgage-backed securities, $ 9.9 million of agency-backed collateralized mortgage obligations, $ 22.0 million of commercial mortgage-backed securities, and $ 10.2 million in asset-backed securities.

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. Because of the potential for prepayment on mortgage-backed and asset-backed securities, they are not categorized by contractual maturity. Fixed maturity securities with an amortized cost of $ 1,476.6 million and a fair value of $ 1,533.2 million were callable or had make-whole call provisions at December 31, 2012 .

Our equity securities at December 31, 2012 and 2011 consisted of investments at a cost basis of $ 102.9 million and $ 83.2 million , respectively, and fair value of $ 137.6 million and $ 105.7 million , respectively. The balance of equity securities at December 31, 2012 and 2011 contains an investment in Fidelity National Information Services ("FIS") stock, a related party. The fair value of our investment in FIS stock was $ 55.8 million and $42.6 million as of December 31, 2012 and 2011 , respectively. There were no significant investments in banks, trust or insurance companies at December 31, 2012 or 2011 .

At December 31, 2012 and 2011 , we also held $ 392.2 million and $ 546.5 million, respectively, in investments that are accounted for using the equity method of accounting, principally our ownership interests in Ceridian and Remy in 2011.

As of December 31, 2012 and 2011 , Other long-term investments included structured notes at a fair value of $ 40.8 million, which were purchased in the third quarter of 2009. Also included in Other long-term investments were investments accounted for using the cost method of accounting of $ 63.8 million and $ 36.7 million, as of December 31, 2012 and 2011 , respectively.

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, 2012 and 2011 , short-term investments amounted to $ 61.9 million and $ 50.4 million, respectively.

Our investment results for the years ended December 31, 2012 , 2011 and 2010 were as follows:

| | December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | (Dollars in millions) | | |
| Net investment income (1) | $ 162.9 | $ 164.8 | $ 156.6 |
| Average invested assets | $ 3,697.8 | $ 3,792.2 | $ 3,928.7 |
| Effective return on average invested assets | 4.4% | 4.3% | 4.0% |

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

**Loss Reserves**

For information about our loss reserves, see Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* — Critical Accounting Estimates.

**Employees**

As of January 25, 2013 , we had approximately 60,451 full-time equivalent employees, which includes 19,854 in our Fidelity National Title segment, 33,859 in our Restaurant Group segment and 6,631 in our Remy segment in our remaining segments. We monitor our staffing levels based on current economic activity. Except for approximately 3,000 of Remy's employees, none of our employees are subject to collective bargaining agreements. We believe that our relations with employees are generally good.

**Statement Regarding Forward-Looking Information**

The statements contained in this Form 10-K or in our other documents or in oral presentations or other statements made by our management that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding our expectations, hopes, intentions, or strategies regarding the future. These statements relate to, among other things, future financial and operating results of the Company. In many cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," or "continue," or the negative of these terms and other comparable terminology. Actual results could differ materially from those anticipated in these statements as a result of a number of factors, including, but not limited to the following:

- changes in general economic, business, and political conditions, including changes in the financial markets;
- the severity of our title insurance claims;
- downgrade of our credit rating by rating agencies;
- adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding, increased mortgage defaults, or a weak U.S. economy;
- compliance with extensive government regulation of our operating subsidiaries and adverse changes in applicable laws or regulations or in their application by regulators;
- regulatory investigations of the title insurance industry;
- loss of key personnel that could negatively affect our financial results and impair our operating abilities;
- our business concentration in the State of California, the source of approximately 17.2% of our title insurance premiums;
- our potential inability to find suitable acquisition candidates, as well as the risks associated with acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus, or difficulties integrating acquisitions;
- our dependence on distributions from our title insurance underwriters as our main source of cash flow;
- competition from other title insurance companies; and
- other risks detailed in "Risk Factors" below and elsewhere in this document and in our other filings with the SEC.

We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider the possibility that actual results may differ materially from our forward-looking statements.

### Additional Information

Our website address is www.fnf.com. We make available free of charge on or through our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. However, the information found on our website is not part of this or any other report.

## Item 1A. *Risk Factors*

In addition to the normal risks of business, we are subject to significant risks and uncertainties, including those listed below and others described elsewhere in this Annual Report on Form 10-K. Any of the risks described herein could result in a significant or material adverse effect on our results of operations or financial condition.

### General

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

Title insurance revenue is closely related to the level of real estate activity which includes sales, mortgage financing 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, including high unemployment levels.

Declines in the level of real estate activity or the average price of real estate sales are likely to adversely affect our title insurance revenues. The Mortgage Bankers Association's ("MBA") Mortgage Finance Forecast currently estimates an approximately $ 1.4 trillion mortgage origination market for 2013 , which would be a decrease of 22.2% from 2012 . The MBA forecasts that the 22.2% decrease will result almost entirely from decreased refinance activity. Our revenues in future periods will continue to be subject to these and other factors which are beyond our control and, as a result, are likely to fluctuate.

***We have recorded goodwill as a result of prior acquisitions, and an economic downturn could cause these balances to become impaired, requiring write-downs that would reduce our operating income.***

Goodwill aggregated approximately $ 1,908.5 million, or 19.3% of our total assets, as of December 31, 2012 . Current accounting rules require that goodwill be assessed for impairment at least annually or whenever changes in circumstances indicate that the carrying amount may not be recoverable from estimated future cash flows. Factors that may be considered a change in circumstance indicating the carrying value of our intangible assets, including goodwill, may not be recoverable include, but are not limited to, significant underperformance relative to historical or projected future operating results, a significant decline in our stock price and market capitalization, and negative industry or economic trends. No goodwill impairment charge was recorded in 2012 . However, if there is an economic downturn in the future, the carrying amount of our goodwill may no longer be recoverable, and we may be required to record an impairment charge, which would have a negative impact on our results of operations and financial condition. We will continue to monitor our market capitalization and the impact of the economy to determine if there is an impairment of goodwill in future periods.

***If economic and credit market conditions deteriorate, it could have a material adverse impact on our investment portfolio.***

Our investment portfolio is exposed to economic and financial market risks, including changes in interest rates, credit markets and prices of marketable equity and fixed-income securities. Our investment policy is designed to maximize total return through investment income and capital appreciation consistent with moderate risk of principal, while providing adequate liquidity and complying with internal and regulatory guidelines. To achieve this objective, our marketable debt investments are primarily investment grade, liquid, fixed-income securities and money market instruments denominated in U.S. dollars. We make investments in certain equity securities and preferred stock in order to take advantage of perceived value and for strategic purposes. In the past, economic and credit market conditions have adversely affected the ability of some issuers of investment securities to repay their obligations and have affected the values of investment securities. If the carrying value of our investments exceeds the fair value, and the decline in fair value is deemed to be other-than-temporary, we will be required to write down the value of our investments, which could have a material negative impact on our results of operations and financial condition. W e own a minority interest in Ceridian Corporation ("Ceridian"), a leading provider of global human capital management and payment solutions. If the fair value of this company were to decline below book value, we would be required to write down the value of our investment, which could have a material negative impact on our results of operations and financial condition. If this company were to experience significant negative volatility in its results of operations it would have a material adverse effect on our own results of operations due to our inclusion of our portion of its earnings in our results of operations.

***If financial institutions at which we hold escrow funds fail, it could have a material adverse impact on our company.***

We hold customers' assets in escrow at various financial institutions, pending completion of real estate transactions. These assets are maintained in segregated bank accounts and have not been included in the accompanying Consolidated Balance Sheets. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to $ 7.5 billion at December 31, 2012 . Failure of one or more of these financial institutions may lead us to become liable for the funds owed to third parties and there is no guarantee that we would recover the funds deposited, whether through Federal Deposit Insurance Corporation coverage or otherwise.

***If we experience changes in the rate or severity of title insurance claims, it may be necessary for us to record additional charges to our claim loss reserve. This may result in lower net earnings and the potential for earnings volatility.***

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. From time to time, we experience large losses or an overall worsening of our loss payment experience in regard to the frequency or severity of claims that require us to record additional charges to our claims loss reserve. There are currently pending several large claims which we believe can be defended successfully without material loss payments. However, if unanticipated material payments are required to settle these claims, it could result in or contribute to additional charges to our claim loss reserves. These loss events are unpredictable and adversely affect our earnings.

At each quarter end, our recorded reserve for claim losses is initially the result of taking the prior recorded reserve for claim losses, adding the current provision to that balance and subtracting actual paid claims from that balance, resulting in an amount that management then compares to the actuary's central estimate provided in the actuarial calculation. Due to the uncertainty and judgment used by both management and our actuary, our ultimate liability may be greater or less than our current reserves and/or our actuary’s calculation. If the recorded amount is within a reasonable range of the actuary’s central estimate, but not at the central estimate, management assesses other factors in order to determine our best estimate. These factors, which are more qualitative than quantitative, can change from period to period and include items such as current trends in the real estate industry (which management can assess, but for which there is a time lag in the development of the data used by our actuary), any adjustments from the actuarial estimates needed for the effects of unusually large or small claims, improvements in our claims management processes, and other cost saving measures. Depending upon our assessment of these factors, we may or may not adjust the recorded reserve. If the recorded amount is not within a reasonable range of the actuary’s central estimate, we would record a charge or credit and reassess the provision rate on a go forward basis.

Our average provision for claim losses was 7.0% of title premiums in 2012 . We will reassess the provision to be recorded in future periods consistent with this methodology and can make no assurance that we will not need to record additional charges in the future to increase reserves in respect of prior periods.

***Our insurance subsidiaries must comply with extensive regulations. These regulations may increase our costs or impede or impose burdensome conditions on actions that we might seek to take to increase the revenues of those subsidiaries.***

Our insurance businesses are subject to extensive regulation by state insurance authorities in each state in which they 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. In addition, we may incur significant costs in the course of complying with regulatory requirements. Further, various state legislatures have in the past considered offering a public alternative to the title industry in their states, as a means to increase state government revenues.

Although we think this situation is unlikely, if one or more such takeovers were to occur they could adversely affect our business. We cannot be assured that future legislative or regulatory changes will not adversely affect our business operations. See “Item 1. *Business* — Regulation.”

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

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

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

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

***Because we are dependent upon California for approximately 17.2 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 2012 , California-based premiums accounted for 36.9% of premiums earned by our direct operations and 0.9% of our agency premium revenues. In the aggregate, California accounted for approximately 17.2% of our total title insurance premiums for 2012 . 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.

***If the rating agencies downgrade our Company, our results of operations and competitive position in the title insurance industry may suffer.***

Ratings have always been an important factor in establishing the competitive position of insurance companies. Our title insurance subsidiaries are rated by S&P, Moody’s, A.M. Best, and Demotech. Ratings reflect the opinion of a rating agency with regard to an insurance company’s or insurance holding company’s financial strength, operating performance and ability to meet its obligations to policyholders and are not evaluations directed to investors. Our ratings are subject to continued periodic review by rating agencies 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.

***Our management has articulated a willingness to seek growth through acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus or geographic areas. This expansion of our business subjects us to associated risks, such as the diversion of management’s attention and lack of experience in operating such businesses, and may affect our credit and ability to repay our debt.***

Our management has stated that we may make acquisitions in lines of business that are not directly tied to or synergistic with our core operating segments. Accordingly, we have in the past acquired, and may in the future acquire, businesses in industries or geographic areas with which management is less familiar than we are with our core businesses. These activities involve risks that could adversely affect our operating results, such as diversion of management’s attention and lack of substantial experience in operating such businesses. There can be no guarantee that we will not enter into transactions or make acquisitions that will cause us to incur additional debt, increase our exposure to market and other risks and cause our credit or financial strength ratings to decline.

***We are a holding company and depend on distributions from our subsidiaries for cash.***

We are a holding company whose primary assets are the securities of our operating subsidiaries. Our ability to pay interest on our outstanding debt and our other obligations and to pay dividends is dependent on the ability of our subsidiaries to pay dividends or make other distributions or payments to us. If our operating subsidiaries are not able to pay dividends to us, we may not be able to meet our obligations or pay dividends on our common stock.

Our title insurance subsidiaries must comply with state 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 2013 , our title insurers may pay dividends or make distributions to us without prior regulatory approval of approximately $ 255.4 million.

The maximum dividend permitted by law is not necessarily indicative of an insurer’s actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer’s ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in interpretation of statutory accounting requirements by regulators.

***We could have conflicts with Fidelity National Information Services ("FIS"), and our chairman of our Board of Directors and other officers and directors could have conflicts of interest due to their relationships with FIS.***

FIS and FNF were under common ownership by another publicly traded company, also called Fidelity National Financial, Inc. (“Old FNF”) until October 2006, when Old FNF distributed all of its FNF shares to the stockholders of Old FNF (the "2006 Distribution"). In November 2006, Old FNF then merged into FIS.

Conflicts may arise between us and FIS as a result of our ongoing agreements and the nature of our respective businesses. Certain of our executive officers and directors could be subject to conflicts of interest with respect to such agreements and other matters due to their relationships with FIS.

Some of our executive officers and directors own substantial amounts of FIS stock and stock options. Such ownership could create or appear to create potential conflicts of interest when our directors and officers are faced with decisions that involve FIS or any of its subsidiaries.

William P. Foley, II, is the executive chairman of our Board of Directors and the Vice Chairman of the Board of FIS. As a result of these roles, he has obligations to us and FIS and may have conflicts of interest with respect to matters potentially or actually involving or affecting our and FIS’s respective businesses. In addition, Mr. Foley may also have conflicts of time with respect to his multiple responsibilities. If his duties to either of these companies require more time than Mr. Foley is able to allot, then his oversight of that company’s activities could be diminished. Finally, FIS and FNF have several other overlapping directors and officers.

Matters that could give rise to conflicts between us and FIS include, among other things:

- our ongoing and future relationships with FIS, including related party agreements and other arrangements with respect to the information technology support services, administrative corporate support and cost sharing services, indemnification, and other matters; and
- the quality and pricing of services that we have agreed to provide to FIS or that it has agreed to provide to us.

We seek to manage these potential conflicts through dispute resolution and other provisions of our agreements with FIS and through oversight by independent members of our Board of Directors. However, there can be no assurance that such measures will be effective or that we will be able to resolve all potential conflicts with FIS, or that the resolution of any such conflicts will be no less favorable to us than if we were dealing with a third party.

***The loss of key personnel could negatively affect our financial results and impair our operating abilities.***

Our success substantially depends on our ability to attract and retain key members of our senior management team and officers. If we lose one or more of these key employees, our operating results and in turn the value of our common stock could be materially adversely affected. Although we have employment agreements with many of our officers, there can be no assurance that the entire term of the employment agreement will be served or that the employment agreement will be renewed upon expiration.

***Our operations could be adversely affected by the results of our acquired restaurant companies due to the risks inherent in that segment.***

Our acquired restaurant companies face certain risks that could negatively impact their results of operations. These risks include such things as the risks of continued unfavorable economic conditions, changing consumer preferences, unfavorable publicity, increasing food and labor costs, effectiveness of marketing campaigns, and the ability to compete successfully with other restaurants. In addition, risks related to supply chain, food quality, and protecting guests' personal information are inherent to the restaurant business. These companies are also subject to compliance with extensive government laws and regulations related to the manufacture, preparation, and sale of food and alcohol. If our restaurant companies are not able to respond effectively to one or more of these risks, it could have a material adverse impact on the results of operations of those businesses.

***Our business, financial condition and results of operations could be adversely affected by risks affecting Remy.***

Any material adverse change in Remy's financial position or results of operations could adversely affect our financial position or results of operations. Remy's results are affected by factors such as general economic conditions, levels of demand for new light and commercial vehicles, fuel prices, the product life of new and replacement parts, product liability and warranty claims related to its products, litigation and other disputes, and changes in the cost and availability of raw materials and components utilized in the manufacturing of its products. In addition, Remy's results also are influenced by technological innovations, relationships with its key customers and their success in the marketplace, and Remy's ability to compete successfully with its competitors. If Remy is not able to respond effectively to one or more of these risks, it could have a material adverse impact on its results of operations, which, in turn, would adversely impact our financial condition and results of operations.

Given the international reach of its business, Remy is also subject to risks inherent in conducting business outside the United States, including foreign currency fluctuations, local political climates, export and import restrictions, and compliance with government laws and regulations such as the U.S. Foreign Corrupt Practices Act and the U.S. Export Administration Act. Any failure to manage these risks and requirements could harm Remy's business, financial condition or results of operations, which would similarly affect our financial condition and results of operations.

**Item 1B.** ***Unresolved Staff Comments***

None.

**Item 2.** ***Properties***

*Fidelity National Title Group*

Fidelity National Title Group's corporate headquarters are on our campus in Jacksonville, Florida. The majority of our branch offices are leased from third parties (see Note M to Notes to Consolidated Financial Statements). Our subsidiaries conduct their business operations primarily in leased office space in 43 states, Washington, DC, Puerto Rico, Canada, India and Mexico.

*Remy*

Remy's world headquarters is located in Pendleton, Indiana. The majority of Remy's facilities, including the world headquarters are leased from third parties (see Note M to Notes to Consolidated Financial Statements). Remy's subsidiaries conduct their business operations in 10 countries including the United States, Belgium, Hungary, the United Kingdom, Brazil, Canada, China, Mexico, South Korea and Tunisia.

*Restaurant Group*

The Restaurant Group's headquarters is located in Nashville, Tennessee with other office locations in Woburn, Massachusetts and Denver, Colorado. The majority of the restaurants are leased from third parties, and are located in 45 states.

**Item 3.** ***Legal Proceedings***

In the ordinary course of business, we are involved in various pending and threatened litigation matters related to our title operations, some of which include claims for punitive or exemplary damages. This customary litigation includes but is not limited to a wide variety of cases arising out of or related to title and escrow claims, for which we make provisions through our loss reserves. Additionally, like other insurance companies, our ordinary course litigation includes a number of class action and purported class action lawsuits, which make allegations related to aspects of our insurance operations. We believe that no actions depart from customary litigation incidental to our insurance business.

Remy is a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to commercial transactions, product liability, safety, health, taxes, environmental and other matters.

Our Restaurant Group companies are a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to injury or wrongful death under “dram shop” laws that allow a person to sue us based on any injury caused by an intoxicated person who was wrongfully served alcoholic beverages at one of the restaurants; and claims from guests or employees alleging illness, injury or other food quality, health or operational concerns.

We review lawsuits and other legal and regulatory matters (collectively “legal proceedings”) on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings where it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts and which represents our best estimate has been recorded. None of the amounts we have currently recorded is considered to be individually or in the aggregate material to our financial condition. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending cases is generally not yet determinable. While some of these matters could be material to our operating results or cash flows for any particular period if an unfavorable outcome results, at present we do not believe that the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or cash flows.

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities that may require us to pay fines or claims or take other actions.

**Item 4.** ***Mine Safety Disclosure***

Not applicable.

**PART II**

**Item 5.** ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

| | Stock Price High | Stock Price Low | Cash Dividends Declared |
|---|---|---|---|
| Year ended December 31, 2012 | | | |
| First quarter | $ 18.54 | $ 15.66 | $ 0.14 |
| Second quarter | 19.70 | 17.62 | 0.14 |
| Third quarter | 21.48 | 18.07 | 0.14 |
| Fourth quarter | 24.30 | 20.71 | 0.16 |
| | | | |
| Year ended December 31, 2011 | | | |
| First quarter | $ 14.86 | $ 13.07 | $ 0.12 |
| Second quarter | 16.15 | 14.14 | 0.12 |
| Third quarter | 17.43 | 14.58 | 0.12 |
| Fourth quarter | 16.46 | 14.03 | 0.12 |

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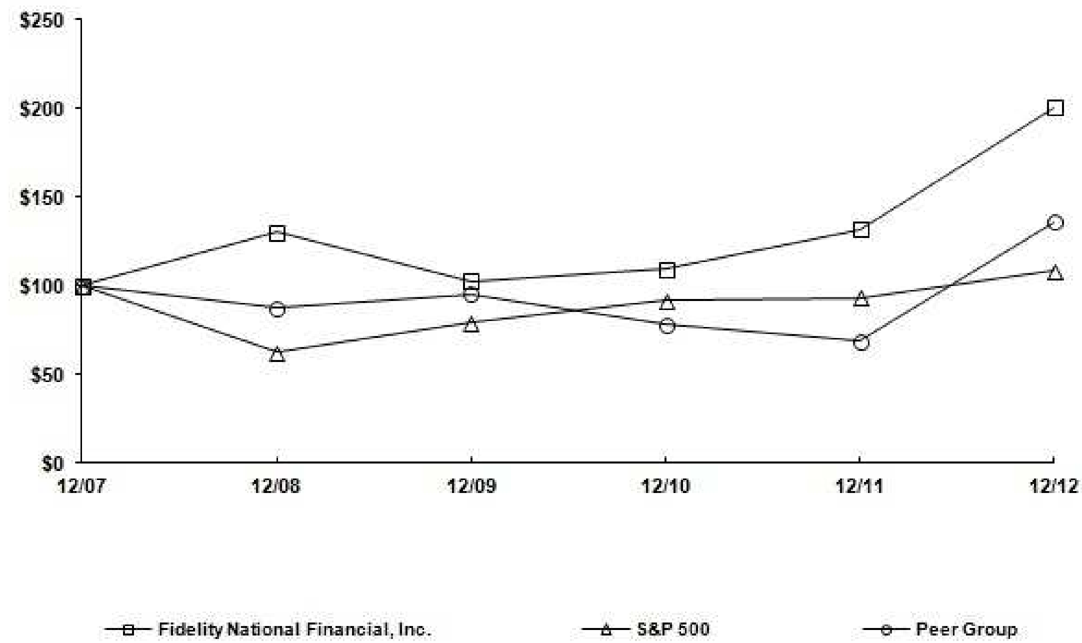
## PERFORMANCE GRAPH

Set forth below is a graph comparing cumulative total stockholder return on our common stock against the cumulative total return on the S & P 500 Index and against the cumulative total return of a peer group index consisting of certain companies in the primary industry in which we compete (SIC code 6361 — Title Insurance) for the period ending December 31, 2012 . This peer group consists of the following companies: First American Financial Corporation and Stewart Information Services Corp. The peer group comparison has been weighted based on their stock market capitalization . The graph assumes an initial investment of $100.00 on December 31, 2007, with dividends reinvested over the periods indicated.

**Comparison of 5 Year Cumulative Total Return**
**Among Fidelity National Financial, Inc., the S&P 500 Index**
**and Peer Group**




| | 12/31/2007 | 12/31/2008 | 12/31/2009 | 12/31/2010 | 12/31/2011 | 12/31/2012 |
|---|---|---|---|---|---|---|
| Fidelity National Financial, Inc. | 100.00 | 130.30 | 102.87 | 109.76 | 131.92 | 200.79 |
| S&P 500 | 100.00 | 63.00 | 79.67 | 91.67 | 93.61 | 108.59 |
| Peer Group | 100.00 | 87.68 | 95.54 | 78.24 | 68.75 | 136.32 |

On January 31, 2013, the last reported sale price of our common stock on the New York Stock Exchange was $25.10 per share and we had approximately 5,158 stockholders of record.

On January 30, 2013, our Board of Directors formally declared a $0.16 per share cash dividend that is payable on March 29, 2013 to stockholders of record as of March 15, 2013.

Our current dividend policy anticipates the payment of quarterly dividends in the future. The declaration and payment of dividends will be at the discretion of our Board of Directors and will be dependent upon our future earnings, financial condition and capital requirements. There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders. Our ability to declare dividends is subject to restrictions under our existing credit agreement. We do not believe the restrictions contained in our credit agreement will, in the foreseeable future, adversely affect our ability to pay cash dividends at the current dividend rate.

Since we are a holding company, our ability to pay dividends will depend largely on the ability of our subsidiaries to pay dividends to us, and the ability of our title insurance subsidiaries to do so is subject to, among other factors, their compliance with applicable insurance regulations. As of December 31, 2012 , $ 1,997.1 million of our net assets are restricted from dividend payments without prior approval from the Departments of Insurance in the States where our title insurance subsidiaries are domiciled. During 2013 , our directly owned title insurance subsidiaries can pay dividends or make distributions to us of approximately $ 255.4 million without prior approval. The limits placed on such subsidiaries' abilities to pay dividends affect our ability to pay dividends. There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders.

On July 21, 2009, the Board of Directors approved a three-year stock repurchase program under which we can repurchase up to 15 million shares of our common stock through July 31, 2012. On January 27, 2011, our Board of Directors approved an additional 5 million shares that may be repurchased under the program. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2012 , we repurchased a total of 1,150,000 shares for $ 21.7 million , or an average of $ 18.87 per share. This repurchase program expired July 31, 2012. In total, during the three-year tenure of the program, we repurchased a total of 16,528,512 shares for $ 243.4 million, or an average of $ 14.73 per share under this program.

On July 21, 2012, our Board of Directors approved a three-year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our common stock through July 31, 2015. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2012 , we repurchased a total of 680,000 shares for $15.9 million , or an average of $23.38 per share under this program. Subsequent to year-end we repurchased a total of 80,000 shares for $ 2 million , or an average of $ 25.00 per share through market close on February 22, 2013. Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 760,000 shares for $ 17.9 million , or an average of $ 23.55 per share, and there are 14,240,000 shares available to be repurchased under this program. For more information, see "Liquidity and Capital Resources" in Item 7 of this Form 10-K.

The following table summarizes repurchases of equity securities by FNF during the year ending December 31, 2012 :

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) (2) | Maximum Number Shares that May Ye Purchased Under Plans or Programs (4) |
|---|---|---|---|---|
| 1/1/2012 - 1/31/2012 | — | $ — | — | 4,621,4 |
| 2/1/2012 - 2/28/2012 | — | — | — | 4,621,4 |
| 3/1/2012 - 3/31/2012 | — | — | — | 4,621,4 |
| 4/1/2012 - 4/30/2012 | — | — | — | 4,621,4 |
| 5/1/2012 - 5/31/2012 | — | — | — | 4,621,4 |
| 6/1/2012 - 6/30/2012 | 135,000 | 19.05 | 135,000 | 4,486,4 |
| 7/1/2012 - 7/31/2012 | 1,015,000 | 18.83 | 1,015,000 | |
| 8/1/2012 - 8/31/2012 | — | — | — | 15,000,0 |
| 9/1/2012 - 9/30/2012 | — | — | — | 15,000,0 |
| 10/1/2012 - 10/31/2012 | — | — | — | 15,000,0 |
| 11/1/2012 - 11/30/2012 | 280,000 | 23.28 | 280,000 | 14,720,0 |
| 12/1/2012 - 12/31/2012 | 400,000 | 23.47 | 400,000 | 14,320,0 |
| | 1,830,000 | $ 21.16 | 1,830,000 | |

(1) On July 21, 2009, our Board of Directors approved a three-year stock repurchase program. Under the stock repurchase program, we could repurchase up to 15 million shares of our common stock. On January 27, 2011, our Board of Directors approved an increase of 5 million shares that may be repurchased under the program.

(2) On July 21, 2012, our Board of Directors approved a new three-year stock repurchase program, effective August 1, 2012. Under the stock repurchase program, we can repurchase up to 15 million shares of our common stock.

(3)The 2009 program expired on July 31, 2012.

(4)As of the last day of the applicable month.

**Item 6.** ***Selected Financial Data***

The information set forth below should be read in conjunction with the consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Form 10-K. Certain reclassifications have been made to the prior year amounts to conform with the 2012 presentation.

During the third quarter of 2012, we acquired 1.5 million additional shares of Remy International, Inc. ("Remy"), increasing our ownership interest to 16.3 million shares or 51% of Remy's total outstanding common shares. As a result of this acquisition we began to consolidate the results of Remy effective August 14, 2012.

On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's Inc. We have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55%. We have consolidated the operations of ABRH with the O'Charley's group of companies, beginning on May 11, 2012.

On December 22, 2008, we completed the acquisition of LandAmerica Financial Group's two principal title insurance underwriters, Commonwealth Land Title Insurance Company and Lawyers Title Insurance Corporation, as well as United Capital Title Insurance Company (collectively, the "LFG Underwriters"). For periods subsequent to December 22, 2008, the LFG Underwriters are included in our consolidated financial statements.

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2009(1) | 2008(2) |
| | (Dollars in millions, except share data) | | | | |
| **Operating Data:** | | | | | |
| Revenue | $ 7,201.7 | $ 4,839.6 | $ 5,413.3 | $ 5,521.3 | $ 3,935.6 |
| Expenses: | | | | | |
| Personnel costs | 1,872.9 | 1,578.0 | 1,578.6 | 1,620.0 | 1,291.8 |
| Agent commissions | 1,599.4 | 1,410.8 | 1,758.7 | 1,951.7 | 1,218.0 |
| Other operating expenses | 1,303.6 | 1,083.0 | 1,145.5 | 1,228.1 | 1,062.1 |
| Cost of auto parts revenue | 349.5 | — | — | — | — |
| Cost of restaurant revenues | 774.2 | — | — | — | — |
| Depreciation and amortization | 105.0 | 73.5 | 86.7 | 105.0 | 117.3 |
| Provision for title claim losses | 279.3 | 222.3 | 248.9 | 264.7 | 491.0 |
| Interest expense | 74.4 | 57.2 | 46.2 | 36.7 | 58.2 |
| | 6,358.3 | 4,424.8 | 4,864.6 | 5,206.2 | 4,238.4 |
| Earnings (loss) before income taxes, equity in earnings (loss) of unconsolidated affiliates, and noncontrolling interest | 843.4 | 414.8 | 548.7 | 315.1 | (302.8) |
| Income tax expense (benefit) | 246.7 | 134.4 | 189.8 | 96.8 | (128.1) |
| Earnings (loss) before equity in earnings (loss) of unconsolidated affiliates | 596.7 | 280.4 | 358.9 | 218.3 | (174.7) |
| Equity in earnings (loss) of unconsolidated affiliates | 9.9 | 9.7 | (1.2) | (11.7) | (13.4) |
| Earnings (loss) from continuing operations, net of tax | 606.6 | 290.1 | 357.7 | 206.6 | (188.1) |
| Earnings from discontinued operations, net of tax | 5.1 | 89.0 | 17.9 | 17.9 | 4.9 |
| Net earnings (loss) | 611.7 | 379.1 | 375.6 | 224.5 | (183.2) |
| Less: net earnings (loss) attributable to noncontrolling interests | 5.2 | 9.6 | 5.5 | 2.2 | (4.2) |
| Net earnings (loss) attributable to FNF common shareholders | $ 606.5 | $ 369.5 | $ 370.1 | $ 222.3 | $ (179.0) |

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2009(1) | 2008(2) |
| | (Dollars in millions, except share data) | | | | |
| **Per Share Data (3):** | | | | | |
| Basic net earnings (loss) per share attributable to FNF common shareholders | $ 2.74 | $ 1.69 | $ 1.64 | $ 0.99 | $ (0.85) |
| Weighted average shares outstanding, basic basis (3) | 221.2 | 219.0 | 226.2 | 224.7 | 210.0 |
| Diluted net earnings (loss) per share attributable to FNF common shareholders | $ 2.68 | $ 1.66 | $ 1.61 | $ 0.97 | $ (0.85) |
| Weighted average shares outstanding, diluted basis (3) | 226.0 | 222.7 | 229.3 | 228.5 | 210.0 |
| Dividends declared per share | $ 0.58 | $ 0.48 | $ 0.69 | $ 0.60 | $ 1.05 |
| **Balance Sheet Data:** | | | | | |
| Investments (4) | $ 4,053.0 | $ 4,051.7 | $ 4,358.5 | $ 4,685.4 | $ 4,376.5 |
| Cash and cash equivalents (5) | 1,131.9 | 665.7 | 580.8 | 202.1 | 315.3 |
| Total assets | 9,902.6 | 7,862.1 | 7,887.5 | 7,934.4 | 8,368.2 |
| Notes payable | 1,343.9 | 915.8 | 952.0 | 861.9 | 1,350.8 |
| Reserve for claim losses (6) | 1,748.0 | 1,912.8 | 2,270.1 | 2,539.2 | 2,735.7 |
| Equity | 4,749.1 | 3,655.9 | 3,444.4 | 3,344.9 | 2,856.8 |
| Book value per share (7) | $ 20.78 | $ 16.57 | $ 15.39 | $ 14.53 | $ 13.29 |
| **Other Data:** | | | | | |
| Orders opened by direct title operations (in 000's) | 2,702.0 | 2,140.1 | 2,385.3 | 2,611.4 | 1,860.4 |
| Orders closed by direct title operations (in 000's) | 1,866.5 | 1,514.2 | 1,574.3 | 1,792.0 | 1,121.2 |
| Provision for title insurance claim losses as a percent of title insurance premiums (6) | 7.0% | 6.8% | 6.8% | 5.1% | 18.2% |
| Title related revenue (8): | | | | | |
| Percentage direct operations | 62.1% | 61.0% | 55.6% | 54.2% | 59.4% |
| Percentage agency operations | 37.9% | 39.0% | 44.4% | 45.8% | 40.6% |

(1) Our financial results for the year ended December 31, 2009, include a decrease to our provision for claim losses of $74.4 million ($47.1 million net of income taxes) as a result of favorable claim loss development on prior policy years, offset by an increase to the provision for claim losses of $63.2 million ($40.0 million net of income taxes) as a result of unfavorable developments in the third quarter on a previously recorded insurance receivable.

(2) Our financial results for the year ended December 31, 2008, include a charge to our provision for claim losses of $261.6 million ($154.1 million net of income taxes), which we recorded as a result of adverse claim loss development on prior policy years.

(3) Weighted average shares outstanding as of December 31, 2009 includes 18,170,000 shares that were issued as part of an equity offering by FNF on April 20, 2009.

(4) Long-term investments as of December 31, 2012 , 2011 , 2010 , 2009 , and 2008 , include securities pledged to secured trust deposits of $275.2 million , $274.2 million , $252.1 million , $288.7 million , and $382.6 million , respectively.

(5) Cash and cash equivalents as of December 31, 2012 , 2011 , 2010 , 2009 , and 2008 include cash pledged to secured trust deposits of $265.9 million , $161.3 million , $146.2 million , $96.8 million , and $109.6 million , respectively.

(6) As a result of favorable title insurance claim loss development on prior policy years, we recorded a credit in 2009 totaling $74.4 million, or $47.1 million net of income taxes, to our provision for claims losses. As a result of adverse title insurance claim loss development on prior policy years, we recorded charges in 2008 totaling $261.6 million, or $154.1 million net of income taxes, to our provision for claim losses. These credits/charges were recorded in addition to our average provision for claim losses of 7.3% and 8.5% for the years ended December 31, 2009 and 2008, respectively.

(7) Book value per share is calculated as equity at December 31 of each year presented divided by actual shares outstanding at December 31 of each year presented.

(8) Includes title insurance premiums and escrow, title-related and other fees.

**Selected Quarterly Financial Data (Unaudited)**

Selected quarterly financial data is as follows:

| | Quarter Ended | | | |
|---|---|---|---|---|
| | March 31, | June 30, | September 30, | December 31, |
| | (Dollars in millions, except per share data) | | | |
| **2012** | | | | |
| Revenue | $ 1,189.9 | $ 1,736.9 | $ 2,039.9 | $ 2,235.0 |
| Earnings from continuing operations before income taxes, equity in earnings of unconsolidated affiliates, and noncontrolling interest | 105.6 | 223.0 | 300.7 | 214.1 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 74.4 | 147.0 | 233.3 | 151.8 |
| Basic earnings per share attributable to Fidelity National Financial, Inc. common shareholders | 0.34 | 0.67 | 1.05 | 0.68 |
| Diluted earnings per share attributable to Fidelity National Financial, Inc. common shareholders | 0.33 | 0.65 | 1.03 | 0.66 |
| Dividends paid per share | 0.14 | 0.14 | 0.14 | 0.16 |
| **2011** | | | | |
| Revenue | $ 1,131.9 | $ 1,233.7 | $ 1,201.1 | $ 1,272.9 |
| Earnings from continuing operations before income taxes, equity in loss of unconsolidated affiliates, and noncontrolling interest | 77.1 | 109.2 | 111.6 | 116.9 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 42.5 | 80.0 | 74.3 | 172.7 |
| Basic earnings per share attributable to Fidelity National Financial, Inc. common shareholders | 0.19 | 0.36 | 0.34 | 0.80 |
| Diluted earnings per share attributable to Fidelity National Financial, Inc. common shareholders | 0.19 | 0.36 | 0.33 | 0.78 |
| Dividends paid per share | 0.12 | 0.12 | 0.12 | 0.12 |

**Item 7.** ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with the Consolidated Financial Statements and the Notes thereto and Selected Financial Data included elsewhere in this Form 10-K.

**Overview**

We are a leading provider of title insurance, mortgage services and other diversified services. FNF is the nation's largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title and Alamo Title - that collectively issue more title insurance policies than any other title company in the United States. We also hold a 55% ownership interest in American Blue Ribbon Holdings, LLC ("ABRH"), the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Stoney River Legendary Steaks concepts. We also recently acquired 100% of J. Alexander's LLC ("J. Alexander's"). In addition, we own a 51% ownership interest in Remy International, Inc. ("Remy"), a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles. FNF also owns a minority interest in Ceridian Corporation ("Ceridian"), a leading provider of global human capital management and payment solutions.

We currently have four reporting segments as follows:

- *Fidelity National Title Group.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee's sales guarantees, recordings and reconveyances, and home warranty insurance.

- *Remy.* This segment consists of the operations of Remy, in which we have a 51% ownership interest. Remy is a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles.

- *Restaurant Group.* The Restaurant Group segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Stoney River Legendary Steaks. This segment also includes the recently acquired J. Alexander's.

- *Corporate and Other.* The corporate and other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, other smaller operations, and our share in the operations of certain equity investments, including Ceridian.

**Recent Developments**

On December 31, 2012, we acquired Digital Insurance, Inc. ("Digital Insurance"). Total consideration paid was $98.2 million in cash, net of cash acquired of $3.1 million. We consolidated the operations of Digital Insurance as of December 31, 2012. Digital Insurance is the nation's leading employee benefits platform specializing in health insurance distribution and benefits management for small and mid-sized businesses. See Note B of the Notes to Consolidated Financial Statements for further details on this transaction.

In September 2012, we successfully completed a tender offer for the outstanding common stock of J. Alexander's Corporation for $14.50 per share. Total consideration paid was $70.4 million in cash, net of cash acquired of $6.9 million. We have consolidated the operations of J. Alexander's beginning September 26, 2012. As of December 31, 2012, J. Alexander's operates 33 J. Alexander's restaurants in 13 states. Subsequent to year-end on February 25, 2013, we merged Stoney River Legendary Steaks into J. Alexander's. See Note B of the Notes to Consolidated Financial Statements for further details on this transaction.

