

FIRST AMERICAN CORP
Form S-3
June 25, 2004
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As filed with the Securities and Exchange Commission on June 25, 2004

Registration No. 333-[]

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

THE FIRST AMERICAN CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

California
(State or Other Jurisdiction of
Incorporation or Organization)

95-1068610
(I.R.S. Employer
Identification Number)

1 First American Way
Santa Ana, California 92707-5913
(714) 800-3000

(Address, Including Zip Code, and Telephone Number, Including

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Area Code, of Registrant's Principal Executive Offices)

Kenneth D. DeGiorgio, Esq.

General Counsel

The First American Corporation

1 First American Way

Santa Ana, California 92707-5913

(714) 800-3000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

With a copy to:

Neil W. Rust, Esq.

White & Case LLP

633 West Fifth Street

Los Angeles, California 90071

(213) 620-7700

Approximate date of commencement of proposed sale to the public:

As soon as practicable after this Registration Statement becomes effective.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. "

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or reinvestment plans, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. " Registration No. _____

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If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. " Registration No. _____

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

CALCULATION OF REGISTRATION FEE

Title of Securities	Amount	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount Of Registration Fee
	To Be Registered			
Senior notes	\$ 150,000,000	100% ⁽¹⁾	\$ 150,000,000 ⁽¹⁾	\$ 19,005 ⁽²⁾

(1) Estimated solely for the purpose of calculating the registration fee.

(2) The registration fee is calculated pursuant to Rule 457(o) under the Securities Act.

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

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the SEC is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

Subject to completion, dated [], 2004

Prospectus

The First American Corporation

\$150,000,000

[]% Senior Notes Due 20[]

Interest payable [] and []

Issue Price: []

The senior notes will mature on [], 20[]. Interest will accrue from [], 200[]. We may redeem the senior notes in whole or in part at any time and from time to time at the redemption prices described on page [].

Investing in our senior notes involves risk. See Risk Factors beginning on page [] for a discussion of certain risks that you should consider before investing in our senior notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Price to Public⁽¹⁾	Underwriting Discounts	Proceeds to Us, Before Expenses
Per senior note			
Total			
(1) Plus accrued interest from the original date of issuance, if any.			

The senior notes will not be listed on any securities exchange. Currently, there is no public market for the senior notes.

We expect that delivery of the senior notes will be made to investors in book-entry form through The Depository Trust Company on or about [], 2004.

JPMorgan

This prospectus is dated [], 2004

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In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus and in each prospectus supplement, if any. We have not, and the underwriters have not, authorized anyone to provide you with any other information. If you receive any unauthorized information, you must not rely on it. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale of these securities is not permitted. You should assume that the information appearing in this prospectus and any prospectus supplement is accurate only as of the respective dates thereof. Our business, financial condition, results of operations and prospects may have changed since those dates.

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Prospectus Summary

*This summary contains basic information about us and our offering of the senior notes. It does not contain all the information that is important to you. You should read the following summary together with the more detailed information and financial statements and notes to the financial statements contained elsewhere or incorporated by reference in this prospectus, as described under the heading *Where You Can Find More Information*. To fully understand this offering, you should read all of these documents.*

Our Company

We are engaged in the business of providing business information and related products and services. Our operations include six reportable segments segregated into two business groups. The first group, Financial Services, includes title insurance and specialty insurance. The second group, Information Technology, includes mortgage information, property information, credit information and screening information. The title insurance segment issues policies, which are insured statements of the condition of title to real property, and provides other related services, including trust, banking and investment advisory services. The specialty insurance segment provides home warranties, which protect homeowners against defects in home fixtures, and also offers property and casualty insurance. The mortgage information segment primarily provides to mortgage lender customers flood zone determination reports that provide information on whether or not a property is in a special flood hazard area, the status of tax payments on real property securing loans, default services, and other mortgage information services. The property information segment supplies core real estate data, providing, among other things, property valuation information, title information, tax information and imaged title documents. The credit information segment provides conventional credit information as well as sub-prime credit information. The screening information segment, which comprises First Advantage Corporation, a Nasdaq-listed company, provides employment screening and other occupational health services, resident screening, risk mitigation services and consumer location services.

Our principal executive office is located at 1 First American Way, Santa Ana, California 92707-5913, and our telephone number is (714) 800-3000.

The Offering

Issuer	The First American Corporation.
Securities Offered	\$150,000,000 aggregate principal amount of []% senior notes.
Maturity Date	[]
Interest Payment Dates	[] and [], commencing []
Optional Redemption	We may redeem the senior notes, in whole at any time or in part from time to time, at our option on not less than 30 days and not more than 60 days notice, at the

redemption prices described on page [] under the heading Optional Redemption.