During the third quarter of 2012, we acquired 1.5 million additional shares of Remy International, Inc. ("Remy"), increasing our ownership interest to 16.3 million shares or 51% of Remy's total outstanding common shares. As a result of this acquisition we began to consolidate the results of Remy effective August 14, 2012. We previously held a 47% ownership interest in Remy. Total consideration paid for the additional 1.5 million shares was $31.3 million and cash acquired upon consolidation of Remy was $95.5 million. Our 47% equity method investment prior to consolidation of $179.2 million was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheets. A realized gain of $78.8 million was recognized in 2012 for the difference between our basis in our equity method investment of Remy prior to consolidation and the fair value of our investment in Remy at August 14, 2012, the date we acquired control and began to consolidate its operations. See Note B of the Notes to Consolidated Financial Statements for further details on this transaction.

On August 28, 2012, we completed an offering of $400.0 million in aggregate principal amount of 5.50% notes due September 2022 (the "5.50% notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The notes were priced at 99.513% of par to yield 5.564% annual interest. As such we recorded a discount of $1.9 million, which is netted against the $400.0 million aggregate principal amount of the 5.50% notes. The discount is amortized to September 2022 when the 5.50% notes mature. The 5.50% notes will pay interest semi-annually on the 1st of March and September, beginning March 1, 2013. We received net proceeds of $395.5 million, after expenses, which were used to repay the $236.5 million aggregate principal amount outstanding of our 5.25% unsecured notes maturing in March 2013, and the $50.0 million in prinicpal amount outstanding on our revolving credit facility, and the remainder is being held for general corporate purposes. See Note J of the Notes to Consolidated Financial Statements.

On September 28, 2012, we used $242.3 million of the net proceeds of the issuance of the 5.50% notes to fund the repayment of the $236.5 million aggregate principal amount outstanding of our 5.25% unsecured notes, including $0.6 million of unpaid interest and a $5.2 million make-whole call penalty, as the 5.25% unsecured notes had a stated maturity of March 2013. See Note J of the Notes to Consolidated Financial Statements.

On May 31, 2012, ABRH entered into a credit agreement (the “ABRH Credit Facility”) with Wells Fargo Capital Finance, LLC as administrative agent and swing lender (the “ABRH Administrative Lender”) and the other financial institutions party thereto. The ABRH Credit Facility provides for a maximum revolving loan of $80.0 million with a maturity date of May 31, 2017. Additionally, the ABRH Credit Facility provides for a maximum term loan ("Restaurant Group Term Loan") of $85.0 million with quarterly installment repayments through December 25, 2016 and a maturity date of May 31, 2017 for the outstanding unpaid principal balance and all accrued and unpaid interest. See Note J of the Notes to Consolidated Financial Statements.

On May 1, 2012, we completed the sale of an 85% interest in our remaining subsidiaries that write personal lines insurance to WT Holdings, Inc. for $ 119.0 million . Accordingly, the results of this business through the date of sale (which we refer to as our "at-risk" insurance business) for all periods presented are reflected in the Consolidated Statements of Earnings as discontinued operations. The at-risk insurance business sale resulted in a pre-tax loss of $ 15.1 million , which was recorded in the fourth quarter of 2011. See Note A of the Notes to Consolidated Financial Statements for further details on this transaction.

On April 16, 2012, we entered into an agreement to amend and extend our credit agreement dated September 12, 2006, as amended and restated as of March 5, 2010 (the “ Revolving Credit Facility”) with Bank of America, N.A. as administrative agent and swing line lender (the “Administrative Agent”), and the other financial institutions party thereto, and an agreement to change the aggregate size of the credit facility under the Revolving Credit Facility. These agreements reduced the total size of the credit facility from $925.0 million to $800.0 million, with an option to increase the size of the credit facility to $900.0 million, and established an extended maturity date of April 16, 2016. Pricing for the new agreement is based on an applicable margin between 132.5 basis points to 160.0 basis points over LIBOR, depending on the senior debt ratings of FNF. See Note J of the Notes to Consolidated Financial Statements.

On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's Inc. ("O'Charley's"). We have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55%. As of December 31, 2012, there were 322 company-owned restaurants in the O'Charley's group of companies and 218 company-owned restaurants in the ABRH group of companies. Total consideration paid was $122.2 million in cash, net of cash acquired of $35.0 million. Our investment in ABRH prior to the merger, was $37.0 million and was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheet. Our investment in O'Charley's prior to the tender offer of $13.8 million was included in Equity securities available for sale on the Consolidated Balance Sheet. We have consolidated the operations of ABRH with the O'Charley's group of companies, beginning on May 11, 2012. See Note B of the Notes to Consolidated Financial Statements for further details on this transaction.

**Related Party Transactions**

Our financial statements reflect transactions with Fidelity National Information Services ("FIS"), which is a related party. See Note A of the Notes to Consolidated Financial Statements.

**Business Trends and Conditions**

Title insurance revenue is closely related to the level of real estate activity which includes sales, mortgage financing 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. Declines in the level of real estate activity or the average price of real estate sales will adversely affect our title insurance revenues.

We have found that residential real estate activity is generally dependent on the following:

- mortgage interest rates;
- the mortgage funding supply; and
- the strength of the United States economy, including employment levels.

In 2007, as interest rates on adjustable rate mortgages reset to higher rates, foreclosures on subprime mortgage loans increased to record levels. This resulted in a significant decrease in levels of available mortgage funding as investors became wary of the risks associated with investing in subprime mortgage loans. In addition, tighter lending standards and a bearish outlook on the real estate environment caused potential home buyers to become reluctant to purchase homes. In 2008, the increase in foreclosure activity, which had previously been limited to the subprime mortgage market, became more widespread as borrowers encountered difficulties in attempting to refinance their adjustable rate mortgages. In the last three years, the elevated mortgage delinquency and default rates caused negative operating results at a number of banks and financial institutions and, as a result, significantly reduced the level of lending activity. Multiple banks have failed over the past three years and others may fail in the future, further reducing the capacity of the mortgage industry to make loans.

Since December 2008, the Federal Reserve has held the federal funds rate at 0.0%-0.25%, and has indicated that rates will stay at this level at least through 2014. Mortgage interest rates remained at historically low levels throughout 2011 and continued to decrease throughout 2012.

According to the MBA, U.S. mortgage originations (including refinancings) were approximately $ 1.8 trillion, $ 1.3 trillion and $ 1.6 trillion in 2012 , 2011 and 2010 , respectively. The MBA's Mortgage Finance Forecast currently estimates an approximately $ 1.4 trillion mortgage origination market for 2013 , which would be a decrease of 22.2% from 2012 . The MBA forecasts that the 22.2% decrease will result almost entirely from decreased refinance activity.

Several pieces of legislation were enacted to address the struggling mortgage market and the current economic and financial environment. On October 24, 2011, the Federal Housing Finance Agency announced a series of changes to the Home Affordable Refinance Program ("HARP") that would make it easier for certain borrowers who owe more than their home is worth and who are current on their mortgage payments to refinance their mortgages at lower interest rates. The new program reduces or eliminates the risk-based fees Fannie Mae and Freddie Mac charge on many loans, raises the loan-to-home value ratio requirement for refinancing, and streamlines the underwriting process. According to the Federal Housing Authority ("FHA"), lenders began taking refinancing applications on December 1, 2011 under the modified HARP. We believe that the modified HARP program has had a positive impact on the volume of our refinance orders during 2012. We are uncertain to what degree the modified HARP program may affect our results in the future.

On February 1, 2012, the Obama Administration announced new initiatives designed to increase refinancing of mortgages, reduce foreclosures and improve the housing market. Under these initiatives, among other things: (i) certain borrowers with loans insured by Fannie Mae or Freddie Mac ("GSEs" and such loans, "GSE loans") and certain borrowers with non-GSE loans, through a new FHA program, would be able to refinance their mortgages and take advantage of the currently low interest rates; (ii) the FHA will begin transitioning foreclosed properties in the nation's hardest-hit cities into rental housing units; (iii) GSEs and major banks have begun offering one year of forbearance (up from three months) to certain unemployed borrowers; and (iv) the Home Affordable Modification Program ("HAMP") was extended through 2013, including easing the eligibility requirements and increasing the financial incentives for banks to participate. As indicated, the Obama Administration has already begun implementing these initiatives, except for the refinancing initiatives. The GSEs have not started the refinancing program. The Obama Administration is looking to Congress to pass legislation to implement a refinancing program for non-GSE loans. We are uncertain to what degree these initiatives may affect our results in the future.

During 2010, a number of lenders imposed freezes on foreclosures in some or all states as they reviewed their foreclosure practices. In response to these freezes, the Office of the Comptroller of the Currency ("OCC") is concurrently reviewing the foreclosure practices in the residential mortgage loan servicing industry. On April 13, 2011, the OCC and other federal regulators announced formal consent orders against several national bank mortgage servicers and third-party servicer providers for inappropriate practices related to residential mortgage loan servicing and foreclosure processing. The consent orders require the servicers to promptly correct deficiencies and make improvements in practices for residential mortgage loan servicing and foreclosure processing, including improvements to future communications with borrowers and a comprehensive "look back" to assess whether foreclosures complied with federal and state laws and whether any deficiencies in the process or related documentation resulted in financial injury to borrowers. We are not involved in these enforcement actions and we do not believe that we are exposed to significant losses resulting from faulty foreclosure practices. Our title insurance underwriters issue title policies on real estate owned properties to new purchasers and lenders to those purchasers. We believe that these policies will not result in significant additional claims exposure to us because even if a court sets aside a foreclosure due to a defect in documentation, the foreclosing lender would be required to return to our insureds all funds obtained from them, resulting in reduced exposure under the title insurance policy. Further, we believe that under current law and the rights we have under our policies, we would have the right to seek recovery from the foreclosing lender in the event of a failure to comply with state laws or local practices in connection with a foreclosure. Many states continue to evaluate foreclosure practices and related legislation may change in the future. The consent orders imposed by the federal regulators have continued to delay lender foreclosure completions. In January 2012, ten large mortgage servicers concluded the reviews required by the 2011 consent orders and agreed to monetary settlements.

On February 9, 2012, federal officials, state attorneys general and representatives of Bank of America, JP Morgan Chase, Wells Fargo, Citigroup and Ally Financial agreed to a $25 billion settlement of federal and state investigations into the foreclosure practices of banks and other mortgage servicers from September 2008 to December 2011. Under the settlement, approximately 1,000,000 underwater borrowers will have their mortgages reduced by lenders and 300,000 homeowners will be able to refinance their homes at lower interest rates. We are uncertain to what degree these initiatives have affected our results or may affect our results in the future.

In addition to state-level regulation, segments of our title insurance business are subject to regulation by federal agencies, including the newly formed Consumer Financial Protection Bureau (“CFPB”). The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 established the CFPB, and in January 2012, President Obama appointed its first director. The CFPB has been given broad authority to regulate, among other areas, the mortgage and real estate markets in matters pertaining to consumers. This authority includes the enforcement of the Real Estate Settlement Procedures Act formerly placed with the Department of Housing and Urban Development. On July 9, 2012, the CFPB introduced a number of proposed rules related to the enforcement of the Real Estate Settlement Procedures Act and the Truth in Lending Act, including, among others, measures designed to (i) simplify financing documentation and (ii) require lenders to deliver to consumers a statement of final financing charges (and the related annual percentage rate) at least three business days prior to the closing. A final version of these rules is expected to be published in 2013. We cannot be certain what impact, if any, the final rules, or the CFPB generally, will have on our title insurance business.

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 third calendar quarter has been typically the strongest in terms of revenue primarily due to a higher volume of home sales in the summer months and the fourth quarter is usually also strong due to commercial entities desiring to complete transactions by year-end. From 2008 - 2011, we have seen a divergence from these historical trends with orders being negatively affected by a reduction in the availability of financing, rising default levels, and falling home values causing an overall downward trend in home sales. In addition we have noted short term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates and the implementation and subsequent expiration of government programs designed to stimulate the real estate market. During 2012 we experienced an increase in existing home sales to the highest volume levels since 2007. We have also seen a decline in total housing inventory to the lowest levels since 2005.

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, we believe that our commercial real estate title insurance business is less dependent on the industry cycles discussed above than our residential real estate title business. However, from 2007 to 2009 we experienced a significant decrease in our average commercial fee per file and a decrease in the number of closings of larger deals due to difficulties or delays in obtaining financing. During 2010 and through 2012, we have experienced an increase in fee per file and in the volume of commercial transactions, which indicates an improvement in commercial markets.

*Remy*

Remy manufactures and sells auto parts, principally starter motors and alternators, as well as hybrid electric motors, for sale to original equipment manufacturers (OEM) and aftermarket customers. Remy manufactures products for automobiles as well as light and heavy duty commercial vehicles. The OEM market for auto parts is dependent on levels of new vehicle production, which in turn, is affected by the overall economy, consumer confidence, discounts and incentives offered by automakers and the availability of funds to finance purchases.

In its aftermarket operations, Remy's results are affected by the strength of the economy and by gas prices, but do not follow the same cycles as original equipment market sales. In a weaker economy, drivers tend to keep their vehicles and repair them rather than buying new vehicles. Lower gas prices have historically tended to result in more miles driven, which increases the frequency with which auto repairs are needed. Nevertheless, a weak economy also may reduce miles driven. Over the long term, improvements in the durability of original equipment and aftermarket parts has reduced, and is expected to further reduce, the number of units sold in the aftermarket. Aftermarket revenues are also affected by other factors, including severe weather (which tends to lead to increased sales) and competitive pressures. Many parts retailers and warehouse distributors purchase starters and alternators from only one or two suppliers, under contracts that run for five years or less. When contracts are up for renewal, competitors tend to bid very aggressively to replace the incumbent supplier, although the cost of switching from the incumbent tends to mitigate this competition.

*Restaurant Group*

The restaurant industry is highly competitive and is often affected by changes in consumer tastes and discretionary spending patterns; changes in general economic conditions; public safety conditions or concerns; demographic trends; weather conditions; the cost of food products, labor, energy and other operating costs; and governmental regulations. The restaurant industry is also characterized by high capital investments for new restaurants and relatively high fixed or semi-variable restaurant operating expenses. Because of the high fixed and semi-variable expenses, changes in sales in existing restaurants are generally expected to significantly affect restaurant profitability because many restaurant costs and expenses are not expected to change at the same rate as sales. Restaurant profitability can also be negatively affected by inflationary and regulatory increases in operating costs and other factors. The three most significant commodities that may affect our cost of food and beverage are beef, seafood, poultry, and dairy, which accounted for almost 45 percent of our overall cost of food and beverage in the past. Generally, temporary increases in these costs are not passed on to guests; however, in the past, we have adjusted menu prices to compensate for increased costs of a more permanent nature.

Average weekly sales per restaurant are typically higher in the first and fourth quarters than in other quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

In 2010, the Patient Protection and Affordable Care Act ("Affordable Care Act") was passed and becomes effective in 2014. We are continuing to assess the impact of the Affordable Care Act on our health care benefit costs. The imposition of any requirement that we provide health insurance benefits to employees that are more extensive than the health insurance benefits we currently provide, or the imposition of additional employer paid employment taxes on income earned by our employees, could have a material adverse effect on our results of operations in the future. The Affordable Care Act is likely to similarly affect the restaurant industry in general. Additionally, our Restaurant Group and suppliers may also be affected by higher minimum wage and benefit standards, which could result in higher costs for goods and services supplied to us.

Our revenues in future periods will continue to be subject to these and other factors that are beyond our control and, as a result, are likely to fluctuate.

**Critical Accounting Estimates**

The accounting estimates described below are those we consider critical in preparing our Consolidated 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 Consolidated 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 Consolidated Financial Statements for additional description of the significant accounting policies that have been followed in preparing our Consolidated Financial Statements.

*Reserve for Title Claim Losses.* Title companies issue two types of policies, owner's and lender's policies, since both the new owner and the 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 buyer against such defects for as long as he or she owns the property (as well as against warranty claims arising out of the sale of the property by such owner). 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, however, occasionally we do incur losses in excess of policy limits. 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 for events that predate 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 title claim losses includes reserves for known claims as well as for losses that have been incurred but not yet reported to us (“IBNR”), net of recoupments. We reserve for each known claim based on our review of the estimated amount of the claim and the costs required to settle the claim. Reserves for IBNR claims 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 related to title insurance:

| | As of December 31, 2012 | % | As of December 31, 2011 | % |
|---|---|---|---|---|
| | | (in millions) | | |
| Known claims | $ 286.2 | 16.4% | $ 334.0 | 17.5% |
| IBNR | 1,461.8 | 83.6 | 1,578.8 | 82.5 |
| Total Reserve for Title Claim Losses | $ 1,748.0 | 100.0% | $ 1,912.8 | 100.0% |

Although claims against title insurance policies can be reported relatively soon after the policy has been issued, claims may be reported many years later. Historically, approximately 60% of claims are paid within approximately five years of the policy being written. By their nature, claims are often complex, vary greatly in dollar amounts and are affected by economic and market conditions, as well as 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.

Our process for recording our reserves for claim losses begins with analysis of our loss provision rate. We forecast ultimate losses for each policy year based upon historical policy year loss emergence (development) patterns and adjust these to reflect policy year and policy type differences which affect the timing, frequency and severity of claims. We also use a technique that relies on historical loss emergence and on a premium-based exposure measurement. The latter technique is particularly applicable to the most recent policy years, which have few reported claims relative to an expected ultimate claim volume. After considering historical claim losses, reporting patterns and current market information, and analyzing quantitative and qualitative data provided by our legal, claims and underwriting departments, we determine a loss provision rate, which is recorded as a percentage of current title premiums. This loss provision rate is set to provide for losses on current year policies, but due to development of prior years and our long claim duration, it periodically includes amounts of estimated adverse or positive development on prior years' policies. Any significant adjustments to strengthen or release loss reserves resulting from the comparison with our actuarial analysis are made in addition to this loss provision rate. We have been recording our periodic loss provision rate at 7.0% of title premiums in 2012 and 6.8% of title premiums in 2011 and 2010. Of such amounts, 5.5%, 5.8%, and 6.0% related to losses on policies written in the current year, and the remainder relates to developments on prior year policies. In 2012, adverse development of $57.5 million or 1.5% of 2012 premiums was accounted for in the loss provision rate. At each quarter-end, our recorded reserve for claim losses is initially the result of taking the prior recorded reserve for claim losses, adding the current provision and subtracting actual paid claims, resulting in an amount that management then compares to the range of reasonable estimates provided by the actuarial calculation.

Due to the uncertainty inherent in the process and due to the judgment used by both management and our actuary, our ultimate liability may be greater or less than our carried reserves. If the recorded amount is within the actuarial range but not at the central estimate, we assess the position within the actuarial range by analysis of other factors in order to determine that the recorded amount is our best estimate. These factors, which are more qualitative than quantitative, can change from period to period, and include items such as current trends in the real estate industry (which we can assess, but for which there is a time lag in the development of the data used by our actuary), any adjustments from the actuarial estimates needed for the effects of unusually large or small claims, improvements in our claims management processes, and other cost-saving measures. If the recorded amount is not within a reasonable range of our actuary's central estimate, we may have to record a charge or credit and reassess the loss provision rate on a go-forward basis. We will continue to reassess the provision to be recorded in future periods consistent with this methodology.

The table below presents our title insurance loss development experience for the past three years:

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| | | (In millions) | |
| Beginning balance | $ 1,912.8 | $ 2,210.9 | $ 2,488.8 |
| Claims loss provision related to: | | | |
| Current year | 211.0 | 188.7 | 218.5 |
| Prior years | 57.5 | 33.6 | 30.4 |
| Total title claims loss provision (1) | 268.5 | 222.3 | 248.9 |
| Claims paid, net of recoupments related to: | | | |
| Current year | (4.0) | (9.9) | (5.7) |
| Prior years | (429.3) | (510.5) | (521.1) |
| Total title claims paid, net of recoupments | (433.3) | (520.4) | (526.8) |
| Ending balance | $ 1,748.0 | $ 1,912.8 | $ 2,210.9 |
| Title premiums | $ 3,836.5 | $ 3,261.1 | $ 3,641.2 |

(1) Included in the provision for title claim losses in the 2012 period is a $10.8 million impairment recorded on an asset previously recouped as part of a claim settlement.

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Provision for claim losses as a percentage of title insurance premiums: | | | |
| Current year | 5.5% | 5.8% | 6.0% |
| Prior years | 1.5 | 1.0 | 0.8 |
| Total provision | 7.0% | 6.8% | 6.8% |

Actual claims payments are made up of loss payments and claims management expenses offset by recoupments and were as follows (in millions):

| | Loss Payments | Claims Management Expenses | Recoupments | Net Loss Payments |
|---|---|---|---|---|
| Year ending December 31, 2012 | $ 344.5 | $ 182.0 | $ (93.2) | $ 433.3 |
| Year ending December 31, 2011 | 361.4 | 215.4 | (56.4) | 520.4 |

As of December 31, 2012, the recorded reserve for title insurance claims losses was $1.7 billion, which was approximately $0.05 billion below the central estimate provided by our actuary, but within the provided actuarial range of $1.6 billion to $1.9 billion. We believe that our recorded reserves are reasonable and represent our best estimate. In reaching this conclusion, we considered the following qualitative factors.

As noted above, our recorded reserves were below the mid-point of the range of our actuarial estimates as of December 31, 2012. Management is comfortable with our recorded position as we have seen significant positive developments in 2012 and 2011 in claims management expenses as a percentage of our total net losses. Claims management expenses have decreased due to management initiatives related to use of outside counsel and their fees and additional use of internal counsel in handling claims matters. These developments are not yet fully reflected in our actuarial analysis. This has been somewhat offset because the actual claim loss payments were greater than the claims projected to be paid in the model utilized by our actuary. Overall, net loss payments primarily related to the high volume policy years in the mid-2000's, particularly the 2005-2008 policy years. We believe that this development related to the fact that these policy years have higher loss ratios and that the reporting of these claims has been accelerated. The reasons for higher loss payments and payment acceleration are as follows:

- Historical high prices for real estate (thus higher policy limits as compared to premiums earned)
- Increased volume of real estate transactions increased likelihood of errors in the examination and closing process
- Increased values and volumes of real estate transactions and weaker loan underwriting standards increased the likelihood of fraudulent transactions
- Subsequent declines in home equity values resulted in lender losses that would not have been losses had home equity been maintained
- Increased foreclosures resulted in higher litigation costs and acceleration in reporting of claims
- Increased exposure to mechanic lien claims from failures of builders and developers

Some traditional actuarial methods, such as paid loss development, are particularly sensitive to distortions in payment activity. We believe that the high level of foreclosure activity over the past three years is accelerating the reporting of claims, particularly lender claims, thereby increasing paid losses and expenses. As a result, a paid loss development approach may temporarily overstate ultimate cost projections. We believe that losses and expenses related to this accelerated claims activity, specifically losses relating to lender policies, will have a shorter duration and that expected payments relating to these policy years will eventually return to or perhaps even drop below historical levels. We have also seen positive development relating to the 2009 through 2012 policy years, which we believe is indicative of more stringent underwriting standards by us and the lending industry. In addition we have seen significant positive development in residential owners policies due to increased payments on residential lenders policies which inherently limit the potential loss on the related owners policy to the differential in coverage amount between the amount insured under the owner's policy and the amount paid under the residential lender's policy. Also, any residential lender policy claim paid relating to a property that is in foreclosure negates any potential loss under an owner's policy previously issued on the property as the owner has no equity in the property. Along with the positive development on claims management expenses, our ending open claim inventory also decreased from approximately 33,000 claims at December 31, 2011 to approximately 30,000 claims at December 31, 2012. If actual claims loss development is worse than currently expected and is not offset by other positive factors, such as continued improvement in claims management expenses and the other factors mentioned above, it is reasonably possible that our recorded reserves may fall outside a reasonable range of our actuary's central estimate, which may require additional reserve strengthening in future periods.

As of December 31, 2011 and 2010, our recorded reserves were $1.9 billion and $2.2 billion, which we determined was reasonable and represented our best estimate and these recorded amounts were within a reasonable range of the central estimates provided by our actuaries.

An approximate $ 38.4 million increase (decrease) in our annualized provision for title claim losses would occur if our loss provision rate were 1% higher (lower), based on 2012 title premiums of $ 3,836.5 million. A 10% increase (decrease) in the reserve for title claim losses would result in an increase (decrease) in our provision for title claim losses of approximately $ 174.8 million.

*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 intent and need to sell the investment prior to 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 or by using other qualitative factors. Fixed maturity investments that have unrealized losses caused by interest rate movements are not at risk as we do not anticipate having the need or intent to sell prior to maturity. Unrealized losses on investments in equity securities, preferred stock 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 our monitoring and analysis has provided 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.

The fair value hierarchy established by the standard on fair value includes three levels, which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

In accordance with the standard on fair value, our financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

*Level 1.* Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

*Level 2.* Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3.* Financial assets and liabilities whose values are based on model inputs that are unobservable.

The following table presents our fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2012 and 2011 , respectively:

| | **December 31, 2012** | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | **(In millions)** | | | |
| Fixed-maturity securities available for sale | $ — | $ 3,139.8 | $ — | $ 3,139.8 |
| Equity securities available for sale | 137.6 | — | — | 137.6 |
| Preferred stock available for sale | 108.8 | 108.1 | — | 216.9 |
| Other long-term investments | — | — | 40.8 | 40.8 |
| Foreign exchange contracts | — | 5.3 | — | 5.3 |
| Total assets | $ 246.4 | $ 3,253.2 | $ 40.8 | $ 3,540.4 |
| Liabilities: | | | | |
| Interest rate swap contracts | $ — | $ 2.2 | $ — | $ 2.2 |
| Commodity contracts | — | 1.6 | — | 1.6 |
| Total liabilities | $ — | $ 3.8 | $ — | $ 3.8 |

| | **December 31, 2011** | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | **(In millions)** | | | |
| Fixed-maturity securities available for sale | $ — | $ 3,457.0 | $ — | $ 3,457.0 |
| Equity securities available for sale | 105.7 | — | — | 105.7 |
| Preferred stock available for sale | 14.2 | 71.4 | — | 85.6 |
| Other long-term investments | — | — | 40.8 | 40.8 |
| Total | $ 119.9 | $ 3,528.4 | $ 40.8 | $ 3,689.1 |

Our Level 2 fair value measures for fixed-maturities available for sale are provided by third-party pricing services. We utilize one firm for our taxable bond and preferred stock portfolio and another for our tax-exempt bond portfolio. These pricing services are leading global providers of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are:

U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.

State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.

Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, or any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.

Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.

Mortgage-backed/asset-backed securities: These securities are comprised of commercial mortgage-backed securities, agency mortgage-backed securities, collaterized mortgage obligations, and asset-backed securities. They are valued based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.

Preferred stock: Preferred stocks are valued by calculating the appropriate spread over a comparable US Treasury security. Inputs include benchmark quotes and other relevant market data.

Our Level 2 fair value measures for our interest rate swap, foreign exchange contracts, and commodity contracts are valued using the income approach. This approach uses techniques to convert future amounts to a single present value amount based upon market expectations (including present value techniques, option-pricing and excess earnings models).

Our Level 3 investments consist of structured notes that were purchased in the third quarter of 2009. The structured notes had a par value of $ 37.5 million and fair value of $ 40.8 million at December 31, 2012 and December 31, 2011 . The structured notes are held for general investment purposes and represent one percent of our total investment portfolio. The structured notes are classified as Other long-term investments and are measured in their entirety at fair value with changes in fair value recognized in earnings. The fair value of these instruments are the product of a proprietary valuation model utilized by the trading desk of the broker-dealer and contain assumptions relating to volatility, the level of interest rates, and the underlying value of the indexes, exchange-traded funds, and foreign currencies. We review the pricing methodologies for our Level 3 investments to ensure that they are reasonable and believe they represent an exit price as of December 31, 2012 .

During 2012 and 2011, we incurred impairment charges relating to investments that were determined to be other-than-temporarily impaired, which resulted in impairment charges of $ 2.7 million and $ 17.1 million, respectively. Impairment charges in 2012 and in 2011 related to fixed maturity securities primarily related to our conclusion that the credit risk of these holdings was high and the ability of the issuer to pay the full amount of the principal outstanding was unlikely. During 2010, we incurred no impairment charges relating to investments that were determined to be other-than-temporarily impaired.

Included in our Investments as of December 31, 2012 are various holdings in Foreign securities, including several European countries' instruments as follows:

| | Carrying Value | Book Value | Unrealized Gains | Unrealized Losses | Fair Value |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Available for sale securities: | | | | | |
| Australia | $ 41.4 | $ 39.7 | $ 1.7 | $ — | $ 41.4 |
| Belgium | 15.2 | 14.7 | 0.5 | — | 15.2 |
| Canada | 77.8 | 76.1 | 2.3 | (0.6) | 77.8 |
| Germany | 13.4 | 13.1 | 0.3 | — | 13.4 |
| Ireland | 30.2 | 30.0 | 0.2 | — | 30.2 |
| Japan | 17.1 | 16.8 | 0.3 | — | 17.1 |
| Luxembourg | 23.5 | 23.7 | 0.1 | (0.3) | 23.5 |
| Netherlands | 8.3 | 8.1 | 0.2 | — | 8.3 |
| Spain | 15.1 | 14.6 | 0.5 | — | 15.1 |
| Switzerland | 21.4 | 20.9 | 0.5 | — | 21.4 |
| United Kingdom | 63.5 | 60.5 | 3.0 | — | 63.5 |
| Other long-term investments: | | | — | | |
| France | 25.9 | 25.9 | — | — | 25.9 |
| United Kingdom | 14.9 | 14.9 | — | — | 14.9 |
| Total | $ 367.7 | $ 359.0 | $ 9.6 | $ (0.9) | $ 367.7 |

We have reviewed all of these securities as of December 31, 2012 and do not believe that there is a risk of credit loss as these securities are in a gross unrealized gain position of $9.6 million and a gross unrealized loss position of $0.9 million . We held no European sovereign debt at December 31, 2012 .

*Goodwill.* We have made acquisitions in the past that have resulted in a significant amount of goodwill. As of December 31, 2012 and 2011 , goodwill aggregated $ 1,908.5 million and $ 1,452.2 million, respectively. The majority of our goodwill as of December 31, 2012 and 2011 relates to goodwill recorded in connection with the Chicago Title merger in 2000. In evaluating the recoverability of goodwill, we perform a qualitative analysis to determine whether it is more likely than not that our fair value exceeds our carrying value. Based on the results of this analysis, an annual goodwill impairment test may be completed based on an analysis of the discounted future cash flows generated by the underlying assets. The process of determining whether or not goodwill is impaired or recoverable relies on projections of future cash flows, operating results and market conditions. Future cash flow estimates are based partly on projections of market conditions such as the volume and mix of refinance and purchase transactions and interest rates, which are beyond our control and are likely to fluctuate. 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 our impairment tests. 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 in the future.We have completed our annual goodwill impairment analysis in each of the past three years and as a result, no impairment charges were recorded to goodwill in 2012 , 2011 , or 2010 . As of December 31, 2012 , we have determined that we have a fair value which substantially exceeds our carrying value.

*Other Intangible Assets.* We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts and trademarks which are generally recorded in connection with acquisitions at their fair value, and debt issuance costs relating to the issuance of our long-term notes payable. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method which takes into consideration expected customer attrition rates. 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. Debt issuance costs are amortized on a straight line basis over the contractual life of the related debt instrument.

In our Remy segment, upon entering into new or extending existing contracts, we may be required to purchase certain cores and inventory from our customers at retail prices, or be obligated to provide certain agreed support. The excess of the prices paid for the cores and inventory over fair value, and the value of any agreed support, are recorded as contract intangibles and amortized as a reduction to auto parts revenue on a method to reflect the pattern of economic benefit consumed. Customer contract intangibles which are not paid to customers, are amortized and recorded in cost of auto parts revenue.

We recorded no impairment expense related to other intangible assets in 2012 , 2011 , or 2010 .

*Revenue Recognition.* Our direct title insurance premiums and escrow, title-related and other 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. Historically, the time lag between the closing of these transactions by our agents and the reporting of these policies, or premiums, to us has been up to 15 months, with 70-80% reported within three months following closing, an additional 10-20% reported within the next three months and the remainder within seven to fifteen months. In addition to accruing these earned but unreported agency premiums, we also accrue agent commission expense, which was 76.1% , 77.1% and 78.6% of agent premiums earned in 2012 , 2011 and 2010 , respectively. We also record provision for claim losses at our average provision rate at the time we record the accrual for the premiums, which was 7.0% for 2012 and 6.8% for 2011 and 2010 , and accruals for premium taxes and other expenses relating to our premium accrual. The resulting impact to pretax earnings in any period is less than 10% of the accrued premium amount. The impact of the change in the accrual for agency premiums and related expenses for the years ended December 31, 2012 , 2011 and 2010 on our pretax earnings was an (decrease) increase of $ (0.2) million, $ 7.8 million and $ 10.7 million, respectively. The amount due from our agents relating to this accrual, i.e. the agent premium less their contractual retained commission, was approximately $ 90.7 million and $ 91.3 million at December 31, 2012 and 2011 , respectively, which represents agency premiums of approximately $ 438.2 million and $ 441.2 million at December 31, 2012 and 2011 , respectively, and agent commissions of $ 347.5 million and $ 349.9 million at December 31, 2012 and 2011 , respectively. We may have changes in our accrual for agency revenue in the future if additional relevant information becomes available.

*Accounting for Income Taxes.* As part of the process of preparing the consolidated financial statements, we are required to determine income taxes in each of the jurisdictions in which we operate. This process involves estimating actual current tax expense together with assessing temporary differences resulting from differing recognition of items for income tax and accounting purposes. These differences result in deferred income tax assets and liabilities, which are included within the Consolidated Balance Sheets. We must then assess the likelihood that deferred income tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not likely, establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must reflect this increase as an expense within Income tax expense in the Consolidated Statement of Earnings. Determination of income tax expense requires estimates and can involve complex issues that may require an extended period to resolve. Further, the estimated level of annual pre-tax income can cause the overall effective income tax rate to vary from period to period. We believe that our tax positions comply with applicable tax law and that we adequately provide for any known tax contingencies. We believe the estimates and assumptions used to support our evaluation of tax benefit realization are reasonable. However, final determination of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different than estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income or cash flows in the period that determination is made.

**Certain Factors Affecting Comparability**

*Year ended December 31, 2012.* During the third quarter of 2012, we acquired 51% of Remy's total outstanding common shares, as a result of this acquisition we began to consolidate the results of Remy effective August 14, 2012. On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's; we have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55%. We have consolidated the results of ABRH as of May 11, 2012.

## Results of Operations

***Consolidated Results of Operations***

*Net earnings.* The following table presents certain financial data for the years indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | (Dollars in millions) | |
| Revenue: | | | |
| Direct title insurance premiums | $ 1,736.0 | $ 1,431.5 | $ 1,404.5 |
| Agency title insurance premiums | 2,100.5 | 1,829.6 | 2,236.7 |
| Escrow, title-related and other fees | 1,707.6 | 1,429.1 | 1,401.4 |
| Auto parts revenue | 417.5 | — | — |
| Restaurant revenue | 909.3 | — | — |
| Interest and investment income | 143.9 | 142.7 | 135.0 |
| Realized gains and losses, net | 186.9 | 6.7 | 235.7 |
| Total revenue | 7,201.7 | 4,839.6 | 5,413.3 |
| Expenses: | | | |
| Personnel costs | 1,872.9 | 1,578.0 | 1,578.6 |
| Agent commissions | 1,599.4 | 1,410.8 | 1,758.7 |
| Other operating expenses | 1,303.6 | 1,083.0 | 1,145.5 |
| Cost of auto parts revenue | 349.5 | — | — |
| Cost of restaurant revenue | 774.2 | — | — |
| Depreciation and amortization | 105.0 | 73.5 | 86.7 |
| Provision for title claim losses | 279.3 | 222.3 | 248.9 |
| Interest expense | 74.4 | 57.2 | 46.2 |
| Total expenses | 6,358.3 | 4,424.8 | 4,864.6 |
| Earnings from continuing operations before income taxes and equity in earnings (loss) of unconsolidated affiliates | 843.4 | 414.8 | 548.7 |
| Income tax expense | 246.7 | 134.4 | 189.8 |
| Equity in earnings (loss) of unconsolidated affiliates | 9.9 | 9.7 | (1.2) |
| Net earnings from continuing operations | $ 606.6 | $ 290.1 | $ 357.7 |
| Orders opened by direct title operations (in 000's) | 2,702.0 | 2,140.1 | 2,385.3 |
| Orders closed by direct title operations (in 000's) | 1,866.5 | 1,514.2 | 1,574.3 |

*Revenues.*

Total revenue in 2012 increased $2,362.1 million compared to 2011 , reflecting an incr ease in both the Fidelity National Title Group and the Corporate and other segments, as well as the addition of the Remy and Restaurant group segments. Total revenue in 2011 decreased $573.7 million compared to 2010 , reflecting a decrease in both the Fidelity National Title Group segment and the Corporate and other segment.

Escrow, title-related and other fees increased $278.5 million , or 19.5% , in 2012 compared to 2011 , consisting of an increase of $266.8 million in the Fidelity National Title Group segment and $11.7 million in the Corporate and other segment. Escrow, title-related and other fees increased $27.7 million , or 2.0% in 2011 compared to 2010 , consisting of an increase of $38.9 million in the Fidelity National Title Group segment offset by a decrease of $11.2 million in the Corporate and other segment.

Restaurant revenue includes the consolidated results of operations of ABRH and J. Alexanders. Auto parts revenue includes the consolidated results of operations of Remy.

The change in revenue from operations is discussed in further detail at the segment level below.

Interest and investmen t income levels are primarily a function of securities markets, interest rates and the amount of cash available for investment. Interest and investment income was $143.9 million , $142.7 million , and $135.0 million for the years ended December 31, 2012 , 2011 , and 2010 , respectively. The increase in 2011 as compared to 2010 is due to an overall increase in the fixed maturity security portfolio book value during 2011 as well as dividend income received on our preferred stock which was not held during 2010. Effective return on average invested assets, excluding realized gains and losses, was 4.4% , 4.3% , and 4.0% for the years ended December 31, 2012 , 2011 , and 2010 , respectively.

Net realized gains and losses totaled $186.9 million , $6.7 million , and $235.7 million for the years ended December 31, 2012 , 2011 , and 2010 , respectively. The net realized gain for the year ended December 31, 2012 includes a $ 72.5 million gain on the consolidation of ABRH and O'Charley's, a $ 48.1 million bargain purchase gain on the acquisition of O'Charley's, a $ 78.8 million gain on the consolidation of Remy, and $14.4 million in net gains from the sale of other various investments and assets, offset by a $5.9 million impairment on land held at our majority-owned affiliate Cascade Timberlands, a $5.7 million loss on the early extinguishment of our 5.25% bonds, $2.7 million impairment charges on investments determined to be other-than-temporarily impaired and a $12.6 million impairment for title plants no longer in use. The net realized gain for the year ended December 31, 2011 includes $28.2 million net gains on various investments and other assets, offset by a $4.4 million decrease in the value of our structured notes and $17.1 million in impairment charges on investments determined to be other-than-temporarily impaired. The net realized gain for the year ended December 31, 2010 includes a $98.4 million gain on the sale of our 32% interest in Sedgwick in May 2010, a $27.2 million gain on the sale of a corporate bond purchased during 2009, a $21.7 million gain on the sale of FIS stock as part of a tender offer, $11.4 million in gains resulting from an increase in the value of our structured notes, and $77.0 million in gains from the sale of other various investments and assets.

*Expenses.*

Our operating expenses consist primarily of personnel costs and other operating expenses, which in our title insurance business are incurred as orders are received and processed, and agent commissions, which are incurred as revenue is recognized, as well as cost of auto parts revenue and cost of restaurant revenue. Title insurance premiums, escrow and title-related fees are generally recognized as income at the time the underlying transaction closes. As a result, direct title 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 exists in reducing variable costs and certain fixed costs are incurred regardless of revenue levels.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. Personnel costs totaled $1,872.9 million , $1,578.0 million , and $1,578.6 million for the years ended December 31, 2012 , 2011 and 2010 , respectively. Personnel costs increased $294.9 million, or 18.7%, for the year ended December 31, 2012 from the 2011 , with an increase of $222.1 million in the Fidelity National Title Group segment, an additional $43.4 million from the Restaurant Group segment and $29.4 million from the Remy segment. Personnel costs as a percentage of total revenues were 26.0% , 32.6% , and 29.2% for the years ended December 31, 2012 , 2011 , and 2010 , respectively. Average employee count, excluding Remy and the Restaurant Group, was 18,719, 17,330, and 17,180 for the years ended December 31, 2012 , 2011 , and 2010 , respectively. In 2012 t here were 33,859 employees added with the consolidation of the Restaurant group and 6,631 employees added with the consolidation of Remy. Included in personnel costs is stock-based compensation expense of $ 27.5 million, $ 26.6 million, and $ 25.1 million for the years ended December 31, 2012 , 2011 , and 2010 , respectively. The change in personnel costs is discussed in further detail at the segment level below.

Agent commissions represent the portion of premiums retained by agents pursuant to the terms of their respective agency contracts. The change in agent commissions is discussed in further detail at the segment level below.

O ther operating expenses consist primarily of facilities expenses, title plant maintenance, 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, travel expenses, general insurance, and trade and notes receivable allowances. Other operating expenses as a percentage of direct title insurance premiums and escrow, title-related and other fees were 37.9% in 2012 and 2011 , and 40.8% in 2010 . Other operating expenses increased $220.6 million or 20.4% in 2012 from 2011 , reflecting increases of $117.9 million in the Fidelity National Title Group segment and $13.9 million in the Corporate and other segment as well as an additional $18.0 million from Remy and $70.8 million from the Restaurant group. In the Fidelity National Title Group segment, the increase in other operating expenses was due mainly to increases in sales, consistent with increases in revenue. Other operating expenses decreased $62.5 million or 5.5% in 2011 from 2010 , reflecting decreases of $55.6 million in the Fidelity National Title Group segment and $6.9 million in the Corporate and other segment. In the Fidelity National Title Group segment, the decrease was due mainly to decreases in facilities costs and technology costs as part of our corporate cost savings initiative. The decrease in the corporate and other segment was due primarily to the cost of sales on the sale of a large parcel of land and timber at our majority owned affiliate Cascade Timberlands included in the 2010 period. Other operating expenses for the years ended December 31, 2012 , 2011 and 2010 , included $ 2.1 million, $ 1.4 million and $ 11.7 million, respectively, in abandoned lease charges relating to office closures.

Cost of auto parts revenue includes cost of raw materials, payroll and related costs and expenses directly related to manufacturing, and overhead expenses allocated to the costs of production such as depreciation and amortization at Remy. Remy results of operations are discussed in further detail at the segment level below.

Cost of restaurant revenue includes cost of food and beverage, primarily the costs of beef, seafood, poultry, dairy and alcoholic and non-alcoholic beverages net of vendor discounts and rebates, payroll and related costs and expenses directly relating to restaurant level activities, and restaurant operating costs including occupancy, advertising and other expenses at the restaurant level. The Restaurant Group results of operations are discussed in further detail at the segment level below.

Depreciation and amortization increased $31.5 million in 2012 from 2011 , mainly relating to the additional $36.6 million depreciation expense from our Remy and Restaurant Group segments added during the year, offset by a decrease due to older assets being fully depreciated. Depreciation and amortization decreased $13.2 million in 2011 from 2010 due to older assets being fully depreciated and a decrease in capital spending over the past several years.

The provision for title claim losses includes an estimate of anticipated title and title-related claims, and escrow losses. We monitor our claims loss experience on a continual basis and adjust the provision for claim losses accordingly as new information becomes known, new loss patterns emerge, or as other contributing factors are considered and incorporated into the analysis of the reserve for claim losses. The provision for title claim losses is discussed in further detail below at the segment level.

Interest expense for the years ended December 31, 2012 , 2011 , and 2010 was $74.4 million , $57.2 million , and $46.2 million , respectively. The increase in 2012 from 2011 is due to additional interest incurred on the 5.50% notes issued in August of 2012, as well as additional interest expense of $13.6 million from our Remy and Restaurant Group segments added during the year. T he increase in 2011 from 2010 is due to additional interest incurred on the 4.25% convertible notes issued in August 2011 as well as interest expense incurred on the 6.60% notes issued in May 2010.

Income tax expense was $246.7 million , $134.4 million , and $189.8 million for the years ended December 31, 2012 , 2011 , and 2010 , respectively. Income tax expense as a percentage of earnings from continuing operations before income taxes for the years ended December 31, 2012 , 2011 , and 2010 was 29.3% , 32.4% , and 34.6% , respectively. The fluctuation in income tax expense as a percentage of earnings from continuing operations 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 the weighting of operating income versus investment income. The decrease in the effective tax rate in 2012 from 2011 is due to a one-time tax benefit related to the bargain purchase gain on the O'Charley's acquisition and the consolidation of Remy.

Equity in earnings (losses) of unconsolidated affiliates was $ 9.9 million, $ 9.7 million, and $ (1.2) million for the years ended December 31, 2012 , 2011 , and 2010 , respectively, and consisted of our equity in the net earnings (losses) of Ceridian, Remy prior to its consolidation in August 2012, other investments in unconsolidated affiliates and our former investment in Sedgwick in 2010.

***Segment Results of Operations***

*Fidelity National Title Group*

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

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | (In millions) | |
| Revenues: | | | |
| Direct title insurance premiums | $ 1,736.0 | $ 1,431.5 | $ 1,404.5 |
| Agency title insurance premiums | 2,100.5 | 1,829.6 | 2,236.7 |
| Escrow, title-related and other fees | 1,650.3 | 1,383.5 | 1,344.6 |
| Interest and investment income | 138.1 | 141.3 | 133.5 |
| Realized gains and losses, net | 0.9 | 7.0 | 110.9 |
| Total revenue | 5,625.8 | 4,792.9 | 5,230.2 |
| Expenses: | | | |
| Personnel costs | 1,752.0 | 1,529.9 | 1,547.8 |
| Other operating expenses | 1,145.5 | 1,027.6 | 1,083.2 |
| Agent commissions | 1,599.4 | 1,410.8 | 1,758.7 |
| Depreciation and amortization | 65.3 | 70.6 | 84.9 |
| Provision for title claim losses | 279.3 | 222.3 | 248.9 |
| Interest expense | 1.2 | 1.4 | 0.3 |
| Total expenses | 4,842.7 | 4,262.6 | 4,723.8 |
| Earnings before income taxes and equity in earnings of unconsolidated affiliates | $ 783.1 | $ 530.3 | $ 506.4 |

Total revenues in 2012 increased $ 832.9 million or 17.4% compared to 2011 . Total revenues in 2011 de creased $ 437.3 million or 8.4% compared to 2010 .

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

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2010 | |
| | Amount | % | Amount | % | Amount | % |
| | | | (Dollars in millions) | | | |
| Title premiums from direct operations | $ 1,736.0 | 45.2% | $ 1,431.5 | 43.9% | $ 1,404.5 | 38.6% |
| Title premiums from agency operations | 2,100.5 | 54.8 | 1,829.6 | 56.1 | 2,236.7 | 61.4 |
| Total title premiums | $ 3,836.5 | 100.0% | $ 3,261.1 | 100.0% | $ 3,641.2 | 100.0% |

In 2012 , the proportion of agency premiums to direct premiums decreased, with agency premiums comprising 54.8% of total premiums in 2012 , compared with 56.1% in 2011 . In 2011 the proportion of agency premiums to direct premiums decreased to 56.1% of total premiums, compared with 61.4% in 2010 .

The increase of $304.5 million in title premiums from direct operations in 2012 was primarily due to an increase in order counts and an increase in commercial transactions during the year. In 2012, mortgage interest rates have continued to decrease from the low levels in 2011 and 2010. Closed order volumes were 1,866,500 and 1,514,200 in the years ending 2012 and 2011 , respectively. The average fee per file in our direct operations was $ 1,487 and $ 1,489 in the years ending 2012 and 2011 , respectively, with the increase reflecting an increase in the volume of refinance transactions. The increase of $27.0 million in title premiums from direct operations in 2011 compared to 2010 was due primarily to an increase in fee per file and an increase in commerical transactions during the year. Closed order volumes were 1,514,200 and 1,574,300 in the years ending 2011 and 2010 , respectively. The average fee per file in our direct operations was $ 1,489 and $ 1,387 in the years ending 2011 and 2010 , respectively, with the increase reflecting a higher volume of commercial transactions which typically have a higher fee per file. The fee per file tends to change as the mix of refinance and purchase transactions changes, because purchase transactions generally involve the issuance of both a lender's policy and an owner's policy, resulting in higher fees, whereas refinance transactions typically only require a lender's policy, resulting in lower fees. The fee per file will also increase as the proportion of commercial orders increases.

The increase of $270.9 million in agency premiums in 2012 is primarily the result of a strengthening residential purchase environment. Our agency operations typically garner a lower percentage of commercial and refinance transactions and a higher percentage of purchase transactions. The decrease of $407.1 million in agency premiums in 2011 is primarily the result of a decrease in remitted and accrued agency premiums due to a slower residential purchase environment. Contributing to the decrease in remitted premiums in 2011 was a significant decrease in business from one of our largest agents.

In the Fidelity National Title Group segment, escrow fees, which are more directly related to our direct operations, increased $ 147.6 million, or 26.0% , in 2012 compared to 2011 due to the increase in direct title premiums over the prior year. Other fees in the Fidelity National Title Group segment, excluding escrow fees, increased $ 119.2 million, or 14.6% , in 2012 compared to 2011 primarily due to an increase in revenues from refinance and commercial transactions as well as increases in our other title related businesses, consistent with the title operations. Escrow fees in the Fidelity National Title Group segment increased $26.5 million , or 4.9% , in 2011 compared to 2010 due to the increase in direct title premiums over the prior year. Other fees in the Fidelity National Title Group segment, excluding escrow fees, increased $12.4 million , or 1.5% , in 2011 compared to 2010 primarily due to an increase in revenues from commercial transactions offset by a decrease in revenues from a division of our business that manages real estate owned by financial institutions due to a continued delay in lender foreclosure completions.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. The increase of $222.1 million in 2012 from 2011 is due mainly to increases in open and closed order counts. The decrease in personnel costs of $17.9 million in 2011 from 2010 is due mainly to decreases in title premiums from direct operations and decreases in opened and closed order counts. Average employee count in the title segment in creased to 18,509 in 2012 from 17,036 in 2011 and increased marginally in 2011 from 16,747 in 2010 . Personnel costs in the title segment as a percentage of total revenues from direct title premiums and escrow, title-related and other fees were 51.7% , 54.3% and 56.3% for the years ended December 31, 2012 , 2011 , and 2010 , respectively .

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, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2010 | |
| | Amount | % | Amount | % | Amount | % |
| | (Dollars in millions) | | | | | |
| Agent title premiums | $ 2,100.5 | 100.0% | $ 1,829.6 | 100.0% | $ 2,236.7 | 100.0% |
| Agent commissions | 1,599.4 | 76.1 | 1,410.8 | 77.1 | 1,758.7 | 78.6 |
| Net retained agent premiums | $ 501.1 | 23.9% | $ 418.8 | 22.9% | $ 478.0 | 21.4% |

Net margin from agency title insurance premiums retained as a percentage of total agency premiums increased from 22.9% in 2011 to 23.9% in 2012 . Net margin from agency title insurance premiums we retain as a percentage of total agency premiums increased from 21.4% in 2010 to 22.9% in 2011 . The increase in both years is due primarily to the modification of various agency agreements since 2010 which resulted in an increase to our retained premium including our move to an 80%/20% split in New York.

The provision for title claim losses includes an estimate of anticipated title and title-related claims and escrow losses. T he 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 title claim losses accordingly as new information becomes known, new loss patterns emerge, or as other contributing factors are considered and incorporated into the analysis of the reserve for claim losses. The claim loss provision for title insurance was $ 279.3 million, $ 222.3 million, and $ 248.9 million for the years ended December 31, 2012 , 2011 , and 2010 , respectively. These amounts reflected average claim loss provision rates of 7.0% for 2012 and 6.8% of title premiums for 2011 and 2010 . The claim loss provision for 2012 also includes a $10.8 million impairment recorded on an asset previously recouped as part of a claim settlement. We will continue to monitor and evaluate our loss provision level, actual claims paid, and the loss reserve position.

*Remy*

The results of this segment reflected in the year ended December 31, 2012 , reflect results of Remy and subsidiaries as of the date of consolidation, August 14, 2012 through December 31, 2012 .

| | Year Ended December 31, 2012 (In millions) |
|---|---|
| Revenues: | |
| Auto parts revenue | $ 417.5 |
| Interest and investment income | 0.7 |
| Realized gains and losses, net | 78.8 |
| Total revenues | 497.0 |
| Expenses: | |
| Personnel costs | 29.4 |
| Cost of auto parts revenue, includes $26.7 million of depreciation and amortization | 349.5 |
| Other operating expenses | 18.0 |
| Depreciation and amortization | 1.4 |
| Interest expense | 10.2 |
| Total expenses | 408.5 |
| Earnings from continuing operations before income taxes | $ 88.5 |

Prior to its consolidation, we previously held a $179.2 million investment in Remy, which was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheet. As a result of the difference between our basis in these investments and the fair value at the time of consolidation, we recognized a $78.8 million realized gain during the year ended December 31, 2012 . Results were negatively affected during the year by a one-time mark-to-market fair value adjustment to Remy's finished goods inventory recorded in the third quarter as a result of the purchase accounting related to the Remy acquisition. Also included in the 2012 Remy results were $4.7 million of restructuring costs incurred during the year.

*Restaurant Group*

The results reflected in the year ended December 31, 2012 reflect results of O'Charley's Inc. and subsidiaries as of the date of acquisition, April 9, 2012 through December 31, 2012 , the results of ABRH as of the date of merger with O'Charley's, May 11, 2012 through December 31, 2012 , as well as the results of J. Alexanders as of the date of acquisition, September 26, 2012 through December 31, 2012 .

| | Year Ended December 31, 2012 (In millions) |
|---|---|
| Revenues: | |
| Restaurant revenue | $ 909.3 |
| Realized gains and losses, net | 118.7 |
| Total revenues | 1,028.0 |
| Expenses: | |
| Personnel costs | 43.4 |
| Cost of restaurant revenue | 774.2 |
| Other operating expenses | 70.8 |
| Depreciation and amortization | 35.2 |
| Interest expense | 3.4 |
| Total expenses | 927.0 |
| Earnings from continuing operations before income taxes | $ 101.0 |

Prior to its consolidation, we previously held a $13.8 million investment in common stock of O'Charley's, Inc., which was included in Equity securities available for sale on the Consolidated Balance Sheet and a $37.0 million investment in ABRH which was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheet. As a result of the difference between our basis in these investments and the fair value at the time of consolidation, we recognized a $72.5 million realized gain during the year ended December 31, 2012 . We also recognized a $48.1 million bargain purchase gain relating to the acquisition of O'Charley's. See Note B for further discussion. Also included in the results of operations of the Restaurant Group for the year ended December 31, 2012 were $18.8 million of acquisition, transaction, and integration costs related to the O'Charley's tender offer and the subsequent merger with ABRH.

*Corporate and Other*

The Corporate and other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, other smaller operations, and our share in the operations of certain equity investments, including Ceridian and our former investment in Sedgwick in 2010. The Corporate and other segment generated revenues of $50.9 million , $46.7 million and $183.1 million f or the years ended December 31, 2012 , 2011 , and 2010 , respectively.

Other fees increased $11.7 million, or 25.7%, in 2012 compared to 2011 and decreased $11.2 million, or 19.7%, in 2011 compared to 2010 . The increase in 2012 was due primarily to the sale of a parcel of land and timber at our majority-owned affiliate Cascade Timberlands. The decrease in 2011 was primarily due to the 2010 period including $13.7 million in revenue from the sale of a large parcel of land and timber at Cascade Timberlands.

Personnel costs were $48.1 million in 2012 and 2011 and $30.8 million in 2010. Personnel costs in 2012 include a $10.8 million accrual for our Long Term Incentive Plan established during 2012 which is tied to the fair value of certain of our non-title operations. The increase in personnel costs of $17.3 million in 2011 from 2010 is due mainly to higher bonus accruals in the 2011 period, earned as part of our cost savings initiative which ended in October of 2011.

This segment generated pretax (losses) earnings of $ (129.2) million, $ (115.5) million, and $ 42.3 million for the years ended December 31, 2012 , 2011 , and 2010 , respectively. The change in pretax earnings in all periods is primarily related to changes in net realized gains (losses). Net realized (losses) gains totaled $(11.5) million , $(0.3) million and $124.8 million for the years ended December 31, 2012 , 2011 , and 2010 , respectively. The decrease in 2012 from 2011 is due to the 2012 period including a $5.7 million realized loss on the early extinguishment of our 5.25% notes in 2012 as well as a $5.9 million impairment on land held at Cascade Timberlands. The decrease in 2011 from 2010 is due to a $98.4 million gain on the sale of our 32% interest in Sedgwick and a $27.2 million gain on the sale of a corporate bond being included in the year ended December 31, 2010.

**Liquidity and Capital Resources**

*Cash Requirements.* Our current cash requirements include personnel costs, operating expenses, claim payments, taxes, payments of interest and principal on our debt, capital expenditures, business acquisitions, stock repurchases and dividends on our common stock. We paid dividends of $ 0.58 per share during 2012 , or approximately $ 128.7 million. On January 30, 2013 , our Board of Directors formally declared a $0.16 per share cash dividend that is payable on March 29, 2013 to stockholders of record as of March 15, 2013 . There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders. The declaration of any future dividends is at the discretion of our Board of Directors. Additional uses of cash flow are expected to include stock repurchases, acquisitions, and debt repayments.

We continually assess our capital allocation strategy, including decisions relating to the amount of our dividend, reducing debt, repurchasing our stock, and/or conserving cash. 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, potential sales of non-strategic assets, and borrowings on 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 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 such forecasts.

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 claims 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 receive cash from our subsidiaries in the form of dividends and as reimbursement for operating and other administrative expenses we incur. The reimbursements are paid within the guidelines of management agreements 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 distributions. As of December 31, 2012 , $ 1,997.1 million of our net assets were restricted from dividend payments without prior approval from the relevant departments of insurance. During 2013 , our title insurance subsidiaries can pay or make distributions to us of approximately $ 255.4 million without prior regulatory approval. Our underwritten title companies and non-title insurance subsidiaries collect revenue and pay operating expenses. However, they are not regulated to the same extent as our insurance subsidiaries.

The maximum dividend permitted by law is not necessarily indicative of an insurer's actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer's ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in interpretation of statutory accounting requirements by regulators.

We are focused on evaluating our non-core assets and investments as potential vehicles for creating liquidity. Our intent is to use that liquidity for general corporate purposes, including payment of dividends as declared by the Board of Directors and potentially reducing debt, repurchasing shares of our stock, other strategic initiatives and/or conserving cash. During 2011, we were able to increase our liquidity through the sale of our at-risk insurance businesses, which generated approximately $119.5 million during 2011 and $194.0 million in 2012 in net cash proceeds. During 2010, we were able to create additional liquidity through the sale of our 32% interest in Sedgwick, which generated cash proceeds of approximately $193.6 million in 2010 and $32.0 million in 2011.

Our cash flows provided by operations for the years ended December 31, 2012 , 2011 , and 2010 were $620.0 million , $110.3 million and $188.5 million , respectively. The increase in cash provided by operations of $509.7 million from 2012 to 2011 is due primarily to increased earnings from continuing operations in 2012 as well as lower title claim payments in 2012 compared to 2011 . The decrease in cash provided by operations of $78.2 million from 2010 to 2011 is due mainly to a higher proportion of income relating to investing activities in 2010 as compared to 2011 and various smaller changes in other assets and liabilities.

*Capital Expenditures.* Total capital expenditures for property and equipment and capitalized software were $79.2 million , $35.9 million and $53.9 million for the years ended December 31, 2012 , 2011 , and 2010 , respectively. The increase from 2011 to 2012 is mainly due to $35.7 million in additions from our Remy and Restaurant Group segments, including capital expenditures in our Restaurant Group segment to remodel several locations.

*Financing.* On August 28, 2012, we completed an offering of $400.0 million in aggregate principal amount of 5.50% notes due September 2022 (the "5.50% notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The notes were priced at 99.513% of par to yield 5.564% annual interest. As such we recorded a discount of $1.9 million , which is netted against the $400.0 million aggregate principal amount of the 5.50% notes. The discount is amortized to September 2022 when the 5.50% notes mature. The 5.50% notes will pay interest semi-annually on the 1st of March and September, beginning March 1, 2013. We received net proceeds of $395.5 million , after expenses, which were used to repay the $236.5 million aggregate principal amount outstanding of our 5.25% unsecured notes maturing in March 2013, the $50.0 million outstanding on our revolving credit facility, and the remainder is being held for general corporate purposes. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of the Company in an aggregate amount exceeding $100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

On September 28, 2012, we used $242.3 million of the net proceeds of the issuance of the 5.50% notes to fund the repayment of the $236.5 million aggregate principal amount outstanding of our 5.25% unsecured notes, including $0.6 million of unpaid interest and a $5.2 million make-whole call penalty, as the 5.25% unsecured notes had a stated maturity of March 2013.

On May 31, 2012, ABRH entered into a credit agreement (the "ABRH Credit Facility") with Wells Fargo Capital Finance, LLC as administrative agent and swing lender (the "ABRH Administrative Lender") and the other financial institutions party thereto. The ABRH Credit Facility provides for a maximum revolving loan of $80.0 million with a maturity date of May 31, 2017. Additionally, the ABRH Credit Facility provides for a maximum term loan ("Restaurant Group Term Loan") of $85.0 million with quarterly installment repayments through December 25, 2016 and a maturity date of May 31, 2017 for the outstanding unpaid principal balance and all accrued and unpaid interest. On May 31, 2012, ABRH borrowed the entire $85.0 million under such term loan. Pricing for the ABRH Credit Facility is based on an applicable margin between 300 basis points to 375 basis points over LIBOR. The ABRH Credit Facility is subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on ABRH's creation of liens, sales of assets, incurrence of indebtedness, restricted payments, transactions with affiliates, and certain amendments. The covenants addressing restricted payments include certain limitations on the declaration or payment of dividends by ABRH to its parent, Fidelity Newport Holdings, LLC ("FNH"), and by FNH to its members, and one such limitation restricts the amount of dividends that ABRH can pay to its parent (and that FNH can in turn pay to its members) to $5.0 million in the aggregate (outside of certain other permitted dividend payments) in fiscal year 2012 (with varying amounts for subsequent years). The ABRH Credit Facility includes customary events of default for facilities of this type (with customary grace periods, as applicable), which include a cross-default provision whereby an event of default will be deemed to have occurred if (i) ABRH or any of its guarantors, which consists of FNH and certain of its subsidiaries, (together, the “Loan Parties”) or any of their subsidiaries default on any agreement with a third party of $2.0 million or more related to their indebtedness and such default (a) occurs at the final maturity of the obligations thereunder or (b) results in a right by such third party to accelerate such Loan Party's or its subsidiary's obligations or (ii) a default or an early termination occurs with respect to certain hedge agreements to which a Loan Party or its subsidiaries is a party involving an amount of $0.75 million or more. The ABRH Credit Facility provides that, upon the occurrence of an event of default, the ABRH Administrative Lender may (i) declare the principal of, and any and all accrued and unpaid interest and fees in respect of, the loans immediately due and payable, (ii) terminate loan commitments and (iii) exercise all other rights and remedies available to the ABRH Administrative Lender or the lenders under the loan documents. As of December 31, 2012, the balance of the term loan was $72.2 million and there was no outstanding balance on the revolving loan. ABRH had $20.4 million of outstanding letters of credit as of December 31, 2012. As of December 31, 2012, ABRH had $59.6 million of remaining borrowing capacity under their revolving credit facility.

On April 16, 2012, we entered into an agreement to amend and extend our credit agreement dated September 12, 2006, as amended and restated as of March 5, 2010 (the “ Revolving Credit Facility”) with Bank of America, N.A. as administrative agent and swing line lender (the “Administrative Agent”), and the other financial institutions party thereto, and an agreement to change the aggregate size of the credit facility under the Revolving Credit Facility. These agreements reduced the total size of the credit facility from $925.0 million to $800.0 million , with an option to increase the size of the credit facility to $900.0 million , and established an extended maturity date of April 16, 2016. Pricing for the new agreement is based on an applicable margin between 132.5 basis points to 160.0 basis points over LIBOR, depending on the senior debt ratings of FNF. The Revolving Credit Facility remains subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on the creation of liens, sales of assets, the incurrence of indebtedness, restricted payments, transactions with affiliates, and certain amendments. The Revolving Credit Facility prohibits us from paying dividends to our stockholders if an event of default has occurred and is continuing or would result therefrom. The Revolving Credit Facility requires us to maintain certain financial ratios and levels of capitalization. The Revolving Credit Facility includes customary events of default for facilities of this type (with customary grace periods, as applicable). These events of default include a cross-default provision that, subject to limited exceptions, permits the lenders to declare the Revolving Credit Facility in default if: (i) (a) we fail to make any payment after the applicable grace period under any indebtedness with a principal amount (including undrawn committed amounts) in excess of 3.0% of our net worth, as defined in the Revolving Credit Facility, or (b) we fail to perform any other term under any such indebtedness, or any other event occurs, as a result of which the holders thereof may cause it to become due and payable prior to its maturity; or (ii) certain termination events occur under significant interest rate, equity or other swap contracts. The Revolving Credit Facility provides that, upon the occurrence of an event of default, the interest rate on all outstanding obligations will be increased and payments of all outstanding loans may be accelerated and/or the lenders' commitments may be terminated. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Revolving Credit Facility shall automatically become immediately due and payable, and the lenders' commitments will automatically terminate. As of December 31, 2012, there was no outstanding balance under the Revolving Credit Facility.

On August 2, 2011, we completed an offering of $300.0 million in aggregate principal amount of 4.25% convertible senior notes due August 2018 (the "Notes") in an offering conducted in accordance with Rule 144A under the Securities Act of 1933, as amended. The Notes contain customary event-of-default provisions which, subject to certain notice and cure-period conditions, can result in the acceleration of the principal amount of, and accrued interest on, all outstanding Notes if we breach the terms of the Notes or the indenture pursuant to which the Notes were issued. The Notes are unsecured and unsubordinated obligations and (i) rank senior in right of payment to any of our existing or future unsecured indebtedness that is expressly subordinated in right of payment to the Notes; (ii) rank equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; (iii) are effectively subordinated in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) are structurally subordinated to all existing and future indebtedness and liabilities of our subsidiaries. Interest is payable on the principal amount of the Notes, semi-annually in arrears in cash on February 15 and August 15 of each year, commencing February 15, 2012. The Notes mature on August 15, 2018, unless earlier purchased by us or converted. The Notes were issued for cash at 100% of their principal amount. However, for financial reporting purposes, the notes were deemed to have been issued at 92.818% of par value, and as such we recorded a discount of $21.5 million to be amortized to August 2018, when the Notes mature. The Notes will be convertible into cash, shares of common stock, or a combination of cash and shares of common stock, at our election, based on an initial conversion rate, subject to adjustment, of 46.3870 shares per $1,000 principal amount of the Notes (which represents an initial conversion price of approximately $ 21.56 per share), only in the following circumstances and to the following extent: (i) during any calendar quarter commencing after December 31, 2011, if, for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter, the last reported sale price per share of our common stock on such trading day is greater than or equal to 130% of the applicable conversion price on such trading day; (ii) during the five consecutive business day period immediately following any ten consecutive trading day period (the “measurement period”) in which, for each trading day of the measurement period, the trading price per $1,000 principal amount of notes was less than

98% of the product of the last reported sale price per share of our common stock on such trading day and the applicable conversion rate on such trading day; (iii) upon the occurrence of specified corporate transactions; or (iv) at any time on and after May 15, 2018. However, in all cases, the Notes will cease to be convertible at the close of business on the second scheduled trading day immediately preceding the maturity date. It is our intent and policy to settle conversions through “net-share settlement”. Generally, under “net-share settlement,” the conversion value is settled in cash, up to the principal amount being converted, and the conversion value in excess of the principal amount is settled in shares of our common stock.

During 2011, we used $ 75.0 million of the proceeds from the Notes to purchase 4,609,700 shares of our common stock at $ 16.27 per share in privately negotiated transactions concurrently with the issuance. We used the remaining net proceeds along with other cash on hand for repayment of $ 250.0 million outstanding debt on our revolving credit agreement.

In December 2010, Remy entered into a $300.0 million Term B Loan (“Term B”) facility. The Term B is secured by a first priority lien on the stock of Remy's subsidiaries and substantially all Remy domestic assets other than accounts receivable and inventory pledged to the Asset-Based Revolving Credit Facility, as described below. The Term B bears an interest rate of LIBOR (subject to a floor of 1.75%) plus 4.5% per annum. The Term B matures on December 17, 2016. Principal payments in the amount of $0.8 million are due at the end of each calendar quarter with termination and final payment no later than December 17, 2016. The Term B facility is subject to an excess cash calculation which may require the payment of additional principal on an annual basis. The Term B also includes events of default customary for a facility of this type, including a cross-default provision under which the lenders may declare the loan in default if we (i) fail to make a payment when due under any debt having a principal amount greater than $5.0 million or (ii) breach any other covenant in any such debt as a result of which the holders of such debt are permitted to accelerate its maturity. Remy is in compliance with all covenants as of December 31, 2012.

In December 2010, Remy entered into a $95.0 million , five year Asset-Based Revolving Credit Facility, (the "Remy Credit Facility"). The Remy Credit Facility is secured by substantially all of Remy's domestic accounts receivable and inventory. It bears interest, varying with the level of available borrowing, at a defined Base Rate plus 1.00%-1.50% per annum or, at our election, at an applicable LIBOR Rate plus 2.00%-2.50% per annum and is paid monthly. The Remy Credit Facility contains various restrictive covenants, which include, among other things: (i) a maximum leverage ratio, decreasing over the term of the facility; (ii) a minimum interest coverage ratio, increasing over the term of the facility; (iii) limitations on capital expenditures; (iv) mandatory prepayments upon certain asset sales and debt issuances; (v) requirements for minimum liquidity; and (vi) limitations on the payment of dividends in excess of a specified amount. At December 31, 2012, the Remy Credit Facility balance was zero. Based upon the collateral supporting the Remy Credit Facility, the amount borrowed, and the outstanding Remy letters of credit of $2.9 million , there was additional availability for borrowing of $69.0 million as of December 31, 2012. The Remy Credit Facility agreement matures on December 17, 2015.

Remy also has revolving credit facilities with four Korean banks with a total facility amount of approximately $16.1 million of which $6.1 million is borrowed at average interest rates of 4.54% at December 31, 2012. In Hungary, there is a revolving credit facility and a note payable with two separate banks for a credit facility of $5.5 million of which $3.0 million is borrowed at average interest rates of 2.61% at December 31, 2012. In Belgium Remy has revolving loans with two banks for a credit facility of $3.7 million with no outstanding borrowings at December 31, 2012.

On May 5, 2010, we completed an offering of $ 300.0 million in aggregate principal amount of our 6.60% notes due May 2017 (the "6.60% Notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The 6.60% Notes were priced at 99.897% of par to yield 6.61% annual interest. As such we recorded a discount of $ 0.3 million , which is netted against the $ 300.0 million aggregate principal amount of notes. The discount is amortized to May 2017 when the 6.60% Notes mature. We received net proceeds of $ 297.3 million , after expenses, which were used to repay outstanding borrowings under our credit agreement. Interest is payable semi-annually. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of the Company in an aggregate amount exceeding $ 100.0 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

*Seasonality.* 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 third calendar quarter has been typically the strongest in terms of revenue primarily due to a higher volume of home sales in the summer months and the fourth quarter is usually also strong due to commercial entities desiring to complete transactions by year-end. From 2008 - 2011, we have seen a divergence from these historical trends with orders being negatively affected by a reduction in the availability of financing, rising default levels, and falling home values causing an overall downward trend in home sales. In addition we have noted short term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates and the implementation and subsequent expiration of government programs designed to stimulate the real estate market. During 2012 we experienced an increase in existing home sales to the highest volume levels since 2007. We have also seen a decline in total housing inventory to the lowest levels since 2005.

In our Restaurant Group, average weekly sales per restaurant are typically higher in the first and fourth quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

*Contractual Obligations.* Our long term contractual obligations generally include our loss reserves, our credit agreements and other debt facilities, operating lease payments on certain of our premises and equipment and purchase obligations of Remy and the Restaurant Group. As of December 31, 2012 , our required annual payments relating to these contractual obligations were as follows:

| | 2013 | 2014 | 2015 | 2016 | 2017 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| | | | | (In millions) | | | |
| Notes payable | $ 23.2 | $ 11.7 | $ 11.7 | $ 259.8 | $ 344.1 | $ 693.4 | $ 1,343.9 |
| Operating lease payments | 180.2 | 153.4 | 124.1 | 170.3 | 80.8 | 353.9 | 1,062.7 |
| Pension and other benefit payments | 16.2 | 21.1 | 20.8 | 19.8 | 19.1 | 139.1 | 236.1 |
| Title claim losses | 350.0 | 253.2 | 200.4 | 146.3 | 111.9 | 686.2 | 1,748.0 |
| Unconditional purchase obligations | 214.5 | 53.7 | 21.1 | 5.0 | — | — | 294.3 |
| Other | 86.7 | 74.9 | 74.6 | 74.2 | 42.2 | 201.8 | 554.4 |
| Total | $ 870.8 | $ 568.0 | $ 452.7 | $ 675.4 | $ 598.1 | $ 2,074.4 | $ 5,239.4 |

As of December 31, 2012 , we had title insurance reserves of $1,748.0 million. The amounts and timing of these obligations are estimated and are not set contractually. 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, escrow theft, multiple property title defects, foreclosure rates and individual large loss events that can substantially and unexpectedly cause increases in both the amount and timing of estimated title insurance loss payments; and
- 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.

Based on historical title insurance claim experience, we anticipate the above payment patterns. The uncertainty and variation in the timing and amount of claim payments could have a material impact on our cash flows from operations in a particular period.

The Restaurant Group has unconditional purchase obligations with various vendors. These purchase obligations are primarily food obligations with fixed commitments in regards to the time period of the contract with annual price adjustments that can fluctuate and a fixed beverage contract with an annual price adjustment. In situations where the price is based on market prices, the Company used the existing market prices at December 31, 2012 to determine the amount of the obligation.

Remy has long-term customer obligations related to outstanding customer contracts. These contracts designate Remy to be the exclusive supplier to the respective customer, product line or distribution center and require Remy to compensate these customers over several years for store support. Remy has also entered into arrangements with certain customers under which cores, a key component in its remanufacturing operations, are purchased and held in inventory. Credits to be issued to these customers for these arrangements are recorded at net present value and are reflected as long-term customer obligations.

We sponsor multiple pension plans and other post-retirement benefit plans. See Note O of the Notes to Consolidated Financial Statements.

Other contractual obligations include estimated future interest payments on our outstanding debt and an investment commitment entered into in December of 2012 for $50.0 million to be made in the future.

*Capital Stock Transactions.* On July 21, 2009, the Board of Directors approved a three-year stock repurchase program under which we can repurchase up to 15 million shares of our common stock through July 31, 2012. On January 27, 2011, our Board of Directors approved an additional 5 million shares that may be repurchased under the program. In the year ended December 31, 2012 , we repurchased a total of 1,150,000 shares for $ 21.7 million , or an average of $ 18.87 per share. This program expired July 31, 2012 and we repurchased a total of 16,528,512 shares for $ 243.4 million, or an average of $ 14.73 per share under this program.

On July 21, 2012, our Board of Directors approved a three-year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our common stock through July 31, 2015. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2012 , we repurchased a total of 680,000 shares for $15.9 million , or an average of $23.38 per share under this program. Subsequent to year-end we repurchased a total of 80,000 shares for $ 2 million , or an average of $ 25.00 per share through market close on February 25, 2013. Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 760,000 shares for $ 17.9 million , or an average of $ 23.55 per share, and there are 14,240,000 shares available to be repurchased under this program.

*Equity Security and Preferred Stock Investments.* Our equity security and preferred stock investments may be subject to significant volatility. Should the fair value of these investments fall below our cost basis and/or the financial condition or prospects of these companies deteriorate, we may determine in a future period that this decline in fair value is other-than-temporary, requiring that an impairment loss be recognized in the period such a determination is made.

On October 1, 2009, pursuant to an investment agreement between us and FIS dated March 31, 2009 (the “Investment Agreement”), we invested a total of $50.0 million in FIS common stock in connection with a merger between FIS and Metavante Technologies, Inc. Under the terms of the Investment Agreement, we purchased 3,215,434 shares of FIS’s common stock at a price of $15.55 per share. Additionally, we received a transaction fee of $1.5 million from FIS. During the third quarter of 2010, we sold 1,611,574 shares as part of a tender offer by FIS at $29.00 per share for a realized gain of $21.7 million. The fair value of this investment is $ 55.8 million and $ 42.6 million as of December 31, 2012 and 2011 , respectively, and is recorded in Equity securities available for sale.

*Off-Balance Sheet Arrangements.* We do not engage in off-balance sheet activities other than facility and equipment leasing arrangements. On June 29, 2004 we entered into an off-balance sheet financing arrangement (commonly referred to as a “synthetic lease”). The owner/lessor in this arrangement acquired land and various real property improvements associated with new construction of an office building in Jacksonville, Florida, at our corporate campus and headquarters. The lessor financed the acquisition of the facilities through funding provided by third-party financial institutions. On June 27, 2011, we renewed and amended the synthetic lease for the facilities. The amended synthetic lease provides for a five year term ending June 27, 2016 and had an outstanding balance as of December 31, 2012 of $ 71.3 million. The amended lease includes guarantees by us of up to 83.0% of the outstanding lease balance, and options to purchase the facilities at the outstanding lease balance. The guarantee becomes effective if we decline to purchase the facilities at the end of the lease and also decline to renew the lease. The lessor is a third-party company and we have no affiliation or relationship with the lessor or any of its employees, directors or affiliates, and transactions with the lessor are limited to the operating lease agreements and the associated rent expense that have been included in Other operating expenses in the Consolidated Statements of Earnings. We do not believe the lessor is a variable interest entity, as defined in the FASB standard on consolidation of variable interest entities.

**Recent Accounting Pronouncements**

For a description of recent accounting pronouncements, see Note S of Notes to Consolidated Financial Statements included elsewhere herein.

## Item 7A. *Quantitative and Qualitative Disclosure about Market Risk*

In the normal course of business, we are routinely subject to a variety of risks, as described in the Risk Factors section of this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission. For example, we are exposed to the risk that decreased real estate activity, which depends in part on the level of interest rates, may reduce our title insurance revenues.

The risks related to our business also include certain market risks that may affect our debt and other financial instruments. At present, we face the market risks associated with our marketable equity securities subject to equity price volatility and with interest rate movements on our outstanding debt and fixed income investments.

We regularly assess these market risks and have established policies and business practices designed to protect against the adverse effects of these exposures.

At December 31, 2012 , we had $1,343.9 million in long-term debt, of which $ 331.0 million bears interest at a floating rate. Our fixed maturity investments, certain preferred stocks and our floating rate debt are subject to an element of market risk from changes in interest rates. 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. We manage interest rate risk through a variety of measures. We monitor our interest rate risk and make investment decisions to manage the perceived risk. However, we do not currently use derivative financial instruments to hedge these risks.

During 2010, Remy entered into an interest rate swap agreement in respect of 50% of the outstanding principal balance of our Term B Loan under which a variable LIBOR rate with a floor of 1.750% was swapped to a fixed rate of 3.345%. The Term B Loan $150.0 million notional value interest rate swap expires December 31, 2013. This interest rate swap is an undesignated hedge and changes in the fair value are recorded as Interest expense in the accompanying Consolidated Statement of Earnings. The interest rate swaps reduce our overall interest rate risk.

Remy production processes are dependent upon the supply of certain components whose raw materials are exposed to price fluctuations on the open market. The primary purpose of Remy's commodity price forward contract activity is to manage the volatility associated with forecasted purchases. Remy monitors commodity price risk exposures regularly to maximize the overall effectiveness of commodity forward contracts. The principal raw material hedged is copper. Forward contracts are used to mitigate commodity price risk associated with raw materials, generally related to purchases forecast for up to twenty-four months in the future. Additionally, Remy purchases certain commodities during the normal course of business which result in physical delivery and are excluded from hedge accounting.

Remy had thirty-six commodity price hedge contracts outstanding at December 31, 2012 , with combined notional quantities of 6,566 metric tons of copper. These contracts mature within the next fifteen months. These contracts were designated as cash flow hedging instruments. Accumulated unrealized net losses of $0.4 million were recorded in Accumulated other comprehensive earnings as of December 31, 2012 related to these contracts. As of December 31, 2012 , net losses related to these contracts of $0.4 million are expected to be reclassified to the accompanying Consolidated Statement of Earnings within the next 12 months. Hedging ineffectiveness during the year ended December 31, 2012 was immaterial.

Equity price risk is the risk that we will incur economic losses due to adverse changes in equity prices. In the past, our exposure to changes in equity prices primarily resulted from our holdings of equity securities. At December 31, 2012 , we held $ 137.6 million in marketable equity securities (not including our investments in preferred stock of $ 216.9 million at December 31, 2012 and our Investments in unconsolidated affiliates, which amounted to $ 392.2 million at December 31, 2012 ). 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.

In addition to our equity securities, fixed maturity investments and borrowings, we hold structured notes which were purchased during 2009 with a par value of $ 37.5 million and fair value of $ 40.8 million at December 31, 2012 . These instruments are subject to market risks including commodity price risk. The fair value of these instruments represents exit prices obtained from a proprietary valuation model utilized by the trading desk of a broker-dealer. The fair value of the structured notes is subject to various assumptions utilized in the valuation model, including the underlying value of the relevant commodities index. The structured notes are held for general investment purposes and represent one percent of our tot al investment portfolio. In part because of the relatively small size of this investment, we do not believe that an adverse change in the relevant commodity prices, foreign exchange rates or interest rates on which the value of the notes depends would likely have a material effect on our financial position, and therefore we have not provided a sensitivity analysis for these items.

Financial instruments, which potentially subject us to concentrations of credit risk, consist primarily of accounts receivable and cash investments. We require placement of cash in financial institutions evaluated as highly creditworthy. Remy's customer base includes global light and commercial vehicle manufacturers and a large number of retailers, distributors and installers of automotive aftermarket parts. Remy evaluates the credit and the geographical dispersion of sales transactions to help mitigate credit risk concentration.

Remy manufactures and sells products primarily in North America, South America, Asia, Europe and Africa. As a result our financial results could be significantly affected by factors such as changes in foreign currency exchange rates or weak economic conditions in foreign markets in which we manufacture and sell our products. We generally try to use natural hedges within our foreign currency activities, including the matching of revenues and costs, to minimize foreign currency risk. Where natural hedges are not in place, we consider managing certain aspects of our foreign currency activities through the use of foreign exchange contracts. We primarily utilize forward exchange contracts with maturities generally within twenty-four months to hedge against currency rate fluctuations, some of which are designated as hedges. See Note E for further discussion.

For purposes of this Annual Report on Form 10-K, we perform a sensitivity analysis to determine the effects that market risk exposures may have on the fair values of our debt and other financial instruments.

The financial instruments that are included in the sensitivity analysis with respect to interest rate risk include fixed maturity investments, preferred stock and notes payable. The financial instruments that are included in the sensitivity analysis with respect to equity price risk include marketable equity securities. With the exception of our equity method investments, 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 were a change in market conditions, based on the nature and duration of the financial instruments involved.

To perform the sensitivity analysis, we assess the risk of loss in fair values from the effect of hypothetical changes in interest rates and equity prices on market-sensitive instruments. The changes in fair values for interest rate risks are determined by estimating the present value of future cash flows using various models, primarily duration modeling. The changes in fair values for equity price risk are determined by comparing the market price of investments against their reported values as of the balance sheet date.

Information provided by the sensitivity analysis does not necessarily represent the actual changes in fair value that we would incur under normal market conditions because, due to practical limitations, all variables other than the specific market risk factor are held constant. For example, our reserve for title claim losses (representing 33.9% of total liabilities at December 31, 2012 ) is not included in the hypothetical effects.

We have no market risk sensitive instruments entered into for trading purposes; therefore, all of our market risk sensitive instruments were entered into for purposes other than trading. The results of the sensitivity analysis at December 31, 2012 and December 31, 2011 , are as follows:

**Interest Rate Risk**

At December 31, 2012 , an increase (decrease) in the levels of interest rates of 100 basis points, with all other variables held constant, would result in a (decrease) increase in the fair value of our fixed maturity securities and certain of our investments in preferred stock which are tied to interest rates of $ 111.1 million as compared with a (decrease) increase of $ 108.0 million at December 31, 2011 .

Additionally, for the year ended December 31, 2012 , a decrease of 100 basis points in the levels of interest rates, with all other variables held constant, would result in a decrease in the interest expense on our average outstanding floating rate debt of $0.1 million as compared to a decrease of $0.1 million for the year ended December 31, 2011 . An increase of 100 basis points in the levels of interest rates, with all other variables held constant, would result in an increase in the interest expense of our average outstanding floating rate debt of $1.4 million for the year ended December 31, 2012 , as compared to $2.0 million for the year ended December 31, 2011 .

**Equity Price Risk**

At December 31, 2012 , a 20% increase (decrease) in market prices, with all other variables held constant, would result in an increase (decrease) in the fair value of our equity securities portfolio of $ 27.5 million, as compared with an increase (decrease) of $ 21.1 million at December 31, 2011 .

**Item 8.** ***Financial Statements and Supplementary Data***

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## INDEX TO FINANCIAL INFORMATION

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

We have audited Fidelity National Financial, Inc.'s internal control over financial reporting as of December 31, 2012 , based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Fidelity National Financial, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Fidelity National Financial, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012 , based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2012 and 2011 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2012 , and our report dated February 26, 2013 expressed an unqualified opinion on those Consolidated Financial Statements.

/s/ KPMG LLP

February 26, 2013
Jacksonville, Florida
Certified Public Accountants

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

We have audited the accompanying Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2012 and 2011 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2012 . These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated 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 Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2012 and 2011 , and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2012 , in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Fidelity National Financial, Inc.'s internal control over financial reporting as of December 31, 2012 , based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 26, 2013 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

February 26, 2013
Jacksonville, Florida
Certified Public Accountants

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| | (In millions, except share data) | |
| **ASSETS** | | |
| Investments: | | |
| Fixed maturities available for sale, at fair value, at December 31, 2012 and 2011, includes pledged fixed maturities of $275.2 and $274.2, respectively, related to secured trust deposits | $ 3,139.8 | $ 3,200.2 |
| Preferred stock available for sale, at fair value | 216.9 | 71.4 |
| Equity securities available for sale, at fair value | 137.6 | 105.7 |
| Investments in unconsolidated affiliates | 392.2 | 546.5 |
| Other long-term investments | 104.6 | 77.5 |
| Short-term investments | 61.9 | 50.4 |
| Total investments | 4,053.0 | 4,051.7 |
| Cash and cash equivalents, at December 31, 2012 and 2011, includes pledged cash of $265.9 and $161.3, respectively, related to secured trust deposits | 1,131.9 | 665.7 |
| Trade and notes receivables, net of allowance of $21.7 and $22.6 at December 31, 2012 and 2011, respectively | 479.0 | 321.5 |
| Goodwill | 1,908.5 | 1,452.2 |
| Prepaid expenses and other assets | 673.4 | 681.7 |
| Other intangible assets, net | 650.5 | 130.7 |
| Title plants | 374.2 | 386.7 |
| Property and equipment, net | 632.1 | 166.1 |
| Income taxes receivable | — | 5.8 |
| Total assets | $ 9,902.6 | $ 7,862.1 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities, at December 31, 2012 and 2011, includes accounts payable to related parties of $5.4 and $5.6, respectively | $ 1,307.5 | $ 862.7 |
| Income taxes payable | 103.2 | — |
| Notes payable | 1,343.9 | 915.8 |
| Reserve for title claim losses | 1,748.0 | 1,912.8 |
| Secured trust deposits | 528.3 | 419.9 |
| Deferred tax liability | 122.6 | 95.0 |
| Total liabilities | 5,153.5 | 4,206.2 |
| Equity: | | |
| Common stock, Class A, $0.0001 par value; authorized, 600,000,000 shares as of December 31, 2012 and 2011; issued 268,541,117 shares and 254,868,454 shares at December 31, 2012 and 2011, respectively | — | — |
| Preferred stock, $0.0001 par value; authorized, 50,000,000 shares; issued and outstanding, none | — | — |
| Additional paid-in capital | 4,018.3 | 3,798.6 |
| Retained earnings | 849.4 | 373.4 |
| Accumulated other comprehensive earnings (loss) | 58.5 | (7.1) |
| Less: treasury stock, 39,995,513 shares and 34,190,969 shares as of December 31, 2012 and 2011, respectively, at cost | (658.2) | (532.2) |
| Total Fidelity National Financial, Inc. shareholders’ equity | 4,268.0 | 3,632.7 |
| Noncontrolling interests | 481.1 | 23.2 |
| Total equity | 4,749.1 | 3,655.9 |
| Total liabilities and equity | $ 9,902.6 | $ 7,862.1 |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF EARNINGS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | (In millions, except share data) | | |
| **Revenues:** | | | |
| Direct title insurance premiums | $ 1,736.0 | $ 1,431.5 | $ 1,404.5 |
| Agency title insurance premiums | 2,100.5 | 1,829.6 | 2,236.7 |
| Escrow, title-related and other fees | 1,707.6 | 1,429.1 | 1,401.4 |
| Auto parts revenue | 417.5 | — | — |
| Restaurant revenue | 909.3 | — | — |
| Interest and investment income | 143.9 | 142.7 | 135.0 |
| Realized gains and losses, net | 186.9 | 6.7 | 235.7 |
| Total revenues | $ 7,201.7 | $ 4,839.6 | $ 5,413.3 |
| **Expenses:** | | | |
| Personnel costs | 1,872.9 | 1,578.0 | 1,578.6 |
| Agent commissions | 1,599.4 | 1,410.8 | 1,758.7 |
| Other operating expenses | 1,303.6 | 1,083.0 | 1,145.5 |
| Cost of auto parts revenue, includes $26.7 million of depreciation and amortization in the year ended December 31, 2012 | 349.5 | — | — |
| Cost of restaurant revenue | 774.2 | — | — |
| Depreciation and amortization | 105.0 | 73.5 | 86.7 |
| Provision for title claim losses | 279.3 | 222.3 | 248.9 |
| Interest expense | 74.4 | 57.2 | 46.2 |
| Total expenses | 6,358.3 | 4,424.8 | 4,864.6 |
| Earnings from continuing operations before income taxes and equity in earnings (loss) of unconsolidated affiliates | 843.4 | 414.8 | 548.7 |
| Income tax expense on continuing operations | 246.7 | 134.4 | 189.8 |
| Earnings from continuing operations before equity in earnings (loss) of unconsolidated affiliates | 596.7 | 280.4 | 358.9 |
| Equity in earnings (loss) of unconsolidated affiliates | 9.9 | 9.7 | (1.2) |
| Net earnings from continuing operations | 606.6 | 290.1 | 357.7 |
| Earnings from discontinued operations, net of tax | 5.1 | 89.0 | 17.9 |
| Net earnings | 611.7 | 379.1 | 375.6 |
| Less: Net earnings attributable to noncontrolling interests | 5.2 | 9.6 | 5.5 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 606.5 | $ 369.5 | $ 370.1 |
| **Earnings per share** | | | |
| *Basic* | | | |
| Net earnings from continuing operations attributable to Fidelity National Financial, Inc. common shareholders | $ 2.72 | $ 1.28 | $ 1.56 |
| Net earnings from discontinued operations attributable to Fidelity National Financial, Inc. common shareholders | 0.02 | 0.41 | 0.08 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 2.74 | $ 1.69 | $ 1.64 |
| Weighted average shares outstanding, basic basis | 221.2 | 219.0 | 226.2 |
| *Diluted* | | | |
| Net earnings from continuing operations attributable to Fidelity National Financial, Inc. common shareholders | $ 2.66 | $ 1.26 | $ 1.53 |
| Net earnings from discontinued operations attributable to Fidelity National Financial, Inc. common shareholders | 0.02 | 0.40 | 0.08 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 2.68 | $ 1.66 | $ 1.61 |
| Weighted average shares outstanding, diluted basis | 226.0 | 222.7 | 229.3 |
| Dividends per share | $ 0.58 | $ 0.48 | $ 0.69 |
| **Amounts attributable to Fidelity National Financial, Inc., common shareholders:** | | | |
| Net earnings from continuing operations, attributable to Fidelity National Financial, Inc. common shareholders | $ 601.4 | $ 280.5 | $ 352.2 |
| Net earnings from discontinued operations, attributable to Fidelity National Financial, Inc. common shareholders | 5.1 | 89.0 | 17.9 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 606.5 | $ 369.5 | $ 370.1 |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | (In millions) | |
| Net earnings | $ 611.7 | $ 379.1 | $ 375.6 |
| Other comprehensive earnings (loss): | | | |
| Unrealized gain on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) | 41.4 | 23.9 | 34.5 |
| Unrealized gain (loss) relating to investments in unconsolidated affiliates | 22.8 | (5.8) | 7.0 |
| Unrealized gain (loss) on foreign currency translation and cash flow hedging | 6.0 | (1.0) | 0.1 |
| Reclassification adjustments for change in unrealized gains and losses included in net earnings | (12.5) | (26.7) | (71.5) |
| Minimum pension liability adjustment | 7.9 | (10.1) | 6.9 |
| Other comprehensive earnings (loss) | 65.6 | (19.7) | (23.0) |
| Comprehensive earnings | 677.3 | 359.4 | 352.6 |
| Less: Comprehensive earnings attributable to noncontrolling interests | 5.2 | 9.6 | 5.5 |
| Comprehensive earnings attributable to Fidelity National Financial Inc. common shareholders | $ 672.1 | $ 349.8 | $ 347.1 |

See Notes to Consolidated Financial Statements.

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## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF EQUITY

| | Fidelity National Financial, Inc. Common Shareholders | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Common Stock | | Additional Paid-In Capital | Retained Earnings (Deficit) | Accumulated Other Comprehensive Earnings (Loss) | Treasury Stock | | Noncontrolling Interests | Total Equity |
| | Shares | Amount | | | | Shares | Amount | | |
| | (In millions) | | | | | | | | |
| Balance, December 31, 2009 | 249.7 | $ — | $ 3,712.1 | $ (102.4) | $ 35.6 | 19.5 | $(319.4) | $ 19.0 | $ 3,344.9 |
| Exercise of stock options | 0.9 | — | 4.8 | — | — | — | — | — | 4.8 |
| Treasury stock repurchased | — | — | — | — | — | 8.7 | (117.6) | — | (117.6) |
| Tax benefit associated with the exercise of stock-based compensation | — | — | 3.0 | — | — | — | — | — | 3.0 |
| Issuance of restricted stock | 1.6 | — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized loss on investments and other financial instruments | — | — | — | — | (37.0) | — | — | — | (37.0) |
| Other comprehensive earnings — unrealized gain on investments in unconsolidated affiliates | — | — | — | — | 7.0 | — | — | — | 7.0 |
| Other comprehensive earnings — unrealized gain on foreign currency | — | — | — | — | 0.1 | — | — | — | 0.1 |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | 6.9 | — | — | — | 6.9 |
| Stock-based compensation | — | — | 25.1 | — | — | — | — | — | 25.1 |
| Shares withheld for taxes and in treasury | — | — | — | — | | 0.3 | (3.8) | | (3.8) |
| Contributions to noncontrolling interests | — | — | — | — | — | — | — | 0.6 | 0.6 |
| Purchase of noncontrolling interest | — | — | — | — | — | — | — | (0.4) | (0.4) |
| Dividends declared | — | — | — | (157.4) | — | — | — | — | (157.4) |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | (7.4) | (7.4) |
| Net earnings | — | — | — | 370.1 | — | — | — | 5.5 | 375.6 |
| Balance, December 31, 2010 | 252.2 | $ — | $ 3,745.0 | $ 110.3 | $ 12.6 | 28.5 | $(440.8) | $ 17.3 | $ 3,444.4 |
| Exercise of stock options | 1.1 | — | 7.9 | — | — | — | — | — | 7.9 |
| Treasury stock repurchased | — | — | — | — | — | 5.4 | (86.2) | — | (86.2) |
| Issuance of convertible notes, net of deferred taxes of $8.2 and issuance costs of $0.5 | — | — | 12.8 — | — | — | — | — | — | 12.8 |
| Tax benefit associated with the exercise of stock-based compensation | — | — | 6.3 | — | — | — | — | — | 6.3 |
| Issuance of restricted stock | 1.6 | — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized loss on investments and other financial instruments | — | — | — | — | (2.8) | — | — | — | (2.8) |
| Other comprehensive earnings — unrealized loss on investments in unconsolidated affiliates | — | — | — | — | (5.8) | — | — | — | (5.8) |
| Other comprehensive earnings — unrealized loss on foreign currency | — | — | — | — | (1.0) | — | — | — | (1.0) |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | (10.1) | — | — | — | (10.1) |
| Stock-based compensation | — | — | 26.6 | — | — | — | — | — | 26.6 |
| Shares withheld for taxes and in treasury | — | — | — | — | — | 0.3 | (5.2) | — | (5.2) |
| Dividends declared | — | — | — | (106.4) | — | — | — | — | (106.4) |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | (3.7) | (3.7) |
| Net earnings | — | — | — | 369.5 | — | — | — | 9.6 | 379.1 |
| Balance, December 31, 2011 | 254.9 | $ — | $ 3,798.6 | $ 373.4 | $ (7.1) | 34.2 | $(532.2) | $ 23.2 | $ 3,655.9 |
| Acquisition of O'Charley's, Inc. | — | — | 11.1 | — | — | — | — | — | 11.1 |
| Exercise of stock options | 12.2 | — | 154.2 | — | — | 2.9 | (62.9) | — | 91.3 |
| Treasury stock repurchased | — | — | — | — | — | 1.8 | (37.6) | — | (37.6) |
| Tax benefit associated with the exercise of stock-based compensation | 0.1 | — | 31.0 | — | — | — | — | — | 31.0 |
| Issuance of restricted stock | 1.3 | — | — | — | — | — | — | — | — |
| Other comprehensive earnings — unrealized gain on investments and other financial instruments | — | — | — | — | 28.9 | — | — | — | 28.9 |
| Other comprehensive earnings — unrealized gain on investments in unconsolidated affiliates | — | — | — | — | 22.8 | — | — | — | 22.8 |
| Other comprehensive earnings — unrealized gain on foreign currency and cash flow hedging | — | — | — | — | 6.0 | — | — | 4.6 | 10.6 |
| Other comprehensive earnings — minimum pension liability adjustment | — | — | — | — | 7.9 | — | — | 1.4 | 9.3 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Shares withheld for taxes and in treasury | — | — | — | — | — | 1.1 | (25.5) | — | (25.5) |
| Contributions to noncontrolling interests | — | — | — | — | — | — | — | (7.4) | (7.4) |
| Consolidation of previous minority-owned subsidiary | — | — | — | — | — | — | — | 461.9 | 461.9 |
| Dividends declared | — | — | — | (130.5) | — | — | — | — | (130.5) |
| Subsidiary dividends paid to noncontrolling interests | — | — | — | — | — | — | — | (11.9) | (11.9) |
| Net earnings | — | — | — | 606.5 | — | — | — | 5.2 | 611.7 |
| Balance, December 31, 2012 | 268.5 | $ — | $ 4,018.3 | $ 849.4 | $ 58.5 | 40.0 | $(658.2) | $ 481.1 | $ 4,749.1 |

See Notes to Consolidated Financial Statements.

## FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | (In millions) | |
| **Cash Flows From Operating Activities:** | | | |
| Net earnings | $ 611.7 | $ 379.1 | $ 375.6 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Depreciation and amortization | 131.8 | 76.3 | 90.4 |
| Equity in (earnings) loss of unconsolidated affiliates | (9.9) | (9.7) | 1.2 |
| Net gain (loss) on sales of investments and other assets, net | 3.3 | (10.7) | (138.3) |
| Gain on consolidation of O'Charley's, Inc. and American Blue Ribbon Holdings, LLC | (72.5) | — | — |
| Bargain purchase gain on O'Charley's, Inc. | (48.1) | — | — |
| Gain on consolidation of Remy International, Inc. | (78.8) | — | — |
| Net gain on sale of at-risk and flood insurance businesses | — | (139.0) | — |
| Gain on sale of investment in Sedgwick CMS | — | — | (98.4) |
| Stock-based compensation cost | 27.5 | 26.6 | 25.1 |
| Tax benefit associated with the exercise of stock-based compensation | (31.0) | (6.3) | (3.0) |
| Changes in assets and liabilities, net of effects from acquisitions: | | | |
| Net decrease (increase) in pledged cash, pledged investments and secured trust deposits | 0.4 | (5.9) | 10.6 |
| Net (increase) decrease in trade receivables | (14.5) | 15.4 | (28.2) |
| Net decrease (increase) in prepaid expenses and other assets | 49.2 | (5.2) | 25.1 |
| Net increase (decrease) in accounts payable, accrued liabilities, deferred revenue and other | 63.3 | (65.6) | 36.9 |
| Net decrease in reserve for title claim losses | (158.7) | (294.8) | (268.7) |
| Net change in income taxes | 146.3 | 150.1 | 160.2 |
| Net cash provided by operating activities | 620.0 | 110.3 | 188.5 |
| **Cash Flows From Investing Activities:** | | | |
| Proceeds from sales of investment securities available for sale | 593.5 | 738.7 | 1,000.3 |
| Proceeds from calls and maturities of investment securities available for sale | 418.5 | 549.1 | 402.4 |
| Proceeds from sales of other assets | 2.3 | 6.2 | 20.1 |
| Additions to property and equipment and capitalized software | (79.2) | (35.9) | (53.9) |
| Purchases of investment securities available for sale | (1,146.0) | (1,299.1) | (1,394.3) |
| Purchases of other long-term investments | (9.0) | — | (3.6) |
| Net (purchases of) proceeds from short-term investment activities | (11.5) | 78.0 | 219.4 |
| Net contributions to investments in unconsolidated affiliates | (22.5) | (21.3) | (28.3) |
| Net other investing activities | 2.3 | (2.8) | (18.6) |
| Proceeds from the sale of flood insurance business | 75.0 | 119.5 | — |
| Proceeds from the sale of Sedgwick CMS | — | 32.0 | 193.6 |
| Acquisition of O'Charley's, Inc. and American Blue Ribbon Holdings, LLC, net of cash acquired | (122.2) | — | — |
| Acquisition of J. Alexanders Corporation, net of cash acquired | (70.4) | — | — |
| Acquisition of Remy International, Inc., net of cash acquired | 64.2 | — | — |
| Proceeds from sale of at-risk insurance business | 119.0 | — | — |
| Acquisition of Digital Insurance, Inc. net of cash acquired | (98.2) | — | — |
| Other acquisitions/disposals of businesses, net of cash acquired | (25.8) | (0.3) | (10.4) |
| Net cash (used in) provided by investing activities | (310.0) | 164.1 | 326.7 |
| **Cash Flows From Financing Activities:** | | | |
| Borrowings | 679.0 | 500.0 | 600.3 |
| Debt service payments | (558.4) | (515.9) | (510.1) |
| Make-whole call penalty on early extinguishment of debt | (5.2) | — | — |
| Debt issuance costs | (7.9) | (7.9) | (2.3) |
| Dividends paid | (128.7) | (105.1) | (156.6) |
| Subsidiary dividends paid to noncontrolling interest shareholders | (11.9) | (3.7) | (7.4) |
| Exercise of stock options | 91.3 | 7.9 | 4.8 |

| | | | |
|---|---|---|---|
| Tax benefit associated with the exercise of stock-based compensation | 31.0 | 6.3 | 3.0 |
| Purchases of treasury stock | (37.6) | (86.2) | (117.6) |
| Net cash provided by (used in) financing activities | 51.6 | (204.6) | (185.9) |
| Net increase in cash and cash equivalents, excluding pledged cash related to secured trust deposits | 361.6 | 69.8 | 329.3 |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at beginning of year | 504.4 | 434.6 | 105.3 |
| Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at end of year | $ 866.0 | $ 504.4 | $ 434.6 |

See Notes to Consolidated Financial Statements.

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note A. Summary of Significant Accounting Policies**

The following describes the significant accounting policies of Fidelity National Financial, Inc. and its subsidiaries (collectively, “we,” “us,” “our,” or “FNF”) which have been followed in preparing the accompanying Consolidated Financial Statements.

**Description of Business**

We are a leading provider of title insurance, mortgage services and other diversified services. We are the nation's largest title insurance company through our title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title and Alamo Title - that collectively issue more title insurance policies than any other title company in the United States. We also hold a 55% ownership interest in American Blue Ribbon Holdings, LLC ("ABRH"), the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Stoney River Legendary Steaks concepts. We also own 100% of J. Alexander's LLC ("J. Alexander's"). In addition, we hold a 51% ownership interest in Remy International, Inc. ("Remy"), a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles. FNF also owns a minority interest in Ceridian Corporation ("Ceridian"), a leading provider of global human capital management and payment solutions.

During 2010, we completed a project to reduce the number of our title insurance underwriters in order to eliminate certain legal, operating and oversight costs associated with operating multiple separate and independent underwriters. Our remaining four principal title insurance underwriters are Fidelity National Title, Chicago Title, Commonwealth Land Title, and Alamo Title. Security Union Title and Ticor Title were merged into Chicago Title. Lawyers Title was merged into Fidelity National Title.

We currently have four reporting segments as follows:

- *Fidelity National Title Group.* This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee’s sales guarantees, recordings and reconveyances, and home warranty insurance.

- *Remy.* This segment consists of the operations of Remy, in which we have a 51% ownership interest. Remy is a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles.

- *Restaurant Group.* The Restaurant Group segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Stoney River Legendary Steaks. This segment also includes the recently acquired J. Alexander's.

- *Corporate and Other.* The corporate and other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, other smaller operations, and our share in the operations of certain equity investments, including Ceridian.

***Principles of Consolidation and Basis of Presentation***

The accompanying Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and include our accounts as well as our wholly-owned and majority-owned subsidiaries. All intercompany profits, transactions and balances have been eliminated. Our investments in non-majority-owned partnerships and affiliates are accounted for using the equity method until such time that they become wholly or majority-owned. Earnings attributable to noncontrolling interests are recorded on the Consolidated Statements of Earnings relating to majority-owned subsidiaries with the appropriate noncontrolling interest that represents the portion of equity not related to our ownership interest recorded on the Consolidated Balance Sheets in each period.

***Discontinued Operations***

On May 1, 2012, we completed the sale of an 85% interest in our remaining subsidiaries that write personal lines insurance to WT Holdings, Inc. for $ 119.0 million . Accordingly, the results of this business through the date of sale (which we refer to as our "at-risk" insurance business) for all periods presented are reflected in the Consolidated Statements of Earnings as discontinued operations. The at-risk insurance business sale resulted in a pre-tax loss of $ 15.1 million , which was recorded in the fourth quarter of 2011. Total revenues from the at-risk insurance business included in discontinued operations are $ 124.4 million , $ 162.8 million and $ 160.9 million for the years ending December 31, 2012, 2011, and 2010, respectively. Pre-tax earnings (loss) from the at-risk insurance business included in discontinued operations are $ 10.4 million , $ (23.6) million and $ (16.4) million for the years ending December 31, 2012, 2011, and 2010, respectively.

On October 31, 2011, we completed the sale of our flood insurance business to WRM America Holdings LLC (“WRM America”) for $ 135.0 million in cash and dividends, and a $ 75.0 million seller note. The seller note was paid in full during 2012. Accordingly, the results of this business through the date of sale for all periods presented are reflected in the Consolidated Statements of Earnings as discontinued operations. The flood insurance business sale resulted in a pre-tax gain of approximately $ 154.1 million ($ 94.9 million after tax) , which was recorded in 2011. Total revenues from the flood business included in discontinued operations are $ 151.3 million and $ 166.4 million for the years ending December 31, 2011 and 2010, respectively. Pre-tax earnings from the flood business included in discontinued operations are $ 29.2 million and $ 30.0 million for the years ending December 31, 2011 and 2010, respectively.

***Sale of Sedgwick CMS***

On May 28, 2010, we completed the sale of our 32% interest in Sedgwick, our former minority-owned affiliate that provides claims management services to large corporate and public sector entities, to a group of private equity funds. See Note D on Investments for further discussion of the sale.

***I nvestments***

Fixed maturity securities are purchased to support our investment strategies, which are developed based on factors including rate of return, maturity, credit risk, duration, tax considerations and regulatory requirements. Fixed maturity securities which may be sold prior to maturity to support our 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 market conditions and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly. Discount or premium is recorded for the difference between the purchase price and the principal amount. The discount or premium is amortized or accreted 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 prospectively.

Equity securities and preferred stocks held are considered to be available for sale and carried at fair value as of the balance sheet dates. Our equity securities and certain preferred stocks are Level 1 financial assets and fair values are based on quoted prices in active markets. Other preferred stock holdings are Level 2 financial assets and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly.

Investments in unconsolidated affiliates are recorded using the equity method of accounting.

Other long-term investments consist of structured notes and various cost-method investments, and are carried at fair value as of the balance sheet dates. Fair values are based on exit prices obtained from a broker-dealer.

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 securities which are classified as available for sale, net of applicable deferred income tax expenses (benefits), are excluded from earnings and credited or charged directly to a separate component of equity. If any unrealized losses on available for sale securities are determined to be other-than-temporary, such unrealized losses are recognized as realized losses. Unrealized losses are considered other-than-temporary if factors exist that cause us to believe that the value will not increase to a level sufficient to recover our cost basis. Some factors considered in evaluating whether or not a decline in fair value is other-than-temporary include: (i) our need and intent to sell the investment prior to 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.

***Cash and Cash Equivalents***

Highly liquid instruments purchased as part of cash management with original maturities of three months or less are considered cash equivalents. The carrying amounts reported in the Consolidated Balance Sheets for these instruments approximate their fair value.

***Fair Value of Financial Instruments***

The fair values of financial instruments presented in the Consolidated 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. We do not necessarily intend to dispose of or liquidate such instruments prior to maturity.

***Trade and Notes Receivables***

The carrying values reported in the Consolidated 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. Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment annually or more frequently if circumstances indicate potential impairment, through a comparison of fair value to the carrying amount. In evaluating the recoverability of goodwill, we perform an annual goodwill impairment analysis based on a review of qualitative factors to determine if events and circumstances exist which will lead to a determination that the fair value of a reporting unit is greater than its carrying amount, prior to performing a full fair-value assessment.

We completed annual goodwill impairment analyses in the fourth quarter of each respective year using a September 30 measurement date and as a result no goodwill impairments have been recorded. For the years ended December 31, 2012 and 2011 , we determined there were no events or circumstances which indicated that the carrying value exceeded the fair value.

***Other Intangible Assets***

We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts and trademarks which are generally recorded in connection with acquisitions at their fair value, and debt issuance costs relating to the issuance of our long-term notes payable. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method which takes into consideration expected customer attrition rates. 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. Debt issuance costs are amortized on a straight line basis over the contractual life of the related debt instrument.

In our Remy segment, upon entering into new or extending existing contracts, we may be required to purchase certain cores and inventory from our customers at retail prices, or be obligated to provide certain agreed support. The excess of the prices paid for the cores and inventory over fair value, and the value of any agreed support, are recorded as contract intangibles and amortized as a reduction to auto parts revenue on a method to reflect the pattern of economic benefit consumed. Customer contract intangibles which are not paid to customers, are amortized and recorded in cost of auto parts revenue.

We recorded no impairment expense related to other intangible assets in 2012 , 2011 , or 2010 .

***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. Title plants are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable. We reviewed title plants for impairment in the years ending December 31, 2012 , 2011 , and 2010 and identified and recorded impairment expense of $ 12.6 million , $ 2.6 million and $ 4.3 million , respectively.

***Property and Equipment***

Property and equipment are recorded at cost, less 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 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. Property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable.

*Remy.* Property and equipment within our Remy segment are recorded at cost, less depreciation. Major expenditures that significantly extend the useful life or enhance the usability of the property, plant or equipment are capitalized. Depreciation is calculated primarily using the straight-line method over the estimated useful lives of the related assets (fifteen to forty years for buildings and 3 to 15 years for tooling, machinery and equipment). Capital leases and leasehold improvements are amortized over on a straight-line basis the shorter of the lease term or their estimated useful life.

*Restaurant Group.* Property and equipment within our Restaurant Group segment are recorded at cost, less depreciation. Depreciation is computed on the straight-line method over thirty years for buildings and improvements and three to twenty-five years for furniture, fixtures and equipment. Leasehold improvements are amortized over the lesser of the asset’s estimated useful life or the expected lease term, inclusive of renewal periods not to exceed twenty years. Equipment under capitalized leases is amortized on a straight-line basis to its expected residual value at the end of the lease term. All direct external costs associated with obtaining the land, building and equipment for each new restaurant, as well as construction period interest are capitalized. Direct external costs associated with obtaining the dining room and kitchen equipment, signage and other assets and equipment are also capitalized. In addition, for each new restaurant and re-branded restaurant, a portion of the internal direct costs of its real estate and construction department are also capitalized.

***Reserve for Title Claim Losses***

Our reserve for title claim losses includes known claims as well as losses we expect to incur, net of recoupments. Each known claim is reserved based on our review 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 also take into consideration other factors, including industry trends, claim loss history, current legal environment, geographic considerations and the 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.

If a loss is related to a policy issued by an independent agent, we may proceed against the independent agent pursuant to the terms of the agency agreement. In any event, we 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 its own assets, pending completion of real estate transactions. Accordingly, our Consolidated Balance Sheets reflect a secured trust deposit liability of $ 528.3 million and $ 419.9 million at December 31, 2012 and 2011 , respectively, representing customers’ assets held by us and corresponding assets including cash and investments pledged as security for those trust balances.

***Income Taxes***

We recognize deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of our 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, is 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, we limit our maximum loss exposure by reinsuring certain risks with other insurers. We also earn a small amount of additional income, which is reflected in our direct premiums, by assuming reinsurance for certain risks of other insurers. We cede 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.

***Core Accounting***

In our Remy segment, remanufacturing is the process where failed or used components, commonly known as cores, are disassembled into subcomponents, cleaned, inspected, tested, combined with new subcomponents and reassembled into saleable, finished products. With many customers, a deposit is charged for the core. Upon return of a core, we grant the customer a credit based on the core deposit value. Core deposits are excluded from auto parts revenue. We record a liability for core returns based on cores expected to be returned. This liability is recorded in Accounts payable and other accrued liabilities in the accompanying Consolidated Balance Sheet. The liability represents the difference between the core deposit value to be credited to the customer and the estimated core inventory value of the core to be returned. Revisions to these estimates are made periodically to consider current costs and customer return trends. Upon receipt of a core, we record inventory at lower of cost or fair market value. The value of a core declines over its estimated useful life (ranging from 4 to 30 years) and is devalued accordingly. Carrying value of the core inventory is evaluated by comparing current prices obtained from core brokers to carrying cost. The devaluation of core carrying value is reflected as a charge to Cost of auto parts revenue. Core inventory that is deemed to be obsolete or in excess of current and future projected demand is written down to the lower of cost or market and charged to Cost of auto parts revenue. Core inventories are classified as Prepaid expenses and other assets in the accompanying Consolidated Balance Sheet.

In our Remy segment, when we enter into arrangements to purchase certain cores held in a customer's inventory or when the customer is not charged a deposit for the core, we have the right to receive a core from the customer in return for every exchange unit supplied to them. We classify such rights as "Core return rights" in Prepaid expenses and other assets in the accompanying Consolidated Balance Sheet. The core return rights are valued based on the underlying core inventory values. Devaluation of these rights is charged to Cost of auto parts revenue. On a periodic basis, we settle with customers for cores that have not been returned.

***Research and Development***

In our Remy segment, we conduct research and development programs that are expected to contribute to future earnings. Such costs are included in Other operating expenses in the Consolidated Statements of Earnings. Customer-funded research and development expenses are recorded as an offset to research and development expense in Other operating expenses.

***Government Grants***

In our Remy segment, we record government grants when there is reasonable assurance that the grant will be received and we will comply with the conditions attached to the grants received. Grants related to revenue are recorded as an offset to the related expense in the accompanying Consolidated Statements of Earnings. Grants related to assets are recorded as deferred revenue in Accounts payable and other accrued liabilities and are recognized on a straight-line basis over the useful life of the related asset. We continue to evaluate our compliance with the conditions attached to the related grants.

On August 5, 2009, the U.S. government announced its intention to enter into negotiations with us regarding the awarding of a grant to us of approximately $ 60.2 million for investments in equipment and manufacturing capability to manufacture electric drive motor technology for use in electric drive vehicles. We finalized the negotiation on this grant on April 8, 2010. The grant will reimburse certain capital expenditures, labor, subcontract and other allowable costs at a rate of fifty percent (50%) of the amount expended during a three-year period. In March 2011, the grant was extended through December 16, 2013. As of December 31, 2012 , we have completed the first phase of the grant award. As of December 31, 2012 $ 24.2 million of the grant remains.

In addition, we receive various grants and subsidies from foreign jurisdictions.

***Foreign Currency Translation***

The functional currency for our foreign operations is either the U.S. Dollar or the local currency, with the exception of our Remy subsidiaries in Hungary for which the Euro is the functional currency, since substantially all of their purchases and sales are denominated in Euro. For foreign operations where the local currency is the functional currency, the translation of foreign currencies into U.S. Dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet date and for revenue and expense accounts using a weighted average exchange rate during the period. The unrealized gains and losses resulting from the translation are included in Accumulated other comprehensive earnings in the Consolidated Financial Statements and are excluded from net earnings. Gains or losses resulting from foreign currency transactions are included in Realized gains and losses, net and are insignificant in 2012 , 2011 , and 2010 . We evaluate our foreign subsidiaries' functional currency on an ongoing basis.

***Derivative Financial Instruments***

In our Remy segment, in the normal course of business, our operations are exposed to continuing fluctuations in foreign currency values, interest rates and commodity prices that can affect the cost of operating, investing and financing. Accordingly, we address a portion of these risks through a controlled program of risk management that includes the use of derivative financial instruments. We have historically used derivative financial instruments for the purpose of hedging currency, interest rate and commodity exposures, which exist as a part of ongoing business operations.

As a policy, we do not engage in speculative or leveraged transactions, nor do we hold or issue derivative financial instruments for trading purposes. Our objective for holding derivatives is to minimize risks using the most effective and cost-efficient methods available. Management routinely reviews the effectiveness of the use of derivative financial instruments.

We recognize all of our derivative instruments as either assets or liabilities at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated, and is effective, as a hedge and further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, we designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge or a hedge of a net investment in a foreign operation. Gains and losses related to a hedge are either recognized in earnings immediately to offset the gain or loss on the hedged item or are deferred and reported as a component of Accumulated other comprehensive earnings (loss) and subsequently recognized in earnings when the hedged item affects earnings. The change in fair value of the ineffective portion of a financial instrument that has been designated as a hedge, determined using the change in fair value method, is recognized in earnings immediately. The gain or loss related to derivative financial instruments that are not designated as hedges is recognized immediately in earnings.

***Warranty***

In our Remy segment, we provide certain warranties relating to quality and performance of our products. An allowance for the estimated future cost of product warranties and other defective product returns is based on management's estimate of product failure rates and customer eligibility and is included in Accounts payable and other accrued liabilities in the Consolidated Balance Sheet. If these factors differ from management's estimates, revisions to the estimated warranty liability may be required. The specific terms and conditions of the warranties vary depending upon the customer and the product sold.

***Revenue Recognition***

*Fidelity National Title Group.* Our direct title insurance premiums and escrow, title-related and other 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. Historically, the time lag between the closing of these transactions by our agents and the reporting of these policies, or premiums, to us has been up to 15 months, with 70 - 80% reported within three months following closing, an additional 10 - 20% reported within the next three months and the remainder within seven to fifteen months. In addition to accruing these earned but unreported agency premiums, we also accrue agent commission expense, which was 76.1% , 77.1% and 78.6% of agent premiums earned in 2012 , 2011 and 2010 , respectively. We also record provision for claim losses at our average provision rate at the time we record the accrual for the premiums, which was 7.0% for 2012 and 6.8% for 2011 and 2010 , and accruals for premium taxes and other expenses relating to our premium accrual. The resulting impact to pretax earnings in any period is less than 10% of the accrued premium amount. The impact of the change in the accrual for agency premiums and related expenses for the years ended December 31, 2012 , 2011 and 2010 on our pretax earnings was a (decrease) increase of $ (0.2) million, $ 7.8 million and $ 10.7 million, respectively. The amount due from our agents relating to this accrual, i.e. the agent premium less their contractual retained commission, was approximately $ 90.7 million and $ 91.3 million at December 31, 2012 and 2011 , respectively, which represents agency premiums of approximately $ 438.2 million and $ 441.2 million at December 31, 2012 and 2011 , respectively, and agent commissions of $ 347.5 million and $ 349.9 million at December 31, 2012 and 2011 , respectively.

Revenues from home warranty insurance policies are recognized over the life of the policy, which is one year. The unrecognized portion is recorded as deferred revenue in Accounts payable and other accrued liabilities in the Consolidated Balance Sheets .

*Remy*. Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, ownership has transferred, the seller's price to the buyer is fixed and determinable and collectability is reasonably assured. Sales are recorded upon shipment of product to customers and transfer of title and risk of loss under standard commercial terms (typically, F.O.B. shipping point). We recognize shipping and handling costs as Costs of auto parts revenue with the related amounts billed to customers as sales. Accruals for sales returns, price protection and other allowances are provided at the time of shipment based upon past experience. Adjustments to such accruals are made as new information becomes available. We accrue for rebates, price protection and other customer sales allowances in accordance with specific customer arrangements. Such rebates are recorded as a reduction of Auto parts revenue.

*Restaurant Group.* Restaurant revenue on the Consolidated Statements of Earnings consists of restaurant sales and, to a lesser extent, franchise revenue and other revenue. Restaurant sales include food and beverage sales and are net of applicable state and local sales taxes and discounts.

***Earnings Per Share***

Basic earnings per share is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding during the period. In periods when earnings are positive, diluted earnings per share is calculated by dividing net earnings available to common stockholders by the sum of the weighted average number of common shares outstanding and the impact of assumed conversions of potentially dilutive securities. For periods when we recognize a net loss, diluted earnings per share is equal to basic earnings per share as the impact of assumed conversions of potentially dilutive securities is considered to be anti-dilutive. We have granted certain options, warrants, restricted stock, and convertible notes which have been treated as common share equivalents for purposes of calculating diluted earnings per share for periods in which positive earnings have been reported.

The following table presents the computation of basic and diluted earnings per share:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | (Dollars in millions, except per share data) | | |
| Net earnings from continuing operations attributable to FNF common shareholders | $ 601.4 | $ 280.5 | $ 352.2 |
| Net earnings from discontinued operations attributable to FNF common shareholders | 5.1 | 89.0 | 17.9 |
| Net earnings attributable to FNF common shareholders | $ 606.5 | $ 369.5 | $ 370.1 |
| Weighted average shares outstanding during the period, basic basis | 221.2 | 219.0 | 226.2 |
| Plus: Common stock equivalent shares assumed from conversion of options | 4.8 | 3.7 | 3.1 |
| Weighted average shares outstanding during the period, diluted basis | 226.0 | 222.7 | 229.3 |
| Basic net earnings per share from continuing operations attributable to FNF common shareholders | $ 2.72 | $ 1.28 | $ 1.56 |
| Basic net earnings from discontinued operations attributable to FNF common shareholders | 0.02 | 0.41 | 0.08 |
| Basic earnings per share attributable to FNF common shareholders | $ 2.74 | $ 1.69 | $ 1.64 |
| Diluted net earnings per share from continuing operations attributable to FNF common shareholders | $ 2.66 | $ 1.26 | $ 1.53 |
| Diluted net earnings from discontinued operations attributable to FNF common shareholders | 0.02 | 0.40 | 0.08 |
| Diluted earnings per share attributable to FNF common shareholders | $ 2.68 | $ 1.66 | $ 1.61 |

For the years ended December 31, 2012 , 2011 , and 2010 , options to purchase 3.5 million shares, 7.8 million shares and 12.6 million shares, respectively, of our common stock were excluded from the computation of diluted earnings per share because they were anti-dilutive.

***Transactions with Related Parties***

We have historically conducted business with Fidelity National Information Services ("FIS") and its subsidiaries.

A summary of the agreements that were in effect with FIS through December 31, 2012 , is as follows:

- Technology (“IT”) and data processing services from FIS. These agreements govern IT support services provided to us by FIS, primarily consisting of infrastructure support and data center management. Subject to certain early termination provisions, the agreement expires on or about June 30, 2013 with an option to renew for one or two additional years.
- Administrative corporate support and cost-sharing services to FIS. We have provided certain administrative corporate support services such as corporate aviation and other administrative support services to FIS.

A detail of related party items between us and FIS that were included in revenues and expenses for the periods presented is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | (In millions) | |
| Corporate services and cost-sharing revenue | $ 4.8 | $ 4.5 | $ 3.7 |
| Data processing expense | (31.6) | (35.8) | (48.1) |
| Net expense | $ (26.8) | $ (31.3) | $ (44.4) |

We believe the amounts we earned or were charged under each of the foregoing arrangements are fair and reasonable. The information technology infrastructure support and data center management services provided to us 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 FNF earned or was 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. T he net amounts due to FIS as a result of these agreements were $ 5.4 million and $ 5.6 million as of December 31, 2012 and 2011 , respectively.

On October 1, 2009, pursuant to an investment agreement between us and FIS dated March 31, 2009 (the "Investment Agreement"), we invested a total of $ 50.0 million in FIS common stock in connection with a merger between FIS and Metavante Technologies, Inc. Under the terms of the Investment Agreement, we purchased 3,215,434 shares of FIS's common stock at a price of $ 15.55 per share. Additionally, we received a transaction fee of $ 1.5 million from FIS. During the third quarter of 2010, we sold 1,611,574 shares as part of a tender offer by FIS at $ 29.00 per share for a realized gain of $ 21.7 million . The fair value of this investment is $ 55.8 million and $ 42.6 million as of December 31, 2012 and 2011 , respectively, and is recorded in Equity securities available for sale. Changes in fair value of the FIS stock are recorded as other comprehensive earnings.

Also included in fixed maturities available for sale are FIS bonds with a fair value of $ 52.7 million and $ 23.6 million as of December 31, 2012 and 2011 , respectively. At December 31, 2011, we also held an FIS term loan acquired in May 2011 with a fair value of $ 13.0 million as of December 31, 2011.

***Stock-Based Compensation Plans***

We account for stock-based compensation plans using the fair value method. Using the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date, using the Black-Scholes Model, and recognized over the service period.

***Management Estimates***

The preparation of these Consolidated Financial Statements in conformity with GAAP requires us 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 Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Certain Reclassifications***

Certain reclassifications have been made in the 2011 and 2010 Consolidated Financial Statements to conform to classifications used in 2012 . In addition, we have corrected an immaterial prior period error in the Consolidated Statement of Cash Flows. The correction was between cash flows from operating activities and cash flows from investing activities for the years ended December 31, 2011 and 2010 , and resulted in a decrease in cash provided by operating activities and an increase in cash provided by investing activities of $14.6 million in 2011 and an increase in cash provided by operating activities and a decrease in cash provided by investing activities of $6.0 million in 2010. There was no impact on our other Consolidated Financial Statements presented.

**Note B — Acquisitions**

The results of operations and financial position of the entities acquired during any year are included in the Consolidated Financial Statements from and after the date of acquisition.

***Acquisition of Remy International, Inc.***

During the third quarter of 2012, we acquired 1.5 million additional shares of Remy International, Inc. ("Remy"), increasing our ownership interest to 16.3 million shares or 51% of Remy's total outstanding common shares. As a result of this acquisition we began to consolidate the results of Remy effective August 14, 2012. We previously held a 47% ownership interest in Remy. Total consideration paid for the additional 1.5 million shares was $ 31.3 million and cash acquired upon consolidation of Remy was $ 95.5 million. Goodwill has been recorded based on the amount that the purchase price exceeded the fair value of the net assets acquired. Our 47% equity method investment prior to consolidation of $ 179.2 million was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheets. A realized gain of $ 78.8 million was recognized in 2012 for the difference between our basis in our equity method investment of Remy prior to consolidation and the fair value of our investment in Remy at August 14, 2012, the date we acquired control and began to consolidate its operations. The purchase price was as follows (in millions):

| | | |
|---|---|---|
| Fair value of our 47% investment in Remy prior to consolidation | $ | 258.0 |
| Cash paid for additional ownership in Remy | | 31.3 |
| Less: cash acquired in consolidation of Remy | | (95.5) |
| | $ | 193.8 |

The purchase price has been allocated to the Remy assets acquired and liabilities assumed based on our best estimates of their fair values as of the acquisition date. Goodwill has been recorded based on the amount that the purchase price exceeds the fair value of the net assets acquired. The purchase price allocation was completed in 2012. The purchase price allocation is as follows (in millions):

| | | |
|---|---|---|
| Trade and notes receivables, net of allowance for doubtful accounts | $ | 202.2 |
| Prepaid expenses and other assets | | 214.3 |
| Property and equipment | | 160.7 |
| Other intangible assets | | 368.1 |
| Goodwill | | 246.4 |
| Total assets | | 1,191.7 |
| Accounts payable and other accrued liabilities | | 352.6 |
| Deferred tax liability | | 38.0 |
| Notes payable | | 304.7 |
| Total liabilities | | 695.3 |
| Net assets acquired | | 496.4 |
| Less: noncontrolling interest | | (302.6) |
| | $ | 193.8 |

The following table summarized the intangible assets acquired (in millions, except for useful life):

| Amortizing intangible assets: | | Fair Value as of Consolidation | Weighted Average Useful Life in Years as of Consolidation | | Residual Value as of December 31, 2012 |
|---|---|---|---|---|---|
| Customer contracts | $ | 75.6 | 3.3 | $ | 65.0 |
| Customer relationship | | 198.0 | 10.0 | | 190.5 |
| Developed technology | | 9.0 | 4.3 | | 8.9 |
| Total amortizing intangible assets | | 282.6 | | | 264.4 |
| | | | | | |
| Non-amortizing intangible assets: | | | | | |
| Tradenames | | 85.5 | | | 85.5 |
| Total intangible assets | $ | 368.1 | | $ | 349.9 |

***Acquisition of O'Charley's Inc. and Merger with ABRH***

On April 9, 2012, we successfully closed a tender offer for the outstanding common stock of O'Charley's Inc. ("O'Charley's"). We have consolidated the results of O'Charley's as of April 9, 2012. On May 11, 2012, we merged O'Charley's with our investment in ABRH in exchange for an increase in our ownership position in ABRH from 45% to 55% . As of December 31, 2012, there were 322 company-owned restaurants in the O'Charley's group of companies and 218 company-owned restaurants in the ABRH group of companies. Total consideration paid was $ 122.2 million in cash, net of cash acquired of $ 35.0 million. Our investment in ABRH, prior to the merger, was $ 37.0 million and was included in Investments in unconsolidated affiliates on the Consolidated Balance Sheet. Our investment in O'Charley's prior to the tender offer of $ 13.8 million was included in Equity securities available for sale on the Consolidated Balance Sheet. We have consolidated the operations of ABRH with the O'Charley's group of companies, beginning on May 11, 2012.

The total purchase price has been allocated to the Restaurant Group assets acquired and liabilities assumed based on our best estimates of the fair value of the assets acquired and liabilities assumed as of the respective acquisition dates. The purchase price allocation was completed in 2012. In the case of ABRH, goodwill has been recorded based on the amount that the purchase price exceeded the fair value of the net assets acquired. A realized gain of $ 65.8 million, which is included in Realized gains and losses on the Consolidated Statement of Earnings, was recognized in 2012 for the difference between our basis in our equity method investment of ABRH prior to consolidation and the fair value of our investment in ABRH at the date of consolidation. The fair value of our investment in ABRH was estimated using relative market based comparable information. In regards to O'Charley's, a realized gain of $ 54.8 million was recognized in 2012. The gain consisted of a $ 48.1 million bargain purchase gain discussed further below, and a gain of $ 6.7 million for the difference in the basis of our holdings in O'Charley's common stock prior to consolidation and the fair value of O'Charley's common stock at the date of consolidation. As a result of the final valuation, we recognized and measured the identifiable assets acquired and liabilities assumed from the O'Charley's purchase at fair value. Upon completion of the fair value process, the net assets of O'Charley's received by FNF exceeded the purchase price resulting in a bargain purchase gain of $ 48.1 million, which is included in Realized gains and losses on the Consolidated Statement of Earnings for 2012. The bargain purchase gain was due to the release of a valuation allowance on O'Charley's net deferred tax assets. O'Charley's previously had recorded a valuation allowance on the deferred tax assets, due to its history of net losses and the low probability of being able to utilize these assets. We also recorded a $ 10.8 million increase to our Additional paid-in capital during 2012, related to the fair value of the non-controlling interest portion of our ownership in O'Charley's. The purchase price was as follows (in millions):

| | | |
|---|---|---|
| Fair value of our investment in O'Charley's and ABRH as of consolidation | $ | 182.2 |
| Net cash paid for majority ownership in O'Charley's and ABRH | | 122.2 |
| | $ | 304.4 |

The purchase price has been allocated to the O'Charley's and ABRH assets acquired and liabilities assumed based on our best estimates of their fair values as of the acquisition dates. Goodwill has been recorded based on the amount that the purchase price exceeds the fair value of the net assets acquired. The purchase price allocation was completed in 2012. The purchase price allocation is as follows (in millions):

| | | |
|---|---|---|
| Trade and notes receivables | $ | 11.3 |
| Prepaid expenses and other assets | | 83.2 |
| Property and equipment | | 241.7 |
| Other intangible assets | | 113.7 |
| Deferred tax assets | | 71.5 |
| Goodwill | | 102.1 |
| Total assets | | 623.5 |
| Total liabilities | | 169.2 |
| Net assets acquired | | 454.3 |
| Less: noncontrolling interest | | (149.9) |
| | $ | 304.4 |

The following table summarized the intangible assets acquired (in millions, except for useful life):

| Amortizing intangible assets: | Fair Value as of Consolidation | Weighted Average Useful Life in Years as of Consolidation | Residual Value as of December 31, 2012 |
|---|---|---|---|
| Franchise rights | $ 10.0 | 12.0 | $ 9.3 |
| | | | |
| Non-amortizing intangible assets: | | | |
| Tradenames | 99.0 | | 99.0 |
| Liquior license | 4.7 | | 4.7 |
| Total intangible assets | $ 113.7 | | $ 113.0 |

***Pro-forma Financial Results***

For comparative purposes, selected unaudited pro-forma consolidated results of operations of FNF for the years ended December 31, 2012 and 2011 are presented below. Pro-forma results presented assume the consolidation of ABRH, O'Charley's and Remy occurred as of the beginning of each respective period. Amounts reflect our 55% ownership interest in ABRH and O'Charley's and our 51% ownership interest in Remy and were adjusted to exclude transaction and integration costs related to the acquisitions and earnings attributable to our prior investments in ABRH and Remy. We have also excluded the earnings effects attributable to the fair value adjustments of our prior investments and the bargain purchase gain related to the purchase of O'Charley's.

| | Year Ended December 31, | |
|---|---|---|
| | 2012 | 2011 |
| | (in millions) | |
| Total revenues | $ 8,206.6 | $ 7,285.7 |
| Net earnings attributable to FNF common shareholders | 518.3 | 391.6 |

***Other Acquisitions***

*Digital Insurance, Inc.*

On December 31, 2012, we acquired Digital Insurance, Inc. ("Digital Insurance"). Total consideration paid was $ 98.2 million in cash, net of cash acquired of $ 3.1 million. We consolidated the operations of Digital Insurance as of December 31, 2012. Digital Insurance is the nation's leading employee benefits platform specializing in health insurance distribution and benefits management for small and mid-sized businesses.

*J. Alexander's Corporation*

In September 2012, we successfully completed a tender offer for the outstanding common stock of J. Alexander's Corporation for $ 14.50 per share. Total consideration paid was $ 70.4 million in cash, net of cash acquired of $ 6.9 million. Effective October 29, 2012, following a one-month waiting period required under the Tennessee Business Corporation Act, we completed the closing of the short-form merger with J. Alexander's and subsequently own 100% of J. Alexander's, which later became J. Alexander's LLC. We have consolidated the operations of J. Alexander's beginning September 26, 2012. J. Alexander's operates 33 J. Alexander's restaurants in 13 states. Subsequent to year-end on February 25, 2013, we merged Stoney River Legendary Steaks into J. Alexander's.

**Note C. Fair Value Measurements**

The fair value hierarchy established by the accounting standards on fair value measurements includes three levels which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

*Level 1.* Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

*Level 2.* Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3.* Financial assets and liabilities whose values are based on model inputs that are unobservable.

The following table presents our fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2012 and 2011 , respectively:

| | December 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Assets: | | | | |
| Fixed-maturity securities available for sale: | | | | |
| U.S. government and agencies | $ — | $ 139.5 | $ — | $ 139.5 |
| State and political subdivisions | — | 1,300.4 | — | 1,300.4 |
| Corporate debt securities | — | 1,498.7 | — | 1,498.7 |
| Foreign government bonds | — | 47.7 | — | 47.7 |
| Mortgage-backed/asset-backed securities | — | 153.5 | — | 153.5 |
| Preferred stock available for sale | 108.8 | 108.1 | — | 216.9 |
| Equity securities available for sale | 137.6 | — | — | 137.6 |
| Other long-term investments | — | — | 40.8 | 40.8 |
| Foreign exchange contracts | — | 5.3 | — | 5.3 |
| Total assets | $ 246.4 | $ 3,253.2 | $ 40.8 | $ 3,540.4 |
| Liabilities: | | | | |
| Interest rate swap contracts | $ — | $ 2.2 | $ — | $ 2.2 |
| Commodity contracts | — | 1.6 | — | 1.6 |
| Total liabilities | $ — | $ 3.8 | $ — | $ 3.8 |

| | December 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Fixed-maturity securities available for sale (1): | | | | |
| U.S. government and agencies | $ — | $ 174.6 | $ — | $ 174.6 |
| State and political subdivisions | — | 1,439.5 | — | 1,439.5 |
| Corporate debt securities | — | 1,569.1 | — | 1,569.1 |
| Foreign government bonds | — | 47.1 | — | 47.1 |
| Mortgage-backed/asset-backed securities | — | 226.7 | — | 226.7 |
| Preferred stock available for sale (2) | 14.2 | 71.4 | — | 85.6 |
| Equity securities available for sale | 105.7 | — | — | 105.7 |
| Other long-term investments | — | — | 40.8 | 40.8 |
| Total | $ 119.9 | $ 3,528.4 | $ 40.8 | $ 3,689.1 |

(1) Includes $256.7 million relating to the at-risk insurance business that have been reclassed into Prepaid and other assets on the Consolidated Balance Sheet as they are considered held for sale as of December 31, 2011.

(2) Includes $14.2 million relating to the at-risk insurance business that have been reclassed into Prepaid and other assets on the Consolidated Balance Sheet as they are considered held for sale as of December 31, 2011.

Our Level 2 fair value measures for fixed-maturities available for sale are provided by third-party pricing services. We utilize one firm for our taxable bond and preferred stock portfolio and another for our tax-exempt bond portfolio. These pricing services are leading global providers of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are:

U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.

State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.

Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, or any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.

Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.

Mortgage-backed/asset-backed securities: These securities are comprised of commercial mortgage-backed securities, agency mortgage-backed securities, collaterized mortgage obligations, and asset-backed securities. They are valued based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.

Preferred stock: Preferred stocks are valued by calculating the appropriate spread over a comparable US Treasury security. Inputs include benchmark quotes and other relevant market data.

Our Level 2 fair value measures for our interest rate swap, foreign exchange contracts, and commodity contracts are valued using the income approach. This approach uses techniques to convert future amounts to a single present value amount based upon market expectations (including present value techniques, option-pricing and excess earnings models).

Our Level 3 investments consist of structured notes that were purchased in the third quarter of 2009. The structured notes had a par value of $ 37.5 million and fair value of $ 40.8 million at December 31, 2012 and December 31, 2011 . The structured notes are held for general investment purposes and represent one percent of our total investment portfolio. The structured notes are classified as Other long-term investments and are measured in their entirety at fair value with changes in fair value recognized in earnings. The fair value of these instruments are the product of a proprietary valuation model utilized by the trading desk of the broker-dealer and contain assumptions relating to volatility, the level of interest rates, and the underlying value of the indexes, exchange-traded funds, and foreign currencies. We review the pricing methodologies for our Level 3 investments to ensure that they are reasonable and believe they represent an exit price as of December 31, 2012 .

The following table presents the changes in our investments that are classified as Level 3 for the years ended December 31, 2012 and 2011 (in millions):

| | |
|---|---|
| Balance, December 31, 2010 | $ 99.6 |
| Proceeds received upon call/sales | (53.6) |
| Realized loss | (0.7) |
| Net change included in other comprehensive earnings | (4.5) |
| Balance, December 31, 2011 | 40.8 |
| Proceeds received upon call/sales | — |
| Realized loss | — |
| Net change included in other comprehensive earnings | — |
| Balance, December 31, 2012 | $ 40.8 |

The carrying amounts of short-term investments, accounts receivable and notes receivable approximate fair value due to their short-term nature. The fair value of our notes payable is included in Note J.

Additional information regarding the fair value of our investment portfolio is included in Note D.

**Note D. Investments**

The carrying amounts and fair values of our available for sale securities at December 31, 2012 and 2011 are as follows:

| | December 31, 2012 | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Fair Value |
| | | | (In millions) | | |
| Fixed maturity investments available for sale: | | | | | |
| U.S. government and agencies | $ 139.5 | $ 130.2 | $ 9.3 | $ — | $ 139.5 |
| States and political subdivisions | 1,300.4 | 1,239.8 | 60.9 | (0.3) | 1,300.4 |
| Corporate debt securities | 1,498.7 | 1,438.8 | 71.4 | (11.5) | 1,498.7 |
| Foreign government bonds | 47.7 | 45.4 | 2.6 | (0.3) | 47.7 |
| Mortgage-backed/asset-backed securities | 153.5 | 145.4 | 8.1 | — | 153.5 |
| Preferred stock available for sale | 216.9 | 207.0 | 10.2 | (0.3) | 216.9 |
| Equity securities available for sale | 137.6 | 102.9 | 39.9 | (5.2) | 137.6 |
| Total | $ 3,494.3 | $ 3,309.5 | $ 202.4 | $ (17.6) | $ 3,494.3 |

| | December 31, 2011 | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Cost Basis | Unrealized Gains | Unrealized Losses | Fair Value |
| | | | (In millions) | | |
| Fixed maturity investments available for sale: | | | | | |
| U.S. government and agencies | $ 159.1 | $ 148.2 | $ 10.9 | $ — | $ 159.1 |
| States and political subdivisions | 1,330.1 | 1,266.1 | 64.1 | (0.1) | 1,330.1 |
| Corporate debt securities | 1,463.4 | 1,442.7 | 48.3 | (27.6) | 1,463.4 |
| Foreign government bonds | 46.0 | 44.2 | 1.8 | — | 46.0 |
| Mortgage-backed/asset-backed securities | 201.6 | 191.8 | 9.8 | — | 201.6 |
| Preferred stock available for sale | 71.4 | 74.8 | 0.4 | (3.8) | 71.4 |
| Equity securities available for sale | 105.7 | 83.2 | 25.5 | (3.0) | 105.7 |
| Total | $ 3,377.3 | $ 3,251.0 | $ 160.8 | $ (34.5) | $ 3,377.3 |

The cost basis of fixed maturity securities available for sale includes an adjustment for amortized premium or discount since the date of purchase. At December 31, 2012 all of our mortgage-backed and asset-backed securities are rated AAA or better by Moody's Investor Service. The mortgage-backed and asset-backed securities are made up of $ 111.4 million of agency mortgage-backed securities, $ 9.9 million of collateralized mortgage obligations, $ 22.0 million of commercial mortgage-backed securities, and $ 10.2 million in asset-backed securities.

The change in net unrealized gains and losses on fixed maturities for the years ended December 31, 2012 , 2011 , and 2010 was $ 33.0 million, $ (9.9) million, and $ (52.5) million, respectively.

The following table presents certain information regarding contractual maturities of our fixed maturity securities at December 31, 2012 :

| Maturity | December 31, 2012 Amortized Cost | % of Total | Fair Value | % of Total |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| One year or less | $ 244.6 | 8.2% | $ 248.0 | 7.9% |
| After one year through five years | 1,689.6 | 56.3 | 1,760.1 | 56.0 |
| After five years through ten years | 902.3 | 30.1 | 960.2 | 30.6 |
| After ten years | 17.7 | 0.6 | 18.0 | 0.6 |
| Mortgage-backed/asset-backed securities | 145.4 | 4.8 | 153.5 | 4.9 |
| | $ 2,999.6 | 100.0% | $ 3,139.8 | 100.0% |
| Subject to call | $ 1,476.6 | 49.2% | $ 1,533.2 | 48.8% |

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. Included above in amounts subject to call are $1,143.1 million and $1,185.4 million in amortized cost and fair value, respectively, of fixed maturity securities with make-whole call provisions as of December 31, 2012 .

Fixed maturity securities valued at approximately $ 160.0 million and $ 165.6 million were on deposit with various governmental authorities at December 31, 2012 and 2011 , respectively, as required by law.

Equity securities are carried at fair value. The balance of equity securities includes an investment in FIS stock, which we purchased on October 1, 2009 pursuant to an investment agreement between us and FIS dated March 31, 2009 in connection with a merger between FIS and Metavante Technologies, Inc. The fair value of this investment is $ 55.8 million and $ 42.6 million as of December 31, 2012 and 2011 , respectively . The change in unrealized gains (losses) on equity securities for the years ended December 31, 2012 , 2011 and 2010 was a net increase (decrease) of $ 12.2 million, $ (1.6) million, and $ (3.8) million, respectively. There were no significant investments in banks, trust and insurance companies at December 31, 2012 or 2011 .

Net 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 be en in a continuous unrealized loss position at December 31, 2012 and 2011 are as follows (in millions):

***December 31, 2012***

| | Less than 12 Months | | 12 Months or Longer | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| States and political subdivisions | $ 37.0 | $ (0.3) | $ — | $ — | $ 37.0 | $ (0.3) |
| Corporate debt securities | 95.6 | (4.9) | 34.0 | (6.6) | 129.6 | (11.5) |
| Foreign government bonds | 14.6 | (0.2) | 2.0 | (0.1) | 16.6 | (0.3) |
| Preferred stock available for sale | 35.3 | (0.3) | — | — | 35.3 | (0.3) |
| Equity securities available for sale | 31.1 | (2.6) | 2.6 | (2.6) | 33.7 | (5.2) |
| Total temporarily impaired securities | $ 213.6 | $ (8.3) | $ 38.6 | $ (9.3) | $ 252.2 | $ (17.6) |

***December 31, 2011***

| | Less than 12 Months | | 12 Months or Longer | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| States and political subdivisions | $ 10.6 | $ (0.1) | $ — | $ — | $ 10.6 | $ (0.1) |
| Corporate debt securities | 339.0 | (26.6) | 7.3 | (1.0) | 346.3 | (27.6) |
| Preferred stock available for sale | 52.9 | (3.8) | — | — | 52.9 | (3.8) |
| Equity securities available for sale | 16.1 | (3.0) | — | — | 16.1 | (3.0) |
| Total temporarily impaired securities | $ 418.6 | $ (33.5) | $ 7.3 | $ (1.0) | $ 425.9 | $ (34.5) |

A substantial portion of our unrealized losses relate to corporate debt securities. These unrealized losses were primarily caused by widening credit spreads that we consider to be temporary rather than changes in credit quality. We expect to recover the entire amortized cost basis of our temporarily impaired fixed maturity securities as we do not intend to sell these securities and we do not believe that we will be required to sell the fixed maturity securities before recovery of the cost basis. For thes e reasons, we do not consider these securities other-than-temporarily impaired at December 31, 2012 . It is reasonably possible that declines in fair value below cost not considered other-than-temporary in the current period could be considered to be other-than-temporary in a future period and earnings would be reduced to the extent of the impairment.

During 2012 and 2011, we incurred impairment charges relating to investments that were determined to be other-than-temporarily impaired, which resulted in impairment charges of $ 2.7 million and $ 17.1 million, respectively. Impairment charges in 2012 and in 2011 related to fixed maturity securities primarily related to our conclusion that the credit risk of these holdings was high and the ability of the issuer to pay the full amount of the principal outstanding was unlikely. During 2010, we incurred no impairment charges relating to investments that were determined to be other-than-temporarily impaired.

As of December 31, 2012 we held $ 6.5 million of fixed maturity securities for which other-than-temporary impairments had been previously recognized and in 2011 , we held $8.0 million investments for which an other-than-temporary impairment had been previously recognized; all of the impairments related to credit losses.

The following table presents realized gains and losses on investments and other assets and proceeds from the sale or maturity of investments and other assets for the years ending December 31, 2012 , 2011 , and 2010 , respectively:

| | Year ended December 31, 2012 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 16.2 | $ (5.3) | $ 10.9 | $ 975.0 |
| Preferred stock available for sale | 0.4 | — | 0.4 | 29.0 |
| Equity securities available for sale | 2.7 | — | 2.7 | 8.0 |
| Other long-term investments | | | (0.2) | — |
| Gain on consolidation of O'Charley's and ABRH | | | 72.5 | |
| Bargain purchase gain on O'Charley's | | | 48.1 | — |
| Gain on consolidation of Remy | | | 78.8 | — |
| Loss on early extinguishment of 5.25% bonds | | | (5.7) | — |
| Other assets | | | (20.6) | 2.3 |
| Total | | | $ 186.9 | $ 1,014.3 |

| | Year ended December 31, 2011 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 37.5 | $ (17.8) | $ 19.7 | $ 1,205.6 |
| Preferred stock available for sale | 0.1 | (0.1) | — | 21.0 |
| Equity securities available for sale | 1.9 | — | 1.9 | 16.3 |
| Other long-term investments | | | (4.4) | 77.7 |
| Other assets | | | (10.5) | 5.4 |
| Total | | | $ 6.7 | $ 1,326.0 |

| | Year ended December 31, 2010 | | | |
|---|---|---|---|---|
| | Gross Realized Gains | Gross Realized Losses | Net Realized Gains (Losses) | Gross Proceeds from Sale/Maturity |
| | (In millions) | | | |
| Fixed maturity securities available for sale | $ 90.3 | $ (1.7) | $ 88.6 | $ 1,348.8 |
| Equity securities available for sale | 26.3 | — | 26.3 | 59.9 |
| Other long-term investments | | | 109.8 | 193.6 |
| Other assets | | | 11.0 | 20.1 |
| Total | | | $ 235.7 | $ 1,622.4 |

Interest and investment income consists of the following:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | (In millions) | |
| Cash and cash equivalents | $ 0.1 | $ 0.4 | $ 0.4 |
| Fixed maturity securities available for sale | 116.5 | 129.5 | 128.0 |
| Equity securities and preferred stock available for sale | 13.8 | 6.2 | 1.8 |
| Short-term investments | 0.1 | 0.1 | 0.6 |
| Other | 13.4 | 6.5 | 4.2 |
| Total | $ 143.9 | $ 142.7 | $ 135.0 |

Included in our other long-term investments are fixed-maturity structured notes purchased in the third quarter of 2009. The structured notes are carried at fair value (see Note C) and changes in the fair value of these structured notes are recorded as Realized gains and losses in the Consolidated Statements of Earnings. The carrying value of the structured notes was $ 40.8 million as of December 31, 2012 and 2011 , respectively, and we recorded no gain or loss related to the structured notes in the year ended December 31, 2012 and a net (loss) gain of $ (4.4) million and $11.4 million related to the structured notes in the years ended December 31, 2011 and 2010 , respectively.

Investments in unconsolidated affiliates are recorded using the equity method of accounting and as of December 31, 2012 and 2011 consisted of the following (in millions):

| | Ownership at December 31, 2012 | 2012 | 2011 |
|---|---|---|---|
| Ceridian | 32% | $ 350.6 | $ 352.8 |
| Remy | — | — | 141.8 |
| Other | various | 41.6 | 51.9 |
| Total | | $ 392.2 | $ 546.5 |

On August 14, 2012, we increased our ownership interest in Remy to 51% and began to consolidate their results of operations. In addition to our equity method investment in Remy, we held $ 29.7 million in par value of a Remy term loan as of December 31, 2011. The fair value of the term loan was $ 29.3 million as of December 31, 2011 and was included in our fixed maturity securities available for sale.

During the years ended December 31, 2012 , 2011 , and 2010 , we recorded an aggregate of $ 9.9 million, $ 9.7 million, and $ (1.2) million, respectively, in equity in earnings (losses) of unconsolidated affiliates. We account for our equity in Ceridian on a three-month lag. We accounted for our equity in Remy on a one-month lag until August 14, 2012, the date on which we gained control of Remy. Accordingly, our net earnings for the year ended December 31, 2012 , includes our equity in Ceridian's earnings for the period from October 1, 2011 through September 30, 2012 and our net earnings for the year ended December 31, 2011 , includes our equity in Ceridian's earnings for the period from October 1, 2010 through September 30, 2011. Our net earnings for the year ended December 31, 2012 , includes our equity in Remy's earnings for the period from December 1, 2011 through August 14, 2012 and our net earnings for the year ended December 31, 2011 , includes our equity in Remy's earnings for the period from December 1, 2010 through November 30, 2011. In addition, we record our share of the other comprehensive earnings (loss) of unconsolidated affiliates. As of December 31, 2012 , included within the Consolidated Statements of Equity, we had recorded accumulated other comprehensive losses of $ 42.0 million related to our investment in Ceridian, and less than $ 0.1 million related to our other investments in unconsolidated affiliates.

Summarized financial information for the periods included in our Consolidated Financial Statements for Ceridian is presented below:

| | September 30, 2012 | September 30, 2011 |
|---|---|---|
| | (In millions) | |
| Total current assets | $ 1,209.4 | $ 1,154.0 |
| Goodwill and other intangible assets, net | 4,630.1 | 4,577.6 |
| Other assets | 4,081.6 | 4,259.6 |
| Total assets | $ 9,921.1 | $ 9,991.2 |
| Current liabilities | $ 994.5 | $ 892.0 |
| Long-term obligations, less current portion | 3,445.0 | 3,451.4 |
| Other long-term liabilities | 4,363.0 | 4,566.0 |
| Total liabilities | 8,802.5 | 8,909.4 |
| Equity | 1,118.6 | 1,081.8 |
| Total liabilities and equity | $ 9,921.1 | $ 9,991.2 |

| | Period from October 1, 2011, through September 30, 2012 | Period from October 1, 2010, through September 30, 2011 |
|---|---|---|
| | (In millions) | |
| Total revenues | $ 1,506.7 | $ 1,539.4 |
| Loss before income taxes | (66.1) | (73.7) |
| Net loss | (56.3) | (43.8) |

## Note E. Remy Derivative Financial Instruments and Concentration of Risk

The following risks and derivative instruments were added as part of the consolidation of Remy on August 14, 2012.

*Foreign Currency Risk*

Remy manufactures and sells products primarily in North America, South America, Asia, Europe and Africa. As a result, financial results could be significantly affected by factors such as changes in foreign currency exchange rates or weak economic conditions in foreign markets in which Remy manufactures and sells products. Remy generally tries to use natural hedges within our foreign currency activities, including the matching of revenues and costs, to minimize foreign currency risk. Where natural hedges are not in place, Remy considers managing certain aspects of its foreign currency activities through the use of foreign exchange contracts. Remy primarily utilizes forward exchange contracts with maturities generally within eighteen months to hedge against currency rate fluctuations, some of which are designated as hedges. As of December 31, 2012 , Remy had the following outstanding foreign currency contracts to hedge forecasted purchases and revenues (in millions):

| **Foreign currency contract** | **Currency denomination December 31, 2012** |
|---|---|
| South Korean Won Forward | $ 55.5 |
| Mexican Peso Contracts | $ 66.7 |
| Brazilian Real Forward | $ 18.1 |
| Hungarian Forint Forward | € 13.6 |
| British Pound Forward | £ 1.4 |

Accumulated unrealized net gains of $3.4 million were recorded in Accumulated other comprehensive earnings (loss) as of December 31, 2012 related to these instruments. As of December 31, 2012 , unrealized gains related to these instruments of $3.6 million are expected to be reclassified to the Consolidated Statement of Earnings within the next 12 months. Any ineffectiveness during the year ended December 31, 2012 was immaterial.

*Interest rate risk*

During 2010, Remy entered into an interest rate swap agreement in respect of 50% of the outstanding principal balance of its Term B Loan under which a variable LIBOR rate with a floor of 1.750 % was swapped to a fixed rate of 3.345 %. The Term B Loan has a $150.0 million notional value and the interest rate swap expires December 31, 2013. This interest rate swap is an undesignated hedge and changes in the fair value are recorded as Interest expense in the accompanying Consolidated Statement of Earnings. The interest rate swaps reduce Remy's overall interest rate risk.

*Commodity price risk*

Remy production processes are dependent upon the supply of certain components whose raw materials are exposed to price fluctuations on the open market. The primary purpose of Remy's commodity price forward contract activity is to manage the volatility associated with forecasted purchases. Remy monitors commodity price risk exposures regularly to maximize the overall effectiveness of commodity forward contracts. The principal raw material hedged is copper. Forward contracts are used to mitigate commodity price risk associated with raw materials, generally related to purchases forecast for up to fifteen months in the future. Additionally, Remy purchases certain commodities during the normal course of business which result in physical delivery and are excluded from hedge accounting.

Remy had thirty-six commodity price hedge contracts outstanding at December 31, 2012 , with combined notional quantities of 6,566 metric tons of copper. These contracts mature within the next eighteen months. These contracts were designated as cash flow hedging instruments. Accumulated unrealized net losses of $0.4 million were recorded in Accumulated other comprehensive earnings as of December 31, 2012 related to these contracts. As of December 31, 2012 , net unrealized losses related to these contracts of $0.4 million are expected to be reclassified to the accompanying Consolidated Statement of Earnings within the next 12 months. Hedging ineffectiveness during the year ended December 31, 2012 was immaterial.

*Accounts receivable factoring arrangements*

Remy has entered into factoring agreements with various domestic and European financial institutions to sell their accounts receivable under nonrecourse agreements. These are treated as a sale. The transactions are accounted for as a reduction in accounts receivable as the agreements transfer effective control over and risk related to the receivables to the buyers. Remy does not service any domestic accounts after the factoring has occurred. Remy does not have any servicing assets or liabilities. Remy utilizes factoring arrangements as an integral part of financing. The cost of factoring such accounts receivable is reflected in the accompanying Consolidated Statement of Earnings as Interest expense. The cost of factoring such accounts receivable for the year ended December 31, 2012 was $2.2 million . Gross amounts factored under these facilities as of December 31, 2012 were $183.5 million .

*Other*

Remy's derivative positions and any related material collateral under master netting agreements are presented on a net basis.

For derivatives designated as cash flow hedges, changes in the time value are excluded from the assessment of hedge effectiveness. Unrealized gains and losses associated with ineffective hedges, determined using the change in fair value method, are recognized in the accompanying Consolidated Statement of Earnings. Derivative gains and losses included in Accumulated other comprehensive earnings for effective hedges are reclassified into the accompanying Consolidated Statement of Earnings upon recognition of the hedged transaction.

Any derivative instrument designated initially, but no longer effective as a hedge, or initially not effective as a hedge, is recorded at fair value and the related gains and losses are recognized in the accompanying Consolidated Statement of Earnings. Remy's undesignated hedges are primarily foreign currency hedges as the entity with the derivative transaction does not bear the foreign currency risk, and Remy's interest rate swaps whose fair value at inception of the instrument due to the rollover of existing interest rate swaps resulted in ineffectiveness. All asset and liability derivatives are included in Prepaid expenses and other assets and Accounts payable and other accrued liabilities, respectively, on the Consolidated Balance Sheet.

The following table discloses the fair values of Remy's derivative instruments (in millions):

| | December 31, 2012 | |
|---|---|---|
| | Asset Derivatives | Liability Derivatives |
| Derivatives designated as hedging instruments: | | |
| Commodity contracts | $ 0.7 | $ 2.2 |
| Foreign currency contracts | 5.6 | 0.3 |
| Total derivatives designated as hedging instruments | $ 6.3 | $ 2.5 |
| | | |
| Derivatives not designated as hedging instruments: | | |
| Interest rate swap contracts | $ — | $ 2.2 |

Gains and losses on Remy's derivative instruments, which are reclassified from Accumulated other comprehensive earnings (OCI) into earnings, are included in Cost of auto parts revenue for commodity and foreign currency contracts, and Interest expense for interest rate swap contracts on the accompanying Consolidated Statement of Earnings. The following table discloses the effect of Remy's derivative instruments for the year ended December 31, 2012 (in millions):

| | Amount of gain (loss) recognized in OCI (effective portion) | Amount of gain (loss) reclassified from OCI into income (effective portion | Amount of gain (loss) recognized in income (ineffective portion and amount excluded from effectiveness testing) | Amount of gain (loss) recognized in income |
|---|---|---|---|---|
| Derivatives designated as cash flow hedging instruments: | | | | |
| Commodity contracts | $ (0.5) | $ (0.2) | $ — | $ — |
| Foreign currency contracts | 6.1 | 1.5 | — | — |
| Total derivatives designated as hedging instruments | $ 5.6 | $ 1.3 | $ — | $ — |
| | | | | |
| Derivatives not designated as hedging instruments: | | | | |
| Interest rate swap contracts | $ — | $ — | $ — | $ (0.1) |

## Note F. Property and Equipment

Property and equipment consists of the following:

| | Year Ended December 31, | |
|---|---|---|
| | 2012 | 2011 |
| | (In millions) | |
| Land | $ 107.8 | $ 76.5 |
| Buildings | 58.5 | 38.1 |
| Leasehold improvements | 84.0 | 81.4 |
| Data processing equipment | 227.4 | 233.9 |
| Furniture, fixtures and equipment | 375.2 | 225.6 |
| | 852.9 | 655.5 |
| Accumulated depreciation and amortization | (220.8) | (489.4) |
| | $ 632.1 | $ 166.1 |

Depreciation expense on property and equipment was $ 80.7 million, $ 38.4 million, and $ 40.4 million for the years ended December 31, 2012 , 2011 , and 2010 , respectively.

## Note G. Goodwill

Goo dwill consists of the following:

| | Fidelity National Title Group | Remy | Restaurant Group | Specialty Insurance | Corporate and Other | Total |
|---|---|---|---|---|---|---|
| | (In millions) | | | | | |
| Balance, December 31, 2010 | $ 1,429.5 | $ — | $ — | $ 21.2 | $ 20.0 | $ 1,470.7 |
| Goodwill acquired during the year | 0.1 | — | — | — | — | 0.1 |
| Adjustments to prior year acquisitions | 3.0 | — | — | — | (0.4) | 2.6 |
| Sale of assets related to discontinued operations (1) | — | — | — | (21.2) | — | (21.2) |
| Balance, December 31, 2011 | $ 1,432.6 | $ — | $ — | $ — | $ 19.6 | $ 1,452.2 |
| Goodwill acquired during the year (2) | 18.6 | 246.4 | 118.5 | — | 75.5 | 459.0 |
| Adjustments to prior year acquisitions | 0.2 | — | — | — | (0.8) | (0.6) |
| Sale of assets | (2.1) | — | — | — | — | (2.1) |
| Balance, December 31, 2012 | $ 1,449.3 | $ 246.4 | $ 118.5 | $ — | $ 94.3 | $ 1,908.5 |

(1) During 2011, we completed the sale of our flood insurance businesses. See Note A under "Discontinued Operations".
(2) During 2012, we acquired a controlling interest in Remy and the Restaurant Group. We also acquired Digital Insurance in our Corporate and Other Segment. See Note B "Acquisitions".

## Note H. Other Intangible Assets

Other intangible assets consist of the following:

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| | (In millions) | |
| Customer relationships and contracts | $ 480.5 | $ 196.4 |
| Trademarks and tradenames | 238.2 | 27.8 |
| Other | 46.9 | 20.0 |
| | 765.6 | 244.2 |
| Accumulated amortization | (115.1) | (113.5) |
| | $ 650.5 | $ 130.7 |

Amortization expense for amortizable intangible assets, which consist primarily of customer relationships, was $ 34.4 million, $ 16.5 million, and $ 19.1 million for the years ended December 31, 2012 , 2011 , and 2010 , respectively. Other intangible assets primarily represent non-amortizable intangible assets such as trademarks and licenses. Estimated amortization expense for the next five years for assets owned at December 31, 2012 , is $ 73.4 million in 2013 , $ 63.1 million in 2014 , $ 54.0 million in 2015 , $ 46.0 million in 2016 and $ 33.0 million in 2017 .

**Note I. Accounts Payable and Other Accrued Liabilities**

Accounts payable and other accrued liabilities consist of the following:

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| | (In millions) | |
| Accrued benefits | $ 250.8 | $ 212.2 |
| Salaries and incentives | 245.8 | 155.5 |
| Accrued rent | 44.6 | 24.2 |
| Trade accounts payable | 185.6 | 48.8 |
| Accrued recording fees and transfer taxes | 50.9 | 62.3 |
| Accrued premium taxes | 54.2 | 32.2 |
| Deferred revenue | 83.8 | 40.8 |
| Other accrued liabilities (1) | 391.8 | 286.7 |
| | $ 1,307.5 | $ 862.7 |

(1) Other accrued liabilities at December 31, 2011, includes $145.6 million in liabilities related to the at-risk insurance business that have been reclassed into Accounts payable and other accrued liabilities on the Consolidated Balance Sheet as they were considered held for sale as of December 31, 2011.

**Note J. Notes Payable**

Notes payable consists of the following:

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| | (In millions) | |
| Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022 | $ 398.1 | $ — |
| Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018 | 282.1 | 279.5 |
| Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017 | 299.8 | 299.8 |
| Unsecured notes, net of discount, interest payable semi-annually at 5.25%, due March 2013 | — | 236.4 |
| Revolving Credit Facility, unsecured, unused portion of $800.0 at December 31, 2012, due April 2016 with interest payable monthly at LIBOR + 1.45% | — | 100.0 |
| Remy Term B Loan, interest payable annually at LIBOR (floor of 1.75%) + 4.50% (6.25% at December 31, 2012), due December 2016 | 258.8 | — |
| Restaurant Group Term Loan, interest payable monthly at LIBOR + 3.50% (3.71% at December 31, 2012), due May 2017 | 72.2 | — |
| Restaurant Group Revolving Credit Facility, unused portion of $59.6 at December 31, 2012 due May 2017 with interest payable monthly at base rate 3.25% + base rate margin 2.50% (5.75% at December 31, 2012) | — | — |
| Other | 32.9 | 0.1 |
| | $ 1,343.9 | $ 915.8 |

At December 31, 2012 , the estimated fair value of our long-term debt was approximately $ 1,503.8 million or $ 159.9 million higher than its carrying value. The fair value of our long-term debt which consisted primarily of our unsecured notes payable at December 31, 2011 was approximately $ 927.8 million or $ 12.0 million higher than its estimated carrying value. The fair value of our unsecured notes payable was $ 1,139.2 million as of December 31, 2012 . The fair values of our unsecured notes payable are based on established market prices for the securities on December 31, 2012 and 2011 and are considered Level 2 financial liabilities. The fair value of our Remy Term Loan was $ 259.4 million , based on established market prices for the securities on December 31, 2012 and is considered a Level 2 financial liability. The fair value of our Restaurant Group Term Loan was $ 72.2 million , based on established market prices for the securities on December 31, 2012 and is considered a Level 2 financial liability.

On August 28, 2012, we completed an offering of $400.0 million in aggregate principal amount of 5.50% notes due September 2022 (the "5.50% notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The notes were priced at 99.513% of par to yield 5.564% annual interest. As such we recorded a discount of $1.9 million , which is netted against the $400.0 million aggregate principal amount of the 5.50% notes. The discount is amortized to September 2022 when the 5.50% notes mature. The 5.50% notes will pay interest semi-annually on the 1st of March and September, beginning March 1, 2013. We received net proceeds of $395.5 million , after expenses, which were used to repay the $236.5 million aggregate principal amount outstanding of our 5.25% unsecured notes maturing in March 2013, the $50.0 million outstanding on our revolving credit facility, and the remainder is being held for general corporate purposes. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of the Company in an aggregate amount exceeding $100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

On September 28, 2012, we used $242.3 million of the net proceeds of the issuance of the 5.50% notes to fund the repayment of the $236.5 million aggregate principal amount outstanding of our 5.25% unsecured notes, including $0.6 million of unpaid interest and a $5.2 million make-whole call penalty, as the 5.25% unsecured notes had a stated maturity of March 2013.

On May 31, 2012, ABRH entered into a credit agreement (the “ABRH Credit Facility”) with Wells Fargo Capital Finance, LLC as administrative agent and swing lender (the “ABRH Administrative Lender”) and the other financial institutions party thereto. The ABRH Credit Facility provides for a maximum revolving loan of $80.0 million with a maturity date of May 31, 2017. Additionally, the ABRH Credit Facility provides for a maximum term loan ("Restaurant Group Term Loan") of $85.0 million with quarterly installment repayments through December 25, 2016 and a maturity date of May 31, 2017 for the outstanding unpaid principal balance and all accrued and unpaid interest. On May 31, 2012, ABRH borrowed the entire $85.0 million under such term loan. Pricing for the ABRH Credit Facility is based on an applicable margin between 300 basis points to 375 basis points over LIBOR. The ABRH Credit Facility is subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on ABRH's creation of liens, sales of assets, incurrence of indebtedness, restricted payments, transactions with affiliates, and certain amendments. The covenants addressing restricted payments include certain limitations on the declaration or payment of dividends by ABRH to its parent, Fidelity Newport Holdings, LLC (“FNH”), and by FNH to its members, and one such limitation restricts the amount of dividends that ABRH can pay to its parent (and that FNH can in turn pay to its members) to $5.0 million in the aggregate (outside of certain other permitted dividend payments) in fiscal year 2012 (with varying amounts for subsequent years). The ABRH Credit Facility includes customary events of default for facilities of this type (with customary grace periods, as applicable), which include a cross-default provision whereby an event of default will be deemed to have occurred if (i) ABRH or any of its guarantors, which consists of FNH and certain of its subsidiaries, (together, the “Loan Parties”) or any of their subsidiaries default on any agreement with a third party of $2.0 million or more related to their indebtedness and such default (a) occurs at the final maturity of the obligations thereunder or (b) results in a right by such third party to accelerate such Loan Party's or its subsidiary's obligations or (ii) a default or an early termination occurs with respect to certain hedge agreements to which a Loan Party or its subsidiaries is a party involving an amount of $0.75 million or more. The ABRH Credit Facility provides that, upon the occurrence of an event of default, the ABRH Administrative Lender may (i) declare the principal of, and any and all accrued and unpaid interest and fees in respect of, the loans immediately due and payable, (ii) terminate loan commitments and (iii) exercise all other rights and remedies available to the ABRH Administrative Lender or the lenders under the loan documents. As of December 31, 2012, the balance of the term loan was $ 72.2 million and there was no outstanding balance on the revolving loan. ABRH had $ 20.4 million of outstanding letters of credit as of December 31, 2012. As of December 31, 2012, ABRH had $ 59.6 million of remaining borrowing capacity under our revolving credit facility.

On April 16, 2012, we entered into an agreement to amend and extend our credit agreement dated September 12, 2006, as amended and restated as of March 5, 2010 (the “ Revolving Credit Facility”) with Bank of America, N.A. as administrative agent and swing line lender (the “Administrative Agent”), and the other financial institutions party thereto, and an agreement to change the aggregate size of the credit facility under the Revolving Credit Facility. These agreements reduced the total size of the credit facility from $925.0 million to $800.0 million , with an option to increase the size of the credit facility to $900.0 million , and established an extended maturity date of April 16, 2016. Pricing for the new agreement is based on an applicable margin between 132.5 basis points to 160.0 basis points over LIBOR, depending on the senior debt ratings of FNF. The Revolving Credit Facility remains subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on the creation of liens, sales of assets, the incurrence of indebtedness, restricted payments, transactions with affiliates, and certain amendments. The Revolving Credit Facility prohibits us from paying dividends to our stockholders if an event of default has occurred and is continuing or would result therefrom. The Revolving Credit Facility requires us to maintain certain financial ratios and levels of capitalization. The Revolving Credit Facility includes customary events of default for facilities of this type (with customary grace periods, as applicable). These events of default include a cross-default provision that, subject to limited exceptions, permits the lenders to declare the Revolving Credit Facility in default if: (i) (a) we fail to make any payment after the applicable grace period under any indebtedness with a principal amount (including undrawn committed amounts) in excess of 3.0% of our net worth, as defined in the Revolving Credit Facility, or (b) we fail to perform any other term under any such indebtedness, or any other event occurs, as a result of which the holders thereof may cause it to become due and payable prior to its maturity; or (ii) certain termination events occur under significant interest rate, equity or other swap contracts. The Revolving Credit Facility provides that, upon the occurrence of an event of default, the interest rate on all outstanding obligations will be increased and payments of all outstanding loans may be accelerated and/or the lenders' commitments may be terminated. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Revolving Credit Facility shall automatically become immediately due and payable, and the lenders' commitments will automatically terminate. As of December 31, 2012, there was no outstanding balance under the Revolving Credit Facility.

On August 2, 2011, we completed an offering of $300.0 million in aggregate principal amount of 4.25% convertible senior notes due August 2018 (the "Notes") in an offering conducted in accordance with Rule 144A under the Securities Act of 1933, as amended. The Notes contain customary event-of-default provisions which, subject to certain notice and cure-period conditions, can result in the acceleration of the principal amount of, and accrued interest on, all outstanding Notes if we breach the terms of the Notes or the indenture pursuant to which the Notes were issued. The Notes are unsecured and unsubordinated obligations and (i) rank senior in right of payment to any of our existing or future unsecured indebtedness that is expressly subordinated in right of payment to the Notes; (ii) rank equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; (iii) are effectively subordinated in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) are structurally subordinated to all existing and future indebtedness and liabilities of our subsidiaries. Interest is payable on the principal amount of the Notes, semi-annually in arrears in cash on February 15 and August 15 of each year, commencing February 15, 2012. The Notes mature on August 15, 2018, unless earlier purchased by us or converted. The Notes were issued for cash at 100% of their principal amount. However, for financial reporting purposes, the notes were deemed to have been issued at 92.818% of par value, and as such we recorded a discount of $21.5 million to be amortized to August 2018, when the Notes mature. The Notes will be convertible into cash, shares of common stock, or a combination of cash and shares of common stock, at our election, based on an initial conversion rate, subject to adjustment, of 46.3870 shares per $1,000 principal amount of the Notes (which represents an initial conversion price of approximately $ 21.56 per share), only in the following circumstances and to the following extent: (i) during any calendar quarter commencing after December 31, 2011, if, for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter, the last reported sale price per share of our common stock on such trading day is greater than or equal to 130% of the applicable conversion price on such trading day; (ii) during the five consecutive business day period immediately following any ten consecutive trading day period (the “measurement period”) in which, for each trading day of the measurement period, the trading price per $1,000 principal amount of notes was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the applicable conversion rate on such trading day; (iii) upon the occurrence of specified corporate transactions; or (iv) at any time on and after May 15, 2018. However, in all cases, the Notes will cease to be convertible at the close of business on the second scheduled trading day immediately preceding the maturity date. It is our intent and policy to settle conversions through “net-share settlement”. Generally, under “net-share settlement,” the conversion value is settled in cash, up to the principal amount being converted, and the conversion value in excess of the principal amount is settled in shares of our common stock.

During 2011, we used $ 75.0 million of the proceeds from the Notes to purchase 4,609,700 shares of our common stock at $ 16.27 per share in privately negotiated transactions concurrently with the issuance. We used the remaining net proceeds along with other cash on hand for repayment of $ 250.0 million outstanding debt on our revolving credit agreement.

In December 2010, Remy entered into a $300.0 million Term B Loan (“Term B”) facility. The Term B is secured by a first priority lien on the stock of Remy's subsidiaries and substantially all Remy domestic assets other than accounts receivable and inventory pledged to the Asset-Based Revolving Credit Facility ("Remy Credit Facility"), as described below. The Term B bears an interest rate of LIBOR (subject to a floor of 1.75%) plus 4.5% per annum. The Term B matures on December 17, 2016. Principal payments in the amount of $0.8 million are due at the end of each calendar quarter with termination and final payment no later than December 17, 2016. The Term B facility is subject to an excess cash calculation which may require the payment of additional principal on an annual basis. The Term B also includes events of default customary for a facility of this type, including a cross-default provision under which the lenders may declare the loan in default if we (i) fail to make a payment when due under any debt having a principal amount greater than $5.0 million or (ii) breach any other covenant in any such debt as a result of which the holders of such debt are permitted to accelerate its maturity. Remy is in compliance with all covenants as of December 31, 2012.

In December 2010, Remy entered into a $95.0 million , five year Asset-Based Revolving Credit Facility, (the "Remy Credit Facility"). The Remy Credit Facility is secured by substantially all of Remy's domestic accounts receivable and inventory. It bears interest, varying with the level of available borrowing, at a defined Base Rate plus 1.00%-1.50% per annum or, at our election, at an applicable LIBOR Rate plus 2.00%-2.50% per annum and is paid monthly. The Remy Credit Facility contains various restrictive covenants, which include, among other things: (i) a maximum leverage ratio, decreasing over the term of the facility; (ii) a minimum interest coverage ratio, increasing over the term of the facility; (iii) limitations on capital expenditures; (iv) mandatory prepayments upon certain asset sales and debt issuances; (v) requirements for minimum liquidity; and (vi) limitations on the payment of dividends in excess of a specified amount. At December 31, 2012, the Remy Credit Facility balance was zero. Based upon the collateral supporting the Remy Credit Facility, the amount borrowed, and the outstanding Remy letters of credit of $2.9 million , there was additional availability for borrowing of $69.0 million as of December 31, 2012. The Remy Credit Facility agreement matures on December 17, 2015.

Remy also has revolving credit facilities with four Korean banks with a total facility amount of approximately $16.1 million , of which $6.1 million is borrowed at average interest rates of 4.54% at December 31, 2012. In Hungary, there is a revolving credit facility and a note payable with two separate banks for a credit facility of $5.5 million , of which $3.0 million is borrowed at average interest rates of 2.61% at December 31, 2012. In Belgium, Remy has revolving loans with two banks for a credit facility of $3.7 million with no outstanding borrowings at December 31, 2012.

On May 5, 2010, we completed an offering of $ 300.0 million in aggregate principal amount of our 6.60% notes due May 2017 (the "6.60% Notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The 6.60% Notes were priced at 99.897% of par to yield 6.61% annual interest. As such, we recorded a discount of $ 0.3 million , which is netted against the $ 300.0 million aggregate principal amount of notes. The discount is amortized to May 2017 when the 6.60% Notes mature. We received net proceeds of $ 297.3 million , after expenses, which were used to repay outstanding borrowings under our credit agreement. Interest is payable semi-annually. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of the Company in an aggregate amount exceeding $ 100.0 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

Principal maturities of notes payable at December 31, 2012 are as follows (in millions):

| | | |
|---|---|---|
| 2013 | $ | 23.2 |
| 2014 | | 11.7 |
| 2015 | | 11.7 |
| 2016 | | 259.8 |
| 2017 | | 344.1 |
| Thereafter | | 693.4 |
| | $ | 1,343.9 |

**Note K. Income Taxes**

Income tax expense (benefit) on continuing operations consists of the following:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | (In millions) | |
| Current | $ 226.1 | $ (8.1) | $ 78.5 |
| Deferred | 20.6 | 142.5 | 111.3 |
| | $ 246.7 | $ 134.4 | $ 189.8 |

Total income tax expense (benefit) on continuing operations for the years ended December 31 was allocated as follows (in millions):

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Net earnings from continuing operations | $ 246.7 | $ 134.4 | $ 189.8 |
| Tax expense (benefit) attributable to discontinued operations | 3.4 | 55.5 | (4.2) |
| Other comprehensive earnings (loss): | | | |
| Unrealized gains (loss) on investments and other financial instruments | 38.7 | 10.6 | 20.3 |
| Unrealized gain (loss) on foreign currency translation and cash flow hedging | 1.1 | (0.5) | 0.1 |
| Reclassification adjustment for change in unrealized gains and losses included in net earnings | (7.6) | (15.7) | (38.1) |
| Minimum pension liability adjustment | 5.4 | (5.9) | 4.0 |
| Total income tax expense (benefit) allocated to other comprehensive earnings | 37.6 | (11.5) | (13.7) |
| Additional paid-in capital, stock-based compensation | (31.0) | (6.3) | (3.0) |
| Total income taxes | $ 256.7 | $ 172.1 | $ 168.9 |

A reconciliation of the federal statutory rate to our effective tax rate is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Federal statutory rate | 35.0 % | 35.0 % | 35.0 % |
| State income taxes, net of federal benefit | 2.2 | 1.4 | 1.9 |
| Deductible dividends paid to FNF 401(k) plan | (0.1) | (0.2) | (0.2) |
| Tax exempt interest income | (1.3) | (2.7) | (2.0) |
| Release of valuation allowance | (0.8) | — | (0.8) |
| Nontaxable investment gains | (5.3) | — | — |
| Non-deductible expenses and other, net | (0.4) | (1.1) | 0.7 |
| | 29.3 % | 32.4 % | 34.6 % |

The significant components of deferred tax assets and liabilities at December 31, 2012 and 2011 consist of the following:

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| | (In millions) | |
| Deferred Tax Assets: | | |
| Employee benefit accruals | $ 52.7 | $ 61.5 |
| Other investments | 58.0 | 54.5 |
| Net operating loss carryforwards | 105.8 | 41.5 |
| Accrued liabilities | 30.7 | 16.9 |
| Pension plan | 12.0 | 16.9 |
| Tax credits | 66.4 | — |
| State income taxes | 9.1 | 2.6 |
| Other | 10.7 | 12.9 |
| Total gross deferred tax asset | 345.4 | 206.8 |
| Less: valuation allowance | 27.0 | — |
| Total deferred tax asset | 318.4 | 206.8 |
| Deferred Tax Liabilities: | | |
| Title plant | (71.7) | (63.1) |
| Amortization of goodwill and intangible assets | (282.4) | (95.7) |
| Investment securities | (65.3) | (38.3) |
| Depreciation | (10.3) | (23.3) |
| Insurance reserve discounting | (5.2) | (75.6) |
| Bad debts | (6.1) | (5.8) |
| Total deferred tax liability | (441.0) | (301.8) |
| Net deferred tax liability | $ (122.6) | $ (95.0) |

Our net deferred tax liability was $122.6 million and $95.0 million at December 31, 2012 , and 2011 , respectively. The significant changes in the deferred taxes are as follows: The deferred tax liability relating to insurance reserves decreased $70.4 million due primarily to a reduction in the claim reserves established for statutory and tax purposes. The deferred tax asset relating to net operating loss carryforward increased by $ 64.3 million primarily due to the consolidation of Remy International and the acquisition of Digital Insurance offset by the utilization of prior year net operating losses of $20.0 million. The deferred tax asset relating to tax credits increased by $ 66.4 million primarily due to the consolidation of Remy and the acquisition of O'Charley's. The deferred tax liability relating to amortization of goodwill and intangible assets increased $ 186.7 million primarily due to the related increases from the purchases of Remy and Digital Insurance. The deferred tax liability for investment securities increased by $ 27.0 million due primarily to increased unrealized investment gains.

As of December 31, 2012 we had a valuation allowance of $ 27.0 million, we had no valuation allowance in the year ended 2011.

At December 31, 2012 , we have net operating losses on a pretax basis of $ 233.1 million available to carryforward and offset future federal taxable income through 2027. The amount of capital losses available to carryforward has been reduced to zero as we expect to utilize all prior year capital losses generated in the 2012 tax return. We also have $ 66.4 million tax credits carryforward which will begin to expire in 2026.

Tax benefits of $ 31.0 million , $ 6.3 million , and $ 3.0 million associated with the exercise of employee stock options and the vesting of restricted stock grants were allocated to equity for the years ended December 31, 2012 , 2011, and 2010, respectively.

Income taxes have not been provided on the difference between the tax basis and the financial statement carrying amount for its investment in Remy because the reported amount of the investment can be recovered tax-free.

As of December 31, 2012 and 2011 , we had approximately $10.0 million (including interest of $1.9 million ) and $ 1.6 million (including interest of $ 0.6 million ), respectively, of total gross unrecognized tax benefits that, if recognized, would favorably affect our income tax rate. These amounts are reported on a gross basis and do not reflect a federal tax benefit on state income taxes. The change in the balance from 2011 is due to the consolidation with Remy. As Remy is a less than 80 % owned subsidiary, it is not consolidated with FNF for federal income tax filing purposes. We record interest and penalties related to income taxes as a component of income tax expense.

The Internal Revenue Service ("IRS") has selected us to participate in the Compliance Assurance Program that is a real-time audit. During 2012 , the IRS completed its examination of our consolidated tax returns for the tax years ended 2010 and 2011, which resulted in no additional tax. We are currently under audit by the Internal Revenue Service for the 2012 and 2013 tax years. We file income tax returns in various foreign and US state jurisdictions.

## Note L. Summary of Reserve for Claim Losses

A summary of the reserve for claim losses follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | (Dollars in millions) | |
| Beginning balance | $ 1,912.8 | $ 2,210.9 | $ 2,488.8 |
| Claim loss provision related to: | | | |
| Current year | 211.0 | 188.7 | 218.5 |
| Prior years | 57.5 | 33.6 | 30.4 |
| Total title claim loss provision (1) | 268.5 | 222.3 | 248.9 |
| Claims paid, net of recoupments related to: | | | |
| Current year | (4.0) | (9.9) | (5.7) |
| Prior years | (429.3) | (510.5) | (521.1) |
| Total title claims paid, net of recoupments | (433.3) | (520.4) | (526.8) |
| Ending balance of claim loss reserve for title insurance | $ 1,748.0 | $ 1,912.8 | $ 2,210.9 |
| Claim loss reserve for specialty insurance (2) | — | — | 59.2 |
| Ending balance of claim loss reserves | $ 1,748.0 | $ 1,912.8 | $ 2,270.1 |
| Provision for title insurance claim losses as a percentage of title insurance premiums | 7.0% | 6.8% | 6.8% |

(1) Included in the provision for title claim losses in the 2012 period is a $ 10.8 million impairment recorded on an asset previously recouped as part of a claim settlement.

(2) In 2011, we sold our at-risk insurance businesses, resulting in a decrease to the reserve for claim losses of $59.2 million . See Note A under "Discontinued Operations".

We continually update loss reserve estimates as new information becomes known, new loss patterns emerge, or as other contributing factors are considered and incorporated into the analysis of reserve for claim losses. 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. Due to the uncertainty inherent in the process and to the judgment used by management, the ultimate liability may be greater or less than our current reserves. As a result of continued volatility experienced in claim development on policy years 2005 - 2008, we believe there is an increased level of uncertainty attributable to these policy years. I f actual claims loss development is worse than currently expected and is not offset by other positive factors, it is reasonably possible that we may record additional reserve strengthening in future periods.

## Note M. Commitments and Contingencies

*Legal and Regulatory Contingencies*

In the ordinary course of business, we are involved in various pending and threatened litigation matters related to our title operations, some of which include claims for punitive or exemplary damages. This customary litigation includes but is not limited to a wide variety of cases arising out of or related to title and escrow claims, for which we make provisions through our loss reserves. Additionally, like other insurance companies, our ordinary course litigation includes a number of class action and purported class action lawsuits, which make allegations related to aspects of our insurance operations. We believe that no actions depart from customary litigation incidental to our insurance business.

Remy is a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to commercial transactions, product liability, safety, health, taxes, environmental and other matters.

Our Restaurant Group companies are a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to injury or wrongful death under "dram shop" laws that allow a person to sue us based on any injury caused by an intoxicated person who was wrongfully served alcoholic beverages at one of the restaurants and claims from guests or employees alleging illness, injury or other food quality, health or operational concerns.

We review lawsuits and other legal and regulatory matters (collectively "legal proceedings") on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings where it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts and which represents our best estimate has been recorded. None of the amounts we have currently recorded is considered to be individually or in the aggregate material to our financial condition. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending cases is generally not yet determinable. While some of these matters could be material to our operating results or cash flows for any particular period if an unfavorable outcome results, at present we do not believe that the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or cash flows.

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

*Escrow Balances*

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 accompanying Consolidated Balance Sheets. We have a contingent liability relating to proper disposition of these balances for our customers, which amounted to $ 7.5 billion at December 31, 2012 . 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, 2012 and 2011 related to these arrangements.

*Operating Leases*

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

| | | |
|---|---|---|
| 2013 | $ | 180.2 |
| 2014 | | 153.4 |
| 2015 | | 124.1 |
| 2016 | | 170.3 |
| 2017 | | 80.8 |
| Thereafter | | 353.9 |
| Total future minimum operating lease payments | $ | 1,062.7 |

Rent expense incurred under operating leases during the years ended December 31, 2012 , 2011 and 2010 was $ 159.3 million, $ 123.4 million, and $ 135.4 million, respectively. Rent expense in 2012 , 2011 , and 2010 includes abandoned lease charges related to office closures of $ 2.1 million, $ 1.4 million, and $ 11.7 million, respectively.

On June 29, 2004 we entered into an off-balance sheet financing arrangement (commonly referred to as a "synthetic lease"). The owner/lessor in this arrangement acquired land and various real property improvements associated with new construction of an office building in Jacksonville, Florida, that are part of FNF's corporate campus and headquarters. The lessor financed the acquisition of the facilities through funding provided by third-party financial institutions. On June 27, 2011, we renewed and amended the synthetic lease for the facilities. The amended lease provides for a five year term ending June 27, 2016 and had an outstanding balance as of December 31, 2012 of $71.3 million . The amended lease includes guarantees by us of up to 83.0% of the outstanding lease balance, and options to purchase the facilities at the outstanding lease balance. The guarantee becomes effective if we decline to purchase the facilities at the end of the lease and also decline to renew the lease. The lessor is a third-party company and we have no affiliation or relationship with the lessor or any of its employees, directors or affiliates, and transactions with the lessor are limited to the operating lease agreements and the associated rent expense that have been included in Other operating expenses in the Consolidated Statements of Earnings. We do not believe the lessor is a variable interest entity, as defined in the FASB standard on consolidation of variable interest entities.

*Restaurant Group Purchase Obligations*

The Restaurant Group has unconditional purchase obligations with various vendors. These purchase obligations are primarily food obligations with fixed commitments in regards to the time period of the contract with annual price adjustments that can fluctuate and a fixed beverage contract with an annual price adjustment. In situations where the price is based on market prices, we used the existing market prices at December 31, 2012 to determine the amount of the obligation.

Purchase obligations of the Restaurant Group as of December 31, 2012 are as follows (in millions):

| | |
|---|---|
| 2013 | $ 204.2 |
| 2014 | 48.4 |
| 2015 | 21.1 |
| 2016 | 5.0 |
| 2017 | — |
| Thereafter | — |
| Total purchase commitments | $ 278.7 |

**Note N. Regulation and Equity**

Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, 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 enter into transactions with affiliates. 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.

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

Pursuant to statutory accounting requirements of the various states in which our insurers are domiciled, these insurers 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, 2012 , the combined statutory unearned premium reserve required and reported for our title insurers was $ 1,777.7 million. In addition to statutory unearned premium reserves, each of our insurers maintains reserves for known claims and surplus funds for policyholder protection and business operations.

Each of our insurance subsidiaries is regulated by the insurance regulatory authority in its respective state of domicile, as well as that of each state in which it is licensed. The insurance commissioners of their respective states of domicile are the primary regulators of our title insurance subsidiaries. Each of the insurers is subject to periodic regulatory financial examination by regulatory authorities.

Our 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, 2012 , $ 1,997.1 million of our net assets are restricted from dividend payments without prior approval from the Departments of Insurance. During 2013 , our title insurers can pay or make distributions to us of approximately $ 255.4 million, without prior approval.

The combined statutory capital and surplus of our title insurers was approximately $ 1,381.1 million and $ 894.7 million as of December 31, 2012 and 2011 , respectively. The combined statutory net earnings (losses) of our title insurance subsidiaries were $ 272.9 million, $ 151.1 million, and $ (46.6) million for the years ended December 31, 2012 , 2011 , and 2010 , respectively.

Statutory-basis financial statements are prepared in accordance with accounting practices prescribed or permitted by the various state insurance regulatory authorities. The National Association of Insurance Commissioners' (“NAIC” *) Accounting Practices and Procedures* manual (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by each of the states that regulate us. Each of our states of domicile for our title insurance underwriter subsidiaries have adopted a material prescribed accounting practice that differs from that found in NAIC SAP. Specifically, in both years the timing of amounts released from the statutory unearned premium reserve under NAIC SAP differs from the states' required practice. In 2012, this resulted in a difference of $222.1 million between our state prescribed accounting practice and NAIC SAP. Also, our title insurance underwriters received a permitted practice for the year ended December 31, 2012, to account for bulk reserves with IBNR instead of known claims reserves as required by NAIC SAP, in accordance with an exposure draft outstanding to change relevant NAIC SAP as of the date of these financial statements. As a result of the 2012 permitted practice, there was a difference of $(225.8) million between our state prescribed accounting practice and NAIC SAP. Statutory surplus at December 31, 2012 and 2011 , respectively, was (higher) lower by approximately $ (3.7) million and $ 255.1 million than if we had reported such amounts in accordance with NAIC SAP.

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

Pursuant to statutory requirements of the various states in which our insurers are domiciled, such insurers must maintain certain levels of minimum capital and surplus. Required levels of minimum capital and surplus are not significant to the insurers individually or in the aggregate. Each of our insurers has complied with the minimum statutory requirements as of December 31, 2012 .

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 requirements for each underwritten title company are as follows: $ 7.5 million for Fidelity National Title Company, $ 2.5 million for Fidelity National Title Company of California, $ 3.0 million for Chicago Title Company, and $ 0.4 million for Ticor Title Company of California, Commonwealth Land Title Company, and Lawyers Title Company. These underwritten title companies are in compliance with all of their respective minimum net worth requirements at December 31, 2012 .

There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders.

On July 21, 2009, the Board of Directors approved a three-year stock repurchase program under which we can repurchase up to 15 million shares of our common stock through July 31, 2012. On January 27, 2011, our Board of Directors approved an additional 5 million shares that may be repurchased under the program. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2012 , we repurchased a total of 1,150,000 shares for $ 21.7 million , or an average of $ 18.87 per share. This program expired July 31, 2012, and we repurchased a total of 16,528,512 shares for $ 243.4 million, or an average of $ 14.73 per share under this program.

On July 21, 2012, our Board of Directors approved a three-year stock repurchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our common stock through July 31, 2015. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. In the year ended December 31, 2012 , we repurchased a total of 680,000 shares for $15.9 million , or an average of $23.38 per share under this program. Subsequent to year-end we repurchased a total of 80,000 shares for $ 2.0 million , or an average of $ 25.00 per share through market close on February 25, 2013. Since the original commencement of the plan adopted July 21, 2012, we have repurchased a total of 760,000 shares for $ 17.9 million , or an average of $ 23.55 per share, and there are 14,240,000 shares available to be repurchased under this program.

**Note O. Employee Benefit Plans**

***Stock Purchase Plan***

During the three-year period ended December 31, 2012 , our eligible employees could voluntarily participate in employee stock purchase plans (“ESPPs”) sponsored by us and our subsidiaries. Pursuant to the ESPPs, employees may contribute an amount between 3% and 15% of their base salary and certain commissions. We contribute varying amounts as specified in the ESPPs.

We contributed $ 13.8 million, $ 12.6 million, and $ 11.9 million to the ESPPs in the years ended December 31, 2012 , 2011 , and 2010 , respectively, in accordance with the employer’s matching contribution.

***401(k) Profit Sharing Plan***

During the three-year period ended December 31, 2012 , we have offered our employees the opportunity to participate in 401(k) profit sharing plans (the “401(k) Plans”), qualified voluntary contributory savings plans which are available to substantially all of our employees. Eligible employees may contribute up to 40 % of their pretax annual compensation, up to the amount allowed pursuant to the Internal Revenue Code. There was no employer match for the years ended December 31, 2011 and 2010 . Beginning in 2012, we initiated an employer match on the 401(k) plan whereby we matched $0.25 on each $1.00 contributed up to the first 6 % of eligible earnings contributed to the Plan. The employer match for the year ended December 31, 2012 was $ 11.0 million and this was credited to the FNF Stock Fund in the FNF 401 (k) Plan. ***Stock Option Plans***

In 2005, we established the FNT 2005 Omnibus Incentive Plan (the "Omnibus Plan") authorizing the issuance of up to 8.0 million shares of common stock, subject to the terms of the Omnibus Plan. On October 23, 2006, the stockholders of FNF approved an amendment to increase the number of shares available for issuance under the Omnibus Plan by 15.5 million shares. The increase was in part to provide capacity for options and restricted stock to be issued to replace Old FNF options and restricted stock. On May 29, 2008, the stockholders of FNF approved an amendment to increase the number of shares for issuance under the Omnibus Plan by 11.0 million shares. The primary purpose of the increase was to assure that we had adequate means to provide equity incentive compensation to our employees on a going-forward basis. On May 25, 2011, the stockholders of FNF approved an amendment to increase the number of shares for issuance under the Omnibus Plan by 5.9 million shares. The primary purpose of the increase was to assure that we had adequate means to provide equity incentive compensation to our employees on a going-forward basis. The Omnibus Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units and performance shares, performance units, other cash and stock-based awards and dividend equivalents. As of December 31, 2012 , there were 2,924,738 shares of restricted stock and 8,967,074 stock options outstanding under this plan. Awards granted are determined and approved by the Compensation Committee of the Board of Directors. Options vest over a 3 to 4 year period, and the exercise price for options granted equals the market price of the underlying stock on the grant date. Stock option grants of 769,693 shares, 25,000 shares, and 150,000 shares were made to various employees and directors in 2012 , 2011 , and 2010, respectively, and vest according to certain time based and operating performance criteria. Stock option transactions under the Omnibus Plan for 2010 , 2011 , and 2012 are as follows:

| | Options | Weighted Average Exercise Price | Exercisable |
|---|---|---|---|
| Balance, December 31, 2009 | 23,238,646 | $ 13.39 | 14,119,807 |
| Granted | 150,000 | 13.65 | |
| Exercised | (933,575) | 5.10 | |
| Cancelled | (628,117) | 21.23 | |
| Balance, December 31, 2010 | 21,826,954 | $ 13.52 | 16,241,130 |
| Granted | 25,000 | 15.62 | |
| Exercised | (1,068,934) | 7.31 | |
| Cancelled | (150,999) | 20.04 | |
| Balance, December 31, 2011 | 20,632,021 | $ 13.79 | 18,704,618 |
| Granted | 769,693 | 22.59 | |
| Exercised | (12,358,474) | 12.49 | |
| Cancelled | (76,166) | 22.69 | |
| Balance, December 31, 2012 | 8,967,074 | $ 16.27 | 8,147,381 |

Restricted stock transactions under the Omnibus Plan in 2010 , 2011 , and 2012 are as follows:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Balance, December 31, 2009 | 1,968,540 | $ 13.10 |
| Granted | 1,600,820 | 13.73 |
| Cancelled | (5,471) | 13.33 |
| Vested | (896,988) | 13.92 |
| Balance, December 31, 2010 | 2,666,901 | $ 13.20 |
| Granted | 1,645,246 | 15.62 |
| Cancelled | (46,433) | 14.75 |
| Vested | (1,253,058) | 12.51 |
| Balance, December 31, 2011 | 3,012,656 | $ 14.78 |
| Granted | 1,332,222 | 22.59 |
| Cancelled | (17,840) | 14.78 |
| Vested | (1,402,300) | 14.55 |
| Balance, December 31, 2012 | 2,924,738 | $ 18.46 |

The following table summarizes information related to stock options outstanding and exercisable as of December 31, 2012 :

| | Options Outstanding | | | | Options Exercisable | | | |
|---|---|---|---|---|---|---|---|---|
| Range of Exercise Prices | Number of Options | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Intrinsic Value | Number of Options | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Intrinsic Value |
| | | | | (In millions) | | | | (In millions) |
| $0.00 — $7.09 | 1,729,339 | 3.82 | $ 7.09 | $ 28.5 | 1,729,339 | 3.82 | $ 7.09 | $ 28.5 |
| $7.10 — $13.64 | 2,297,914 | 2.85 | 13.64 | 22.8 | 2,297,914 | 2.85 | 13.64 | 22.8 |
| $13.65 — $14.06 | 845,249 | 4.01 | 14.05 | 8.0 | 811,916 | 3.99 | 14.05 | 7.7 |
| $14.07 — $17.67 | 379,353 | 0.86 | 17.58 | 2.3 | 362,686 | 0.63 | 17.67 | 2.1 |
| $17.68 — $20.92 | 105,526 | 3.28 | 19.03 | 0.5 | 105,526 | 3.28 | 19.03 | 0.5 |
| $20.93 — $22.22 | 1,421,000 | 2.80 | 21.90 | 2.3 | 1,421,000 | 2.80 | 21.90 | 2.3 |
| $22.23 — $23.44 | 2,188,693 | 4.99 | 23.14 | 0.9 | 1,419,000 | 3.98 | 23.44 | 0.2 |
| | 8,967,074 | | | $ 65.3 | 8,147,381 | | | $ 64.1 |

We account for stock-based compensation plans in accordance with the FASB standard on share-based payments, which requires that compensation cost relating to share-based payments be recognized in the consolidated financial statements based on the fair value of each award. Using 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. Net earnings reflects stock-based compensation expense amounts of $ 27.5 million, $ 26.6 million, and $ 25.1 million, for the years ended December 31, 2012 , 2011 , and 2010 , respectively, which are included in personnel costs in the reported financial results of each period.

The risk free interest rates used in the calculation of compensation cost are the rates that correspond to the weighted average expected life of an option. The volatility was estimated based on the historical volatility of FNF's stock price over a term equal to the weighted average expected life of the options. For options granted in the years ended December 31, 2012 , 2011 , and 2010 , we used risk free interest rates of 0.6% , 1.0% , and 2.0% , respectively; volatility factors for the expected market price of the common stock of 50% , 53% , and 57% , respectively; expected dividend yields of 2.8% , 3.1% , and 5.0% , respectively; and weighted average expected lives of 4.6 years, 4.7 years, and 4.4 years, respectively. The weighted average fair value of each option granted in the years ended December 31, 2012 , 2011 , and 2010 , were $ 7.58 , $ 5.56 , and $ 4.57 , respectively.

At December 31, 2012 , the total unrecognized compensation cost related to non-vested stock option grants and restricted stock grants is $ 55.7 million , which is expected to be recognized in pre-tax income over a weighted average period of 1.71 years.

***Pension Plans***

In 2000, FNF merged with Chicago Title Corporation ("Chicago Title"). In connection with the merger, we assumed Chicago Title's noncontributory defined contribution plan and noncontributory defined benefit pension plan (the "Pension Plan"). The Pension Plan covers certain Chicago Title employees. The 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 accumulated benefit obligation is the same as the projected benefit obligation due to the pension plan being frozen as of December 31, 2000. Pursuant to the FASB standard on employers' accounting for defined benefit pension and other post retirement plans, the measurement date is December 31.

The net pension liability included in Accounts payable and other accrued liabilities as of December 31, 2012 , and 2011 was $ 23.0 million and $ 36.0 million, respectively. The discount rate used to determine the benefit obligation as of the years ending December 31, 2012 and 2011 was 3.24% and 3.98% , respectively. As of the years ending December 31, 2012 and 2011 the projected benefit obligation was $ 184.9 million and $ 178.3 million, respectively, and the fair value of plan assets was $ 161.9 million and $ 142.3 million, respectively. The net periodic expense included in the results of operations relating to these plans was $9.9 million, $9.3 million, and $7.4 million for the years ending December 31, 2012 , 2011 , and 2010 , respectively.

Remy sponsors multiple defined benefit pension plans that cover a significant portion of their U.S. employees and certain U.K. employees. The plans for U.S. employees were frozen in 2006. The net pension liability for Remy included in Accounts payable and other accrued liabilities as of December 31, 2012 was $ 32.2 million . The discount rate used to determine the benefit obligation as of the year ending December 31, 2012 as 3.85% for the U.S. plan and 4.10% for the U.K. plan. As of the year ending December 31, 2012 the projected benefit obligation was $ 79.5 million and the fair value of plan assets was $ 47.3 million. The net periodic expense included in the results of operations relating to these plans was $ 33.7 million for the year ending December 31, 2012 .

***Postretirement and Other Nonqualified Employee Benefit Plans***

We assumed certain health care and life insurance benefits for retired Chicago Title employees in connection with the FNF merger with Chicago Title. Beginning on January 1, 2001, these benefits were offered to all employees who met specific eligibility requirements. Additionally, in connection with the acquisition of LandAmerica Financial Group's two principal title insurance underwriters, Commonwealth and Lawyers , as well as United Capital Title Insurance Company (collectively, the "LFG Underwriters"), we assumed certain of the LFG Underwriters nonqualified benefit plans, which provide various postretirement benefits to certain executives and retirees. The costs of these benefit plans are accrued during the periods the employees render service. We are both self-insured and fully insured for 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 primarily contributory, with coverage amounts declining with increases in a retiree's age. The aggregate benefit obligation for these plans was $ 24.4 million and $ 26.4 million at December 31, 2012 and 2011 , respectively. The net costs (benefit) included in the results of operations relating to these plans were $ 0.9 million, $ (0.1) million, and $ (1.3) million for the years ending December 31, 2012 , 2011 , and 2010 , respectively.

**Note P. 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, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | (In millions) | |
| Cash paid (received) during the year: | | | |
| Interest | $ 64.5 | $ 52.0 | $ 41.5 |
| Income taxes | 108.6 | 40.1 | 33.8 |
| Non-cash investing and financing activities: | | | |
| Liabilities assumed in connection with acquisitions: | | | |
| Fair value of assets acquired | $ 1,115.9 | $ 0.3 | $ 16.7 |
| Less: Total purchase price | 256.8 | 0.3 | 11.0 |
| Liabilities assumed | $ 859.1 | $ — | $ 5.7 |

**Note Q. Financial Instruments with Off-Balance Sheet Risk and Concentration of Risk**

*Fidelity National Title Group*

In the normal course of business we and certain of our subsidiaries enter into off-balance sheet credit arrangements associated with certain aspects of the title insurance business and other activities.

We generate a significant amount of title insurance premiums in California, Texas, New York and Florida. Title insurance premiums as a percentage of the total title insurance premiums written from those four states are detailed as follows:

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| California | 17.2% | 15.8% | 15.7% |
| Texas | 12.9% | 12.3% | 11.3% |
| New York | 7.4% | 8.0% | 7.8% |
| Florida | 6.7% | 6.6% | 6.2% |

Remy generates revenue in multiple geographic locations. Revenues are attributed to geographic locations based on the point of sale.

Information about our Auto parts revenue in our Remy segment by region was as follows:

| | 2012 |
|---|---|
| United States | 66.0% |
| Asia Pacific | 20.0% |
| Europe | 8.8% |
| Brazil | 4.2% |
| Mexico | 0.5% |
| Canada | 0.5% |
| Total | 100.0% |

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents, short-term investments, and trade receivables.

We place cash equivalents and short-term investments with high credit quality financial institutions and, by policy, limit 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 our customer base, thus spreading the trade receivables credit risk. We control credit risk through monitoring procedures.

*Remy*

Financial instruments at Remy, which potentially subject us to concentrations of credit risk, consist primarily of accounts receivable and cash investments. We require placement of cash in financial institutions evaluated as highly creditworthy. The Remy customer base includes global light and commercial vehicle manufacturers and a large number of retailers, distributors and installers of automotive aftermarket parts. Remy's credit evaluation process and the geographical dispersion of sales transactions help to mitigate credit risk concentration. Remy conducts a significant amount of business with General Motors Corporation ("GM"), another large original equipment manufacturer and three large automotive parts retailers. Auto parts revenue from these customers in the aggregate represented 50.1% for the year ended December 31, 2012. GM represents Remy's largest customer and accounted for approximately 20.7 % of Auto parts revenue for the year ended December 31, 2012.

**Note R. Segment Information**

Summarized financial information concerning our reportable segments is shown in the following tables. As a result of the close on the sale of the flood insurance business in October 2011 and the close on the sale of our at-risk insurance business in May 2012, we reorganized our reporting segments to reflect the disposition of these businesses and the realignment of the remaining at-risk businesses. As a result of combining O'Charley's with our investment in ABRH, which increased our ownership of ABRH to 55% , we have consolidated the operations of ABRH, including the O'Charley's group of companies, and added the Restaurant group reporting segment. Restaurant group results include the results of operations of O'Charley's beginning April 9, 2012 and ABRH beginning May 11, 2012. As a result of our increase in ownership of Remy to 51% in August 2012, we have consolidated the operations of Remy and added the Remy reporting segment. Remy results include the results of operations of Remy beginning August 14, 2012. Prior period segment information has been restated to conform to the current segment presentation.

As of and for the year ended December 31, 2012 :

| | Fidelity National Title Group | Remy | Restaurant Group | Corporate and Other | Total |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Title premiums | $ 3,836.5 | $ — | $ — | $ — | $ 3,836.5 |
| Other revenues | 1,650.3 | — | — | 57.3 | 1,707.6 |
| Auto parts revenues | — | 417.5 | — | — | 417.5 |
| Restaurant revenues | — | — | 909.3 | — | 909.3 |
| Revenues from external customers | 5,486.8 | 417.5 | 909.3 | 57.3 | 6,870.9 |
| Interest and investment income (loss), including realized gains and losses | 139.0 | 79.5 | 118.7 | (6.4) | 330.8 |
| Total revenues | 5,625.8 | 497.0 | 1,028.0 | 50.9 | 7,201.7 |
| Depreciation and amortization | 65.3 | 1.4 | 35.2 | 3.1 | 105.0 |
| Interest expense | 1.2 | 10.2 | 3.4 | 59.6 | 74.4 |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates | 783.1 | 88.5 | 101.0 | (129.2) | 843.4 |
| Income tax expense (benefit) | 284.0 | 3.1 | 17.2 | (57.6) | 246.7 |
| Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates | 499.1 | 85.4 | 83.8 | (71.6) | 596.7 |
| Equity in earnings (loss) of unconsolidated affiliates | 5.1 | 17.5 | 2.4 | (15.1) | 9.9 |
| Earnings (loss) from continuing operations | $ 504.2 | $ 102.9 | $ 86.2 | $ (86.7) | $ 606.6 |
| Assets | $ 6,945.5 | $ 1,270.5 | $ 601.2 | $ 1,085.4 | $ 9,902.6 |
| Goodwill | 1,449.3 | 246.4 | 118.5 | 94.3 | 1,908.5 |

As of and for the year ended December 31, 2011 :

| | Fidelity National Title Group | Remy | Restaurant Group | Corporate and Other | Total |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Title premiums | $ 3,261.1 | $ — | $ — | $ — | $ 3,261.1 |
| Other revenues | 1,383.5 | — | — | 45.6 | 1,429.1 |
| Auto parts revenues | — | — | — | — | — |
| Restaurant revenues | — | — | — | — | — |

| | | | | | |
|---|---|---|---|---|---|
| Revenues from external customers | 4,644.6 | — | — | 45.6 | 4,690.2 |
| Interest and investment income, including realized gains and losses | 148.3 | — | — | 1.1 | 149.4 |
| Total revenues | 4,792.9 | — | — | 46.7 | 4,839.6 |
| Depreciation and amortization | 70.6 | — | — | 2.9 | 73.5 |
| Interest expense | 1.4 | — | — | 55.8 | 57.2 |
| Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates | 530.3 | — | — | (115.5) | 414.8 |
| Income tax expense (benefit) | 172.1 | — | — | (37.7) | 134.4 |
| Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates | 358.2 | — | — | (77.8) | 280.4 |
| Equity in earnings (loss) of unconsolidated affiliates | 4.3 | 15.3 | 3.4 | (13.3) | 9.7 |
| Earnings (loss) from continuing operations | $ 362.5 | $ 15.3 | $ 3.4 | $ (91.1) | $ 290.1 |
| Assets | $ 6,555.2 | $ 141.8 | $ 34.4 | $ 1,130.7 | $ 7,862.1 |
| Goodwill | 1,432.6 | — | — | 19.6 | 1,452.2 |

As of and for the year ended December 31, 2010 :

| | Fidelity National Title Group | Remy | Restaurant Group | Corporate and Other | Total |
|---|---|---|---|---|---|
| | | | (In millions) | | |
| Title premiums | $ 3,641.2 | $ — | $ — | $ — | $ 3,641.2 |
| Other revenues | 1,344.6 | — | — | 56.8 | 1,401.4 |
| Auto parts revenues | — | — | — | | — |
| Restaurant revenues | — | — | — | | — |
| Revenues from external customers | 4,985.8 | — | — | 56.8 | 5,042.6 |
| Interest and investment income, including realized gains and losses | 244.4 | — | — | 126.3 | 370.7 |
| Total revenues | 5,230.2 | $ — | $ — | 183.1 | 5,413.3 |
| Depreciation and amortization | 84.9 | — | — | 1.8 | 86.7 |
| Interest expense | 0.3 | — | — | 45.9 | 46.2 |
| Earnings from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates | 506.4 | $ — | $ — | 42.3 | 548.7 |
| Income tax expense | 165.8 | — | — | 24.0 | 189.8 |
| Earnings from continuing operations, before equity in earnings (loss) of unconsolidated affiliates | 340.6 | — | — | 18.3 | 358.9 |
| Equity in earnings (loss) of unconsolidated affiliates | 1.1 | 14.9 | 6.7 | (23.9) | (1.2) |
| Earnings from continuing operations | $ 341.7 | $ 14.9 | $ 6.7 | $ (5.6) | $ 357.7 |
| Assets | $ 6,690.5 | $ 108.7 | $ 32.0 | $ 1,056.3 | $ 7,887.5 |
| Goodwill | 1,429.5 | — | — | 41.2 | 1,470.7 |

The activities of the reportable segments include the following:

***Fidelity National Title Group***

This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee's sales guarantees, recordings and reconveyances, and home warranty insurance.

***Remy***

This segment consists of the operations of Remy, in which we have a 51% ownership interest. Remy is a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles.

***Restaurant Group***

The Restaurant Group segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn, Bakers Square, and Stoney River Legendary Steaks concepts. This segment also includes the recently acquired J. Alexander's.

***Corporate and Other***

The corporate and other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, other smaller operations, and our share in the operations of certain equity investments, including Ceridian.

**Note S. Recent Accounting Pronouncements**

In July 2012, the Financial Accounting Standards Board ("FASB") updated Accounting Standards Codification ("ASC") Topic 350, to allow an entity to utilize qualitative factors to determine if events and circumstances exist which will lead to a determination that the fair value of an indefinite-lived intangible asset is greater than its carrying amount, prior to performing a full fair-value assessment. This update is effective for interim and annual periods beginning after September 15, 2012, with early adoption permitted. We elected to adopt this update in the third quarter of 2012 and the update did not have a material impact on our financial condition or results of operations.

In December 2011, the FASB issued ASU No. 2011-11 which updated ASC Topic 210, Disclosures about Offsetting Assets and Liabilities, which requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. ASU No. 2011-11 is effective for annual reporting periods beginning on or after January 1, 2013 and interim periods within those annual periods. The adoption of ASU No. 2011-11 is expected to increase our disclosures regarding our Remy segment, but is not expected to have an impact on our consolidated financial position, results of operations or cash flows.

**Item 9.** ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

**Item 9A.** ***Controls and Procedures***

As of the end of the year covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Act is: (a) recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms; and (b) accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) or 15d-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting. Management has adopted the framework in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under this framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2012 . The effectiveness of our internal control over financial reporting as of December 31, 2012 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2012 excluded Remy International Inc. ("Remy"), acquired during the third quarter of 2012. The total assets of $1.3 billion and total revenue post-acquisition of $497.0 million of Remy represent 12.8% of our consolidated total assets and 6.9% of our consolidated total revenue as of and for the year ended December 31, 2012. Registrants are permitted to exclude acquisitions from their assessment of internal control over financial reporting during the first year if, among other circumstances and factors, there is not adequate time between the consummation date of the acquisition and the assessment date for assessing internal controls.

**Item 9B.** ***Other Information***

None.

**PART III**

**Items 10-14.**

Within 120 days after the close of our fiscal year, we intend to file with the Securities and Exchange Commission a definitive proxy statement pursuant to Regulation 14A of the Securities Exchange Act of 1934 as amended, which will include the matters required by these items.

# PART IV

**Item 15.** ***Exhibits, Financial Statement Schedules and Reports on Form 8-K***

(a) (1) *Financial Statements.* The following is a list of the Consolidated Financial Statements of Fidelity National Financial, Inc. and its subsidiaries included in Item 8 of Part II:



(a) (2) *Financial Statement Schedules.* The following is a list of financial statement schedules filed as part of this annual report on Form 10-K:



All other schedules are omitted because they are not applicable or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

(a) (3) The following exhibits are incorporated by reference or are set forth on pages to this Form 10-K:

| Exhibit Number | Description |
|---|---|
| 2.1 | Securities Exchange and Distribution Agreement between Old FNF and the Registrant, dated as of June 25, 2006, as amended and restated as of September 18, 2006 (incorporated by reference to Annex A to the Registrant’s Schedule 14C filed on September 19, 2006 (the “Information Statement”)) |
| 3.1 | Form of Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-3 filed June 3, 2011) |
| 3.2 | Amended and Restated Bylaws of the Registrant, as adopted on September 26, 2005 (incorporated by reference to Exhibit 3.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005) |
| 4.1 | Indenture between the Registrant and The Bank of New York Trust Company, N.A., dated December 8, 2005, relating to the 5.25% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2005) |
| 4.2 | First Supplemental Indenture between the Registrant and the Bank of New York Trust Company, N.A., dated as of January 6, 2006 (incorporated by reference to Exhibit 4.1 to the Registrant’s Current Report on Form 8-K filed on January 24, 2006) |
| 4.3 | Second Supplemental Indenture, dated May 5, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A., dated as of May 5, 2010, relating to the 6.60% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.4 | Form of Subordinated Indenture between the Registrant and the Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.2 (A) to the Registrant’s Registration Statement on Form S-3 filed on November 14, 2007) |
| 4.5 | Form of 5.25% note due March 15, 2013 (incorporated by reference to Exhibit 4.7 to the Registrant’s Registration Statement on Form S-4 filed on October 28, 2005) |
| 4.6 | Form of 6.60% Note due 2017 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.7 | Form of 4.25% Convertible Note due August 2018 (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed on August 2, 2011) |
| 4.8 | Form of the Registrant’s Common Stock Certificate (incorporated by reference to Exhibit 4.5 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2006 (the “2006 Annual Report”) |
| 10.1 | Amendment and Restatement Agreement dated as of April 16, 2012 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto, dated as of September 12, 2006 (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on April 19, 2012) |
| 10.2 | Amendment and Restatement Agreement dated as of March 5, 2010 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on March 10, 2010) |
| 10.3 | Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan, effective as of September 26, 2005 (incorporated by reference to Annex A to the Registrant’s Schedule 14A filed on April 11, 2011) (1) |
| 10.4 | Fidelity National Title Group, Inc. Employee Stock Purchase Plan, effective as of September 26, 2005 (incorporated by reference to Exhibit 10.50 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005) (1) |
| 10.5 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.5 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.6 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2012 awards.(1) |
| 10.7 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2011 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011) (1) |
| 10.8 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2010 awards (incorporated by reference to Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2010) (1) |
| 10.9 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2009 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |

| Exhibit Number | Description |
|---|---|
| 10.10 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan |
| 10.11 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.12 | Tax Disaffiliation Agreement by and among Old FNF, the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.1 to Old FNF’s Form 8-K, filed on October 27, 2006) |
| 10.13 | Cross-Indemnity Agreement by and between the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.2 to FIS’s Form 8-K, filed on October 27, 2006) |
| 10.14 | Amended and Restated Employment Agreement between the registrant and George P. Scanlon, effective as of November 1, 2010. (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2010) (1) |
| 10.15 | Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.11 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.16 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.17 | Amendment effective July 1, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett, effective as of July 2, 2008. (incorporated by reference to Registrant’s Current Report on Form 8-K filed on July 3, 2012) (1) |
| 10.18 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and William P. Foley, II, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1). |
| 10.19 | Amended and Restated Employment Agreement between the Registrant and William P. Foley, II, effective as of July 2, 2008(1) (incorporated by reference to Exhibit 10.14 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.20 | Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (1) (incorporated by reference to Exhibit 10.16 to Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) |
| 10.21 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.22 | Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of January 30, 2013 (1) |
| 10.23 | Fidelity National Title Group, Inc. Annual Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 11, 2011) (1) |
| 10.24 | Fidelity National Financial, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.25 | Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski, effective as of February 4, 2010 (1) |
| 10.26 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 1 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 11, 2011) (1) |
| 10.27 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 2 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 11, 2011) (1) |
| 21.1 | Subsidiaries of the Registrant |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |

| Exhibit Number | Description |
|---|---|
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(c) of Form 10-K

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Fidelity National Financial, Inc.
By: */s/ George P. Scanlon*
George P. Scanlon
Chief Executive Officer

Date: February 26, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| */s/ George P. Scanlon*<br>George P. Scanlon | Chief Executive Officer<br>(Principal Executive Officer) | February 26, 2013 |
| */s/ Anthony J. Park*<br>Anthony J. Park | Chief Financial Officer<br>(Principal Financial and Accounting Officer | February 26, 2013 |
| */s/ William P. Foley, II*<br>William P. Foley, II | Director and Executive Chairman of the Board | February 26, 2013 |
| */s/ Douglas K. Ammerman*<br>Douglas K. Ammerman | Director | February 26, 2013 |
| */s/ Willie D. Davis*<br>Willie D. Davis | Director | February 26, 2013 |
| */s/ Thomas M. Hagerty*<br>Thomas M. Hagerty | Director | February 26, 2013 |
| */s/ Daniel D. (Ron) Lane*<br>Daniel D. (Ron) Lane | Director | February 26, 2013 |
| */s/ General William Lyon*<br>General William Lyon | Director | February 26, 2013 |
| */s/ Richard N. Massey*<br>Richard N. Massey | Director | February 26, 2013 |
| */s/ Peter O. Shea, Jr.*<br>Peter O. Shea, Jr. | Director | February 26, 2013 |
| */s/ Cary H. Thompson*<br>Cary H. Thompson | Director | February 26, 2013 |
| */s/ Frank P. Willey*<br>Frank P. Willey | Director | February 26, 2013 |

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Stockholders
Fidelity National Financial, Inc.:

Under date of February 26, 2013 , we reported on the Consolidated Balance Sheets of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2012 and 2011 , and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2012 , as contained in the Annual Report on Form 10-K for the year 2012 . In connection with our audits of the aforementioned Consolidated Financial Statements, we also audited the related financial statement schedules as listed under Item 15(a)(2). These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic Consolidated Financial Statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

February 26, 2013
Jacksonville, Florida
Certified Public Accountants

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**BALANCE SHEETS**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| | (In millions, except share data) | |
| **ASSETS** | | |
| Cash | $ — | $ — |
| Investment securities available for sale, at fair value | 328.5 | 132.8 |
| Investment in unconsolidated affiliates | 360.3 | 352.8 |
| Notes receivable | 93.5 | 75.0 |
| Income taxes receivable | — | 5.8 |
| Investments in and amounts due from subsidiaries | 5,199.0 | 4,111.1 |
| Property and equipment, net | 9.4 | 10.9 |
| Prepaid expenses and other assets | 4.4 | 1.5 |
| Other intangibles, net | 16.7 | 12.3 |
| Total assets | $ 6,011.8 | $ 4,702.2 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 56.9 | $ 35.6 |
| Income taxes payable | 103.2 | — |
| Deferred tax liability | 122.6 | 95.0 |
| Notes payable | 980.0 | 915.7 |
| | 1,262.7 | 1,046.3 |
| Equity: | | |
| Common stock, Class A, $0.0001 par value; authorized 600,000,000 shares at December 31, 2012 and 2011; issued 268,541,117, shares and 254,868,484 shares at December 31, 2012 and 2011, respectively | — | — |
| Preferred stock, $0.0001 par value; authorized 50,000,000 shares, issued and outstanding, none | — | — |
| Additional paid-in capital | 4,018.3 | 3,798.6 |
| Retained earnings | 849.4 | 373.4 |
| Accumulated other comprehensive earnings (loss) | 58.5 | (7.1) |
| Less treasury stock, 39,995,513 shares and 34,190,969 shares at December 31, 2012 and 2011, respectively, at cost | (658.2) | (532.2) |
| Total equity of Fidelity National Financial, Inc. common shareholders | 4,268.0 | 3,632.7 |
| Noncontrolling interests | 481.1 | 23.2 |
| Total equity | 4,749.1 | 3,655.9 |
| Total liabilities and equity | $ 6,011.8 | $ 4,702.2 |

See Notes to Financial Statements and
Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**STATEMENTS OF OPERATIONS AND RETAINED EARNINGS**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | (In millions, except per share data) | | |
| **Revenues:** | | | |
| Other fees and revenue | $ 4.6 | $ 3.4 | $ 4.3 |
| Interest and investment income and realized gains | 2.2 | 0.7 | 97.2 |
| Total revenues | 6.8 | 4.1 | 101.5 |
| **Expenses:** | | | |
| Personnel expenses | 39.2 | 39.9 | 23.9 |
| Other operating expenses | 20.5 | 15.3 | 12.6 |
| Interest expense | 61.4 | 57.5 | 47.5 |
| Total expenses | 121.1 | 112.7 | 84.0 |
| (Losses) earnings before income tax (benefit) expense and equity in earnings of subsidiaries | (114.3) | (108.6) | 17.5 |
| Income tax (benefit) expense | (33.5) | (35.2) | 5.8 |
| (Losses) earnings before equity in earnings of subsidiaries | (80.8) | (73.4) | 11.7 |
| Equity in earnings of subsidiaries | 692.5 | 452.5 | 363.9 |
| Earnings before earnings attributable to noncontrolling interest | 611.7 | 379.1 | 375.6 |
| Earnings attributable to noncontrolling interest | 5.2 | 9.6 | 5.5 |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | $ 606.5 | $ 369.5 | $ 370.1 |
| Basic earnings per share | $ 2.74 | $ 1.69 | $ 1.64 |
| Weighted average shares outstanding, basic basis | 221.2 | 219.0 | 226.2 |
| Diluted earnings per share | $ 2.68 | $ 1.66 | $ 1.61 |
| Weighted average shares outstanding, diluted basis | 226.0 | 222.7 | 229.3 |
| Retained earnings (deficit), beginning of year | $ 373.4 | $ 110.3 | $ (102.4) |
| Dividends declared | (130.5) | (106.4) | (157.4) |
| Net earnings attributable to Fidelity National Financial, Inc. common shareholders | 606.5 | 369.5 | 370.1 |
| Retained earnings, end of year | $ 849.4 | $ 373.4 | $ 110.3 |

See Notes to Financial Statements and
Accompanying Report of Independent Registered Public Accounting Firm

**SCHEDULE II**

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

**STATEMENTS OF CASH FLOWS**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | (In millions) | |
| **Cash Flows From Operating Activities:** | | | |
| Net earnings | $ 611.7 | $ 379.1 | $ 375.6 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | |
| Equity in earnings of subsidiaries | (692.5) | (452.5) | (363.9) |
| Losses (gains) on sales of investments and other assets | 5.5 | 0.7 | (97.5) |
| Stock-based compensation | 23.4 | 26.6 | 25.1 |
| Tax benefit associated with the exercise of stock-based compensation | (31.0) | (6.3) | (3.0) |
| Net change in income taxes | 172.3 | 141.9 | 159.1 |
| Net decrease in prepaid expenses and other assets | 4.8 | 37.7 | 1.3 |
| Net (decrease) increase in accounts payable and other accrued liabilities | 24.9 | (18.4) | 18.4 |
| Net cash provided by operating activities | 119.1 | 108.8 | 115.1 |
| **Cash Flows From Investing Activities:** | | | |
| Net (purchases) proceeds of investments available for sale | 7.1 | (3.3) | (11.1) |
| Additions to notes receivable | (93.5) | — | — |
| Net additions to investments in subsidiaries | (116.1) | — | — |
| Net (purchases) proceeds from short-term investing activities | (207.8) | — | (59.1) |
| Net (purchases) proceeds from sales of property, equipment and other assets | — | (1.9) | (2.3) |
| Proceeds from the sale of Sedgwick CMS | — | 32.0 | 193.6 |
| Net cash (used in) provided by investing activities | (410.3) | 26.8 | 121.1 |
| **Cash Flows From Financing Activities:** | | | |
| Borrowings | 548.1 | 500.0 | 600.0 |
| Debt service payments | (494.0) | (515.5) | (509.2) |
| Make-whole call penalty on early extinguishment of debt | (5.2) | — | — |
| Debt issuance costs | (7.9) | (7.9) | (2.3) |
| Dividends paid | (128.7) | (105.1) | (156.6) |
| Purchases of treasury stock | (37.6) | (86.2) | (117.6) |
| Exercise of stock options | 91.3 | 7.9 | 4.8 |
| Tax benefit associated with the exercise of stock-based compensation | 31.0 | 6.3 | 3.0 |
| Net borrowings (payments) and dividends from subsidiaries | 294.2 | 64.9 | (58.3) |
| Net cash provided by (used in) financing activities | 291.2 | (135.6) | (236.2) |
| Net change in cash and cash equivalents | — | — | — |
| Cash at beginning of year | — | — | — |
| Cash at end of year | $ — | $ — | $ — |

See Notes to Financial Statements and
See Accompanying Report of Independent Registered Public Accounting Firm

SCHEDULE II

**FIDELITY NATIONAL FINANCIAL, INC.**
**(Parent Company)**

## NOTES TO FINANCIAL STATEMENTS

### A. Summary of Significant Accounting Policies

Fidelity National Financial, Inc. transacts substantially all of its business through its subsidiaries. The Parent Company Financial Statements should be read in connection with the aforementioned Consolidated Financial Statements and Notes thereto included elsewhere herein. Certain reclassifications have been made in the 2011 presentation to conform to the classifications used in 2012 .

### B. Notes Payable

Notes payable consist of the following:

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| | (In millions) | |
| Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022 | $ 398.1 | $ — |
| Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018 | 282.1 | 279.5 |
| Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017 | 299.8 | 299.8 |
| Unsecured notes, net of discount, interest payable semi-annually at 5.25%, due March 2013 | — | 236.4 |
| Revolving Credit Facility, unsecured, unused portion of $800.0 at December 31, 2012, due April 2016 with interest payable monthly at LIBOR + 1.45% | — | 100.0 |
| | $ 980.0 | $ 915.7 |

### C. Supplemental Cash Flow Information

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | (In millions) | |
| Cash paid (received) during the year: | | | |
| Interest paid | $ 64.5 | $ 57.4 | $ 47.5 |
| Income tax payments (refunds) | 108.6 | 40.1 | 33.8 |

### D. Cash Dividends Received

We have received cash dividends from subsidiaries and affiliates of $ 0.2 billion , $ 0.2 billion , and $ 0.3 billion during the years ended December 31, 2012 , 2011 , and 2010 , respectively.

See Accompanying Report of Independent Registered Public Accounting Firm

**SCHEDULE V**

**FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES**
**VALUATION AND QUALIFYING ACCOUNTS**

**Years Ended December 31, 2012 , 2011 and 2010**

| | | Column C | | | |
|---|---|---|---|---|---|
| | Column B | Additions | | | Column E |
| Column A Description | Balance at Beginning of Period | Charge to Costs and Expenses | Other (Described) | Column D Deduction (Described) | Balance at End of Period |
| | | | (In millions) | | |
| Year ended December 31, 2012: | | | | | |
| Reserve for claim losses | $ 1,912.8 | $ 268.5 | $ — | $ 433.3 (1) | $ 1,748.0 |
| Allowance on trade and notes receivables | 22.6 | 8.3 | — | 9.2 (2) | 21.7 |
| Year ended December 31, 2011: | | | | | |
| Reserve for claim losses | $ 2,270.1 | $ 222.3 | $ (59.2) (3) | $ 520.4 (1) | $ 1,912.8 |
| Allowance on trade and notes receivables | 28.8 | 5.4 | $ (0.4) (3) | 11.2 (2) | 22.6 |
| Year ended December 31, 2010: | | | | | |
| Reserve for claim losses | $ 2,539.2 | $ 366.5 | $ — | $ 635.6 (1) | $ 2,270.1 |
| Allowance on trade and notes receivables | 29.5 | 11.0 | — | 11.7 (2) | 28.8 |

(1) Represents payments of claim losses, net of recoupments.

(2) Represents uncollectible accounts written-off, change in reserve due to reevaluation of specific items and change in reserve due to purchases and sales of certain assets.

(3) Represents a decrease to the reserve for claim losses as a result of discontinued operations related to our agreement to sell our at-risk insurance business. See Note A under "Discontinued Operations".

See Accompanying Report of Independent Registered Public Accounting Firm

## EXHIBIT INDEX

| Exhibit Number | Description |
|---|---|
| 2.1 | Securities Exchange and Distribution Agreement between Old FNF and the Registrant, dated as of June 25, 2006, as amended and restated as of September 18, 2006 (incorporated by reference to Annex A to the Registrant’s Schedule 14C filed on September 19, 2006 (the “Information Statement”)) |
| 3.1 | Form of Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-3 filed June 3, 2011) |
| 3.2 | Amended and Restated Bylaws of the Registrant, as adopted on September 26, 2005 (incorporated by reference to Exhibit 3.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005) |
| 4.1 | Indenture between the Registrant and The Bank of New York Trust Company, N.A., dated December 8, 2005, relating to the 5.25% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2005) |
| 4.2 | First Supplemental Indenture between the Registrant and the Bank of New York Trust Company, N.A., dated as of January 6, 2006 (incorporated by reference to Exhibit 4.1 to the Registrant’s Current Report on Form 8-K filed on January 24, 2006) |
| 4.3 | Second Supplemental Indenture, dated May 5, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A., dated as of May 5, 2010, relating to the 6.60% notes referred to below (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.4 | Form of Subordinated Indenture between the Registrant and the Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.2 (A) to the Registrant’s Registration Statement on Form S-3 filed on November 14, 2007) |
| 4.5 | Form of 5.25% note due March 15, 2013 (incorporated by reference to Exhibit 4.7 to the Registrant’s Registration Statement on Form S-4 filed on October 28, 2005) |
| 4.6 | Form of 6.60% Note due 2017 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on May 5, 2010) |
| 4.7 | Form of 4.25% Convertible Note due August 2018 (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed on August 2, 2011) |
| 4.8 | Form of the Registrant’s Common Stock Certificate (incorporated by reference to Exhibit 4.5 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2006 (the “2006 Annual Report”) |
| 10.1 | Amendment and Restatement Agreement dated as of April 16, 2012 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto, dated as of September 12, 2006 (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on April 19, 2012) |
| 10.2 | Amendment and Restatement Agreement dated as of March 5, 2010 to the Credit Agreement among the Registrant, Bank of America, N.A., and certain agents and other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on March 10, 2010) |
| 10.3 | Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan, effective as of September 26, 2005 (incorporated by reference to Annex A to the Registrant’s Schedule 14A filed on April 11, 2011) (1) |
| 10.4 | Fidelity National Title Group, Inc. Employee Stock Purchase Plan, effective as of September 26, 2005 (incorporated by reference to Exhibit 10.50 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005) (1) |
| 10.5 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.5 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.6 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2012 awards.(1) |
| 10.7 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2011 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011) (1) |
| 10.8 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2010 awards (incorporated by reference to Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2010) (1) |
| 10.9 | Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2009 awards (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |

| Exhibit Number | Description |
|---|---|
| 10.10 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan |
| 10.11 | Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.12 | Tax Disaffiliation Agreement by and among Old FNF, the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.1 to Old FNF's Form 8-K, filed on October 27, 2006) |
| 10.13 | Cross-Indemnity Agreement by and between the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.2 to FIS's Form 8-K, filed on October 27, 2006) |
| 10.14 | Amended and Restated Employment Agreement between the registrant and George P. Scanlon, effective as of November 1, 2010. (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2010) (1) |
| 10.15 | Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.11 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.16 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.17 | Amendment effective July 1, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett, effective as of July 2, 2008. (incorporated by reference to Registrant's Current Report on Form 8-K filed on July 3, 2012) (1) |
| 10.18 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and William P. Foley, II, effective as of July 2, 2008 (incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1). |
| 10.19 | Amended and Restated Employment Agreement between the Registrant and William P. Foley, II, effective as of July 2, 2008(1) (incorporated by reference to Exhibit 10.14 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.20 | Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (1) (incorporated by reference to Exhibit 10.16 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) |
| 10.21 | Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009) (1) |
| 10.22 | Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of January 30, 2013 (1) |
| 10.23 | Fidelity National Title Group, Inc. Annual Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 11, 2011) (1) |
| 10.24 | Fidelity National Financial, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008) (1) |
| 10.25 | Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski, effective as of February 4, 2010 (1) |
| 10.26 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 1 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 11, 2011) (1) |
| 10.27 | Form of Notice of Long-Term Investment Success Performance Award Agreement - Tier 2 under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 11, 2011) (1) |
| 21.1 | Subsidiaries of the Registrant |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |

| Exhibit Number | Description |
|---|---|
| 32.1 | Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |
| 32.2 | Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 |

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(c) of Form 10-K

**Exhibit 10.6**

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**
**Notice of Restricted Stock Grant**

You (the "Grantee") have been granted the following award of restricted Common Stock (the "Restricted Stock") of Fidelity National Financial, Inc. (the "Company"), par value $0.0001 per share (the "Shares"), pursuant to the Fidelity National Financial, Inc. (f/k/a Fidelity National Title Group, Inc.) Amended and Restated 2005 Omnibus Incentive Plan (the "Plan"):

Name of Grantee: [Name]

Number of Shares of Restricted Stock Granted: [xxx]

Effective Date of Grant: November 8, 2012

Vesting and Period of Restriction: See Exhibit A

By your electronic acceptance/signature, you agree and acknowledge that the Restricted Stock is granted under and governed by the terms and conditions of the Plan and the attached Restricted Stock Award Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Restricted Stock Award Agreement.

| | |
|---|---|
| **Grantee:** | **Fidelity National Financial, Inc.** |
| | **By:** |
| **(Name** | **Name:** |
| | **Title:** |
| **Date** | |
| **Address:** | |

**Fidelity National Financial, Inc.**
**Amended and Restated 2005 Omnibus Incentive Plan**

**Restricted Stock Award Agreement**

**Section 1. GRANT OF RESTRICTED STOCK**

**(a) Restricted Stock** . On the terms and conditions set forth in the Notice of Restricted Stock Grant and this Restricted Stock Award Agreement (the "Agreement"), the Company grants to the Grantee on the Effective Date of Grant the Shares of Restricted Stock (the "Restricted Stock") set forth in the Notice of Restricted Stock Grant.

**(b) Plan and Defined Terms** . The Restricted Stock is granted pursuant to the Plan. All terms, provisions, and conditions applicable to the Restricted Stock set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice of Restricted Stock Grant or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

**Section 2. FORFEITURE AND TRANSFER RESTRICTIONS**

**(a) Forfeiture** .

(i) If the Grantee's employment is terminated for any reason other than death, Disability (as defined below), termination by the Company and its Subsidiaries without Cause (as defined below) or termination by the Grantee with Good Reason (as defined below), the Grantee shall, for no consideration, forfeit to the Company the Shares of Restricted Stock to the extent such Shares are subject to a Period of Restriction at the time of such termination.

(ii) If (A) the Grantee's employment is terminated due to the Grantee's death or Disability, and (B) the Performance Restriction (as defined in Exhibit A) has been satisfied as of the date of the Grantee's termination of employment, then a portion of the Shares which on the date of termination of employment remain subject to a Time-Based Restriction (as defined in Exhibit A) shall vest and become free of the forfeiture and transfer restrictions contained in the Agreement (except as otherwise provided in Section 2(b) of this Agreement). The portion which shall vest shall be determined by the following formula (rounded to the nearest whole Share):

(A x B) - C, where

A = the total number of Shares granted under this Agreement,

B = the number of completed months to the date of termination of employment since the Effective Date of Grant divided by 36, and

C = the number of Shares granted under this Agreement which vested on or prior to the date of termination of employment.

If the Performance Restriction has not been satisfied as of the date of the Grantee's termination of employment due to the Grantee's death or Disability, then all of the Shares shall be forfeited to the Company, for no consideration.

(iii) I f the Grantee's employment is terminated by the Company and its Subsidiaries without Cause, or by the Grantee with Good Reason, (A) the Time-Based Restrictions shall be deemed to have been satisfied as of the date of termination of employment, and (B) all Shares shall continue to be subject to the Performance Restriction. Upon a lapse of a Period of Restriction (including a lapse upon a Change of Control), all Shares shall vest and become free of forfeiture and transfer restrictions contained in this Agreement (except as otherwise provided in Section 2(b) of this Agreement) on the date of employment termination

(iv) The term "Cause" shall have the meaning ascribed to such term in the Grantee's employment agreement with the Company or any Subsidiary. If the Grantee's employment agreement does not define the term "Cause," or if the Grantee has not entered into an employment agreement with the Company or any Subsidiary, the term "Cause" shall mean (A) the willful engaging by the Grantee in misconduct that is demonstrably injurious to the Company or any Subsidiary (monetarily or otherwise), (B) the Grantee's conviction of, or pleading guilty or nolo contendere to, a felony, or (C) the Grantee's violation of any confidentiality, non-solicitation, or non-competition covenant to which the Grantee is subject.

(v) The term "Disability" shall have the meaning ascribed to such term in the Grantee's employment agreement with the Company or any Subsidiary. If the Grantee's employment agreement does not define the term "Disability," or if the Grantee has not entered into an employment agreement with the Company or any Subsidiary, the term "Disability" shall mean the

Grantee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

(vi) "Good Reason" termination shall apply only if the Grantee has an employment agreement with the Company or any Subsidiary and shall have the meaning ascribed to that term in such employment agreement.

(vii) If the Performance Restriction is not satisfied, then all Shares shall be forfeited to the Company, for no consideration.

**(b)** **Transfer Restrictions** . During the Period of Restriction, the Restricted Stock may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, to the extent such Shares are subject to a Period of Restriction. If and when the Grantee is an Officer (as defined in Rule 16a-1(f) of the Exchange Act) or holds the title of President - Eastern Operations, President - Western Operations, President - Agency Operations, or Chief Legal Officer, during the six (6) month period which begins the first day following the date a Period of Restriction lapses, (50%) of the Shares to which the Period of Restrictions has lapsed on such date may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of; provided however that this sentence shall not prohibit the Grantee from exchanging or otherwise disposing of Shares in connection with a Change of Control or other transaction in which Shares held by other Company shareholders are required to be exchanged or otherwise disposed.

**(c)** **Lapse of Restrictions** . The Period of Restriction shall lapse as to the Restricted Stock in accordance with the Notice of Restricted Stock Grant. Subject to the terms of the Plan and Section 6(a) hereof, upon lapse of the Period of Restriction, the Grantee shall own the Shares that are subject to this Agreement free of all restrictions other than the six (6) month holding period following the Period of Restriction as provided in Section 2(b) of this Agreement otherwise imposed by this 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 Period of Restriction or other restriction imposed on the Restricted Stock that has not previously been forfeited shall lapse.

**Section 3. STOCK CERTIFICATES**

As soon as practicable following the grant of Restricted Stock, the Shares of Restricted Stock shall be registered in the Grantee's name in certificate or book-entry form. If a certificate is issued, it shall bear an appropriate legend referring to the restrictions and it shall be held by the Company, or its agent, on behalf of the Grantee until the Period of Restriction has lapsed. If the Shares are registered in book-entry form, the restrictions shall be placed on the book-entry registration. The Grantee may be required to execute and return to the Company a blank stock power for each Restricted Stock certificate (or instruction letter, with respect to Shares registered in book-entry form), which will permit transfer to the Company, without further action, of all or any portion of the Restricted Stock that is forfeited in accordance with this Agreement.

**Section 4. SHAREHOLDER RIGHTS**

Except for the transfer and dividend restrictions, and subject to such other restrictions, if any, as determined by the Committee, the Grantee shall have all other rights of a holder of Shares, including the right to vote (or to execute proxies for voting) such Shares. Unless otherwise determined by the Committee, if all or part of a dividend in respect of the Restricted Stock is paid in Shares or any other security issued by the Company, such Shares or other securities shall be held by the Company subject to the same restrictions as the Restricted Stock in respect of which the dividend was paid.

**Section 5. DIVIDENDS**

(a) Any dividends paid with respect to Shares which remain subject to a Period of Restriction shall not be paid to the Grantee but shall be held by the Company.

(b) Such held dividends shall be subject to the same Period of Restriction as the Shares to which they relate.

(c) Any dividends held pursuant to this Section 5 which are attributable to Shares which vest pursuant to this Agreement shall be paid to the Grantee within 30 days of the applicable vesting date.

(d) Dividends attributable to Shares forfeited pursuant to Section 2 of this Agreement shall be forfeited to the Company on the date such Shares are forfeited.

**Section 6. MISCELLANEOUS PROVISIONS**

**(a) Tax Withholding** . Pursuant to Article 20 of the Plan, the Committee shall have the power and right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Grantee's FICA obligations) required by law to be withheld with respect to this Award. The Committee may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including payroll taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

**(b) Ratification of Actions** . By accepting this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated the Grantee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice of Restricted Stock Grant by the Company, the Board or the Committee.

**(c) Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided in writing to the Company.

**(d) Choice of Law** . This Agreement and the Notice of Restricted Stock Grant shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice of Restricted Stock Grant to be governed by or construed in accordance with the substantive law of another jurisdiction.

**(e) Arbitration** . Subject to, and in accordance with the provisions of Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice of Restricted Stock Grant shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice of Restricted Stock Grant, provided that all substantive questions of law shall be determined in accordance with the state and federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

**(f) Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

**(g) Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

**(h) References to Plan** . All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

**(i) Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

## EXHIBIT A

### Vesting and Restrictions

This grant is subject to both a Performance Restriction and a Time-Based Restriction, as described below (collectively, the “Period of Restriction”).

### Performance Restriction

In order for the Restricted Stock to vest, the Compensation Committee of the Board of Directors of the Company (the “Committee”) must determine that the Company has achieved 8% or greater Title Operating Margin (as defined below) in at least two calendar quarters of any of the next five calendar quarters starting October 1, 2012 (the “Performance Restriction”). The five calendar quarters starting October 1, 2012 and ending December 31, 2013 are referred to as the “Measurement Period.” “Title Operating Margin” shall mean the Title Pre-Tax Margin as used for the annual bonus plan. Calculation of Title Operating Margin will exclude claim loss reserve adjustments (positive or negative) for prior period loss development, extraordinary events or accounting adjustments, acquisitions, divestitures, major restructuring charges, and non-budgeted discontinued operations. The Committee will evaluate whether the Title Operating Margin has been achieved following the completion of each calendar quarter during the Measurement Period.

### Time-Based Restrictions

| Anniversary Date | % of Restricted Stock |
|---|---|
| First ($1^{st}$) anniversary of the Effective Date of Grant | 33.33% |
| Second ($2^{nd}$) anniversary of the Effective Date of Grant | 33.33% |
| Third ($3^{rd}$) anniversary of the Effective Date of Grant | 33.34% |

### Vesting

If the Performance Restriction has been achieved, the percentage of the Restricted Stock indicated next to each Anniversary Date shall vest on such indicated anniversary date (such three year vesting schedule referred to as the “Time-Based Restrictions”). If the Performance Restriction is not achieved prior to the expiration of the Measurement Period, none of the Restricted Stock granted hereunder shall vest and, for no consideration, will be automatically forfeited to the Company.

**EXHIBIT 10.10**

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**

**Notice of Stock Option Grant**

You (the "Optionee") have been granted the following option to purchase Class A Common Stock of Fidelity National Financial, Inc. (the "Company"), par value $0.0001 per share ("Share"), pursuant to the Fidelity National Financial, Inc. Amended and Restated 2005 Omnibus Incentive Plan (the "Plan"):

| | |
|---|---|
| Name of Optionee: | |
| Total Number of Shares Subject to Option: | |
| Type of Option: | Nonqualified |
| Exercise Price Per Share: | $ ( **clsoing price on November 8** ) |
| Effective Date of Grant: | November 8, 2012 |
| Vesting Schedule: | Subject to the terms of the Plan and the Stock Option Agreement attached hereto, the right to exercise this Option shall vest with respect to one-third of the total number of Shares subject to this Option on each anniversary of the Effective Date of Grant. |
| Expiration Date: | 7th Anniversary of Effective Date of Grant The Option is subject to earlier expiration, as provided in Section 3(b) of the attached Stock Option Agreement |

By your electronic acceptance/signature, you agree and acknowledge that this Option is granted under and governed by the terms and conditions of the Plan and the attached Stock Option Agreement, which are incorporated herein by reference, and that you have been provided with a copy of the Plan and Stock Option Agreement.

**Fidelity National Financial, Inc.**
**Amended and Restated**
**2005 Omnibus Incentive Plan**

**Stock Option Agreement**

SECTION 1. **GRANT OF OPTION.**

(a) **Option .** On the terms and conditions set forth in the Notice of Stock Option Grant, which is incorporated by reference, and this Stock Option Agreement (the "Agreement"), the Company grants to the Optionee on the Effective Date of Grant the Option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant.

(b) **Plan and Defined Terms .** The Option is granted pursuant to the Plan. All terms, provisions, and conditions applicable to the Option set forth in the Plan and not set forth herein are hereby incorporated by reference herein. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in the Notice of Stock Option Grant or this Agreement and not otherwise defined therein or herein shall have the meanings ascribed to them in the Plan.

SECTION 2. **RIGHT TO EXERCISE** .

The Option hereby granted shall be exercised by written notice to the Committee, specifying the number of Shares the Optionee desires to purchase together with provision for payment of the Exercise Price. Subject to such limitations as the Committee may impose (including prohibition of one more of the following payment methods), payment of the Exercise Price may be made by (a) check payable to the order of the Company, for an amount in United States dollars equal to the aggregate Exercise Price of such Shares, (b) by tendering to the Company Shares having an aggregate Fair Market Value (as of the trading date immediately preceding the date of exercise) equal to such Exercise Price, (c) by broker-assisted exercise, or (d) by a combination of such methods. The Company may require the Optionee to furnish or execute such other documents as the Company shall reasonably deem necessary (i) to evidence such exercise and (ii) to comply with or satisfy the requirements of the Securities Act of 1933, as amended, the Exchange Act, applicable state or non-U.S. securities laws or any other law.

SECTION 3. **TERM AND EXPIRATION.**

(a) **Basic Term.** Subject to earlier termination pursuant to the terms hereof, the Option shall expire on the expiration date set forth in the Notice of Stock Option Grant.

(b) **Termination of Employment or Service.** Subject to the terms and conditions of Optionee's employment agreement, if any, if the Optionee's employment or service as a Director or Consultant, as the case may be, is terminated, the Option shall expire on the earliest of the following occasions:

(i) The expiration date set forth in the Notice of Stock Option Grant;

(ii) The date three months following the termination of the Optionee's employment or service for any reason other than Cause, death, or Disability;

(iii) The date one year following the termination of the Optionee's employment or service due to death or Disability; or

(iv) The date of termination of the Optionee's employment or service for Cause.

The Optionee may exercise all or part of this Option at any time before its expiration under the preceding sentence, but, subject to the following sentence, only to the extent that the Option had become vested before the Optionee's employment or service terminated. When the Optionee's employment or service terminates, this Option shall expire immediately with respect to the number of Shares for which the Option is not yet vested. If the Optionee dies after termination of employment or service, but before the expiration of the Option, all or part of this Option may be exercised (prior to expiration) by the personal representative of the Optionee or by any person who has acquired this Option directly from the Optionee by will, bequest or inheritance, but only to the extent that the Option was vested and exercisable upon termination of the Optionee's employment or service.

(c) **Definition of "Cause ."** The term "Cause" shall have the meaning ascribed to such term in the Optionee's employment agreement with the Company or any Subsidiary. If the Optionee's employment agreement does not define the term “Cause,” or if the Optionee has not entered into an employment agreement with the Company or any Subsidiary, the term “Cause” shall mean (i) the willful engaging by the Optionee in misconduct that is demonstrably injurious to the Company or any Parent or Subsidiary (monetarily or otherwise), (ii) the Optionee's conviction of, or pleading guilty or nolo contendere to, a felony involving moral turpitude, or (iii) the Optionee's violation of any confidentiality, non-solicitation, or non-competition covenant to which the Optionee is subject.

(d) **Definition of “Disability .”** The term “Disability” shall have the meaning ascribed to such term in the Optionee's employment agreement with the Company or any Subsidiary. If the Optionee's employment agreement does not define the term “Disability,” or if the Optionee has not entered into an employment agreement with the Company or any Subsidiary, the term “Disability” shall mean the Optionee's entitlement to long-term disability benefits pursuant to the long-term disability plan maintained by the Company or in which the Company's employees participate.

SECTION 4. **TRANSFERABILITY OF OPTION.**

(a) **Generally.** Except as provided in Section 4(b) herein, the Option shall not be transferable by the Optionee other than by will or the laws of descent and distribution, and the Option shall be exercisable during the Optionee's lifetime only by the Optionee or on his or her behalf by the Optionee's guardian or legal representative.

(b) **Transfers to Family Members.** Notwithstanding Section 4(a) herein, if the Option is a Nonqualified Stock Option, the Optionee may transfer the Option for no consideration to or for the benefit of a Family Member, subject to such limits as the Committee may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Option.

(c) **Definition of** “ **Family Member.”** For purposes of this Agreement, the term “Family Member” shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Optionee (including adoptive relationships), any person sharing the same household as the Optionee (other than a tenant or employee), a trust in which the above persons have more than fifty percent of the beneficial interests, a foundation in which the Optionee or the above persons control the management of assets, and any other entity in which the Optionee or the above persons own more than fifty percent of the voting interests.

SECTION 5. **MISCELLANEOUS PROVISIONS.**

(a) **Acknowledgements .** The Optionee hereby acknowledges that he or she has read and understands the terms of the Plan and this Agreement, and agrees to be bound by their respective terms and conditions. The Optionee acknowledges that there may be tax consequences upon the exercise or transfer of the Option and that the Optionee should consult an independent tax advisor prior to any exercise or transfer of the Option.

(b) **Tax Withholding .** Pursuant to Article 20 of the Plan, the Committee shall have the power and the right to deduct or withhold, or require the Optionee to remit to the Company, an amount sufficient to satisfy any federal, state and local taxes (including the Optionee's FICA obligations) required by law to be withheld with respect to this Option. The Committee may condition the delivery of Shares upon the Optionee's satisfaction of such withholding obligations. The Optionee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding (based on minimum statutory withholding rates for federal, state and local tax purposes, as applicable, including the Optionee's FICA taxes) that could be imposed on the transaction, and, to the extent the Committee so permits, amounts in excess of the minimum statutory withholding to the extent it would not result in additional accounting expense. Such election shall be irrevocable, made in writing and signed by the Optionee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(c) **Notice Concerning Disqualifying Dispositions .** If the Option is an Incentive Stock Option, the Optionee shall notify the Committee of any disposition of Shares issued pursuant to the exercise of the Option if the disposition constitutes a “disqualifying disposition” within the meaning of Sections 421 and 422 of the Code (or any successor provision of the Code then in effect relating to disqualifying dispositions). Such notice shall be provided by the Optionee to the Committee in writing within 10 days of any such disqualifying disposition.

(d) **Rights as a Stockholder .** Neither the Optionee nor the Optionee's transferee or representative shall have any rights as a stockholder with respect to any Shares subject to this Option until the Option has been exercised and Share certificates have been issued to the Optionee, transferee or representative, as the case may be.

(e) **Ratification of Actions** . By accepting this Agreement, the Optionee and each person claiming under or through the Optionee shall be conclusively deemed to have indicated the Optionee's acceptance and ratification of, and consent to, any action taken under the Plan or this Agreement and Notice of Stock Option Grant by the Company, the Board, or the Committee.

(f) **Notice** . Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided in writing to the Company.

(g) **Choice of Law** . This Agreement and the Notice of Stock Option Grant shall be governed by, and construed in accordance with, the laws of Florida, without regard to any conflicts of law or choice of law rule or principle that might otherwise cause the Plan, this Agreement or the Notice of Stock Option Grant to be governed by or construed in accordance with the substantive law of another jurisdiction.

(h) **Arbitration** . Subject to Article 3 of the Plan, any dispute or claim arising out of or relating to the Plan, this Agreement or the Notice of Stock Option Grant shall be settled by binding arbitration before a single arbitrator in Jacksonville, Florida and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall decide any issues submitted in accordance with the provisions and commercial purposes of the Plan, this Agreement and the Notice of Stock Option Grant, provided that all substantive questions of law shall be determined in accordance with the state and Federal laws applicable in Florida, without regard to internal principles relating to conflict of laws.

(i) **Modification or Amendment** . This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.3 of the Plan may be made without such written agreement.

(j) **Severability** . In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

(k) **References to Plan** . All references to the Plan (or to a Section or Article of the Plan) shall be deemed references to the Plan (or the Section or Article) as may be amended from time to time.

(l) **Section 409A Compliance** . To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Code Section 409A and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service and the Plan and the Award Agreement shall be interpreted accordingly.

**Exhibit 10.15**

**AMENDMENT NO. 2 TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

THIS AMENDMENT NO. 2 TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Amendment") is effective as of January 1, 2012 (the "Effective Date"), by and between **FIDELITY NATIONAL FINANCIAL, INC.** , a Delaware corporation (the "Company"), and **BRENT B. BICKETT** (the "Employee") and amends that certain Amended and Restated Employment Agreement dated as of July 2, 2008, as amended on February 4, 2010 (the "Agreement"). In consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. The first sentence of Section 4 of the Agreement is deleted and the following shall be inserted in lieu thereof:

2. Salary . During the Employment Term, the Company shall pay the Employee an annual base salary, before deducting all applicable withholdings, of no less than $276,500 per year, payable at the time and in the manner dictated by the Company's standard payroll policies.

3. Section 5(c) of the Agreement is deleted and the following shall be inserted in lieu thereof:
(c) eligibility to elect and purchase supplemental disability insurance sufficient to provide sixty percent of the Employee's pre-disability Annual Base Salary, subject to certain limitations contained in the disability policies;

4. The last sentence of Section 5(d) is deleted and the following shall be inserted in lieu thereof:

Unless provided otherwise herein or the Board determines otherwise, no Annual Bonus shall be paid to the Employee unless the Employee is employed by the Company, or an affiliate thereof, on the last day of the Annual Bonus measurement period.

5. Section 13(c) of the Agreement is deleted and the following shall be inserted in lieu thereof:

(c) Exclusion . Working, directly or indirectly, for any of the following entities shall not be considered competitive to the Company or its affiliates for the purpose of Section 13(b) (After Employment Term Non-Compete): (i) Fidelity National Information Services, Inc., its affiliates or their successors; or (ii) the Company, its affiliates or their successors if this Agreement is assumed by a third party as contemplated by Section 21.

IN WITNESS WHEREOF the parties have executed this Amendment to be effective as of the date first set forth above.

FIDELITY NATINOAL FINANCIAL, INC.

By: /s/ George P. Scanlon
Its: Chief Executive Officer
/s/ Brent B. Bickett
*BRENT B. BICKETT*

## AMENDMENT NO. 1 TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDMENT NO. 1 TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Amendment") is effective as of January 30, 2013 (the "Effective Date"), by and between **FIDELITY NATIONAL FINANCIAL, INC.** , a Delaware corporation (the "Company"), and **MICHAEL L. GRAVELLE** (the "Employee") and amends that certain Amended and Restated Employment Agreement dated as of January 1, 2010 (the “Agreement”). In consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. Section 2 of the Agreement is deleted and the following shall be inserted in lieu thereof: “ Employment and Duties . Subject to the terms and conditions of this Agreement, the Company agrees to continue to employ the Employee to serve in an executive capacity as Executive Vice President, General Counsel and Corporate Secretary. The Employee accepts such continued employment and agrees to undertake and discharge the duties, functions and responsibilities commensurate with the aforesaid position and such other duties, functions and responsibilities as may be prescribed from time to time by the Chief Executive Officer (the "CEO") or the Chairman of the Board of Directors of the Company. The Company acknowledges and agrees that Employee may serve as a non-executive employee of Fidelity National Information Services, Inc., Senior Vice President, General Counsel and Corporate Secretary of Remy International, Inc. (“Remy”), a majority owned subsidiary of the Company and receive an annual salary of $148,000 and a bonus opportunity at target under Remy's annual incentive plan of 55% ($81,400), and in other unpaid non-competitor companies.”

2. The first sentence of Section 4 of the Agreement is deleted and the following shall be inserted in lieu thereof: “ Salary . During the period from February 1, 2013 through March 31, 2013, the Company shall pay the Employee a base salary at an annual rate, before deducting all applicable withholdings, of $82,000 per year, payable at the time and in the manner dictated by the Company's standard payroll policies. During the period from April 1, 2013 through the end of the Employment Term, the Company shall pay the Employee a base salary at an annual rate, before deducting all applicable withholdings, of no less than $337,000 per year, payable at the time and in the manner dictated by the Company's standard payroll policies. For purposes of calculating Employee's disability and supplemental disability insurance, and termination payments under the Agreement, Employee's Annual Base Salary shall include Employee's aggregate annual base salary with the Company and Remy.”

3. Section 5(c) of the Agreement is deleted and the following shall be inserted in lieu thereof: “(c) eligibility to elect and purchase supplemental disability insurance sufficient to provide sixty percent of the Employee's pre-disability Annual Base Salary, subject to certain limitations contained in the disability policies”

4. Section 5(d) is deleted and the following shall be inserted in lieu thereof: “an annual incentive bonus opportunity under the Company's annual incentive plan ("Annual Bonus Plan") for each calendar year included in the Employment Term, with such opportunity to be earned based upon attainment of performance objectives established by the Committee ("Annual Bonus"). For 2012 and continuing for the remainder of the Employment Term, the Employee's target Annual Bonus under the Annual Bonus Plan shall be no less than 120% of the Employee's paid salary with the Company, with a maximum of up to 240% of the Employee's paid salary with the Company (collectively, the target and maximum are referred to as the "Annual Bonus Opportunity"). The Employee's Annual Bonus Opportunity may be periodically reviewed and increased (but not decreased without the Employee's express written consent) at the discretion of the Committee. The Annual Bonus shall be paid no later than the March 15 $^{th}$ first following the calendar year to which the Annual Bonus relates. Unless provided otherwise herein or the Committee determines otherwise, no Annual Bonus shall be paid to the Employee unless the Employee is employed by the Company, or an affiliate thereof, on the last day of the Annual Bonus measurement period.”

IN WITNESS WHEREOF the parties have executed this Amendment to be effective as of the date first set forth above.

FIDELITY NATIONAL FINANCIAL, INC.
By: /s/ George P. Scanlon
Its: Chief Executive Officer
Michael L. Gravelle
/s/ Michael L. Gravelle

**EXHIBIT 10.25**

# AMENDMENT TO
# AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDMENT (the “Amendment”) is effective as of February 4, 2010 and amends the July 23, 2008 Amended and Restated Employment Agreement (the “Agreement”) by and between **FIDELITY NATIONAL FINANCIAL, INC.,** a Delaware corporation (the “Company”), and **PETER T. SADOWSKI** (the “Employee”) as follows:

1. Excise Taxes . Section 10 of the Agreement is replaced in its entirety with the following:

“ Excise Taxes . If any payments or benefits paid or provided or to be paid or provided to the Employee or for Employee's benefit pursuant to the terms of this Agreement or otherwise in connection with, or arising out of, employment with the Company or its subsidiaries or the termination thereof (a "Payment" and, collectively, the "Payments") would be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then Employee may elect for such Payments to be reduced to one dollar less than the amount that would constitute a “parachute payment” under Section 280G of the Code (the “Scaled Back Amount”). Any such election must be in writing and delivered to the Company within thirty (30) days after the Date of Termination. If Employee does not elect to have Payments reduced to the Scaled Back Amount, Employee shall be responsible for payment of any Excise Tax resulting from the Payments and Employee shall not be entitled to a gross-up payment under this Agreement or any other for such Excise Tax. If the Payments are to be reduced, they shall be reduced in the following order of priority: (i) first from cash compensation, (ii) next from equity compensation, then (iii) pro-rata among all remaining Payments and benefits. To the extent there is a question as to which Payments within any of the foregoing categories are to be reduced first, the Payments that will produce the greatest present value reduction in the Payments with the least reduction in economic value provided to Employee shall be reduced first.”

2. Definitions and Conflicts . All terms not specifically defined in this Amendment shall have the same meaning as in the Agreement. In the event of a conflict between the terms of this Amendment and the Agreement, this Amendment shall control.

IN WITNESS WHEREOF the parties have executed this Amendment to be effective as of the date first set forth above.

FIDELITY NATIONAL FINANCIAL, INC.

By: /s/ Michael L. Gravelle

Its: Executive Vice President, General Counsel, Corporate Secretary

Peter T. Sadowski

/s/ Peter T. Sadowski

**EXHIBIT 21.1**

**FIDELITY NATIONAL FINANCIAL, INC.**
**List of Subsidiaries December 31, 2012**
**Six Significant Subsidiaries**

| COMPANY | INCORPORATION |
|---|---|
| FNTG Holdings, Inc. | Delaware |
| Chicago Title Insurance Company | Nebraska |
| Fidelity National Title Group, Inc. | Delaware |
| Fidelity National Title Insurance Company | California |
| Commonwealth Land Title Insurance Company | Nebraska |
| Remy International, Inc. | Delaware |

**Exhibit 23.1**

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors
Fidelity National Financial, Inc.:

We consent to the incorporation by reference in the Registration Statements (Nos. 333-157643, 333-132843, 333-138254, 333-129886, 333-129016, and 333-176395) on Form S-8 and Registration Statements (Nos. 333-157123, 333-147391, and 333-174650) on Form S-3 of Fidelity National Financial, Inc. of our reports dated February 26, 2013, with respect to the Consolidated Balance Sheets of Fidelity National Financial, Inc. as of December 31, 2012 and 2011, and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity and Cash Flows for each of the years in the three-year period ended December 31, 2012, and all related financial statement schedules, and the effectiveness of internal control over financial reporting as of December 31, 2012, which reports appear in the December 31, 2012 annual report on Form 10-K of Fidelity National Financial, Inc.

/s/ KPMG LLP

February 26, 2013
Jacksonville, Florida
Certified Public Accountants

**Exhibit 31.1**

## CERTIFICATIONS

I, George P. Scanlon, certify that:

1. I have reviewed this annual report on Form 10-K of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15 (f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2013

By: /s/ George P. Scanlon
George P. Scanlon
Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATIONS**

I, Anthony J. Park, certify that:

1. I have reviewed this annual report on Form 10-K of Fidelity National Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15 (f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2013

By: /s/ Anthony J. Park
Anthony J. Park
Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Executive Officer of Fidelity National Financial, Inc., a Delaware corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: February 26, 2013

By: /s/ George P. Scanlon
George P. Scanlon
Chief Executive Officer

**Exhibit 32.2**

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Financial Officer of Fidelity National Financial, Inc., a Delaware corporation (the “Company”), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: February 26, 2013

By: /s/ Anthony J. Park
Anthony J. Park
Chief Financial Officer