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Ranking

The senior notes will:

be general obligations that are not secured by any assets of ours or our subsidiaries;

rank equally in right of payment with all of our current and future unsecured debt that is not expressly stated to be junior in right of payment to the senior notes;

effectively rank junior in right of payment to the current and future debt and other liabilities of our subsidiaries; and

rank junior to any secured debt to the extent of the assets securing such debt.

Covenants

The indenture and indenture supplement under which the senior notes will be issued contain certain restrictions on our company. These include restrictions on our ability to:

incur liens on certain of our licensed insurance companies; and

merge with, or sell or lease all or substantially all of our assets to, another person if that person does not assume our responsibilities under the senior notes.

Use of Proceeds

We estimate that we will receive net proceeds from this offering of approximately \$[] million, which we intend to use for general corporate purposes, including working capital, capital expenditures, stock repurchases and future acquisitions.

Further Issues

We may create and issue further senior notes ranking equally and ratably with the senior notes offered hereby in all respects, so that such further senior notes shall be consolidated and form a single series with the senior notes and shall have the same terms as to status, redemption or otherwise as the senior notes.

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The following table sets forth the summary selected consolidated financial data for our business for the five years ended December 31, 2003, and the three months ended March 31, 2003 and 2004. The summary is qualified in its entirety by reference to the financial statements and other information contained in our annual report on Form 10-K for the year ended December 31, 2003, and our quarterly report on Form 10-Q for the quarter ended March 31, 2004, each of which is incorporated by reference into this prospectus. All data are in thousands except percentages, per share data and employee data.

	Year Ended December 31 (audited)					Three Months Ended March 31 (unaudited)	
	2003	2002	2001	2000	1999	2004	2003
Income Statement Data:							
<i>Revenues:</i>							
Operating revenue	\$ 6,072,189	\$ 4,633,278	\$ 3,662,986	\$ 2,877,528	\$ 2,936,196	\$ 1,445,533	\$ 1,294,958
Investment and other income	141,525	70,931	87,737	56,727	51,973	28,238	47,017
	<u>6,213,714</u>	<u>4,704,209</u>	<u>3,750,723</u>	<u>2,934,255</u>	<u>2,988,169</u>	<u>1,473,771</u>	<u>1,341,975</u>
<i>Expenses:</i>							
Salaries and other personnel costs	1,799,553	1,523,195	1,263,451	1,014,766	1,034,772	473,775	407,217
Premiums retained by agents	1,729,104	1,292,297	960,215	791,940	871,036	424,234	365,709
Other operating expenses	1,319,875	1,049,125	853,604	697,672	678,856	340,839	293,387
Provision for title losses and other claims	324,404	224,589	180,646	141,632	116,218	71,421	67,239
Depreciation and amortization	114,424	96,829	108,348	86,336	77,031	29,370	26,015
Premium Taxes	51,535	34,658	24,840	22,573	22,897	12,540	10,456
Interest	36,097	33,609	30,079	25,460	17,387	10,462	8,459
	<u>5,374,992</u>	<u>4,254,302</u>	<u>3,421,183</u>	<u>2,780,379</u>	<u>2,818,197</u>	<u>1,362,641</u>	<u>1,178,482</u>
Income before income taxes, minority interest and cumulative effect of a change in accounting for tax service contracts(1)	838,722	449,907	329,540	153,876	169,972	111,130	163,493
Income taxes	292,000	149,900	117,500	54,700	62,300	37,400	56,000
Income before minority interest and cumulative effect of a change in accounting for tax service contracts(1)	546,722	300,007	212,040	99,176	107,672	73,730	107,493
Minority interests	95,700	65,640	44,772	16,953	19,029	18,774	19,913
Income before cumulative effect of a change in accounting principle	451,022	234,367	167,268	82,223	88,643	54,956	87,580
Cumulative effect of a change in accounting principle					(55,640)		
Net Income	<u>\$ 451,022</u>	<u>\$ 234,367</u>	<u>\$ 167,268</u>	<u>\$ 82,223</u>	<u>\$ 33,003</u>	<u>\$ 54,956</u>	<u>\$ 87,580</u>
<i>Per share amounts:</i>							
<i>Basic:</i>							
Income before cumulative effect of a change in accounting for tax service contracts(1)	\$ 5.89	\$ 3.27	\$ 2.51	\$ 1.29	\$ 1.37	\$ 0.69	\$ 1.18

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Cumulative effect of a change in accounting for tax service contracts(1)

					(0.86)		
Net Income	\$ 5.89	\$ 3.27	\$ 2.51	\$ 1.29	\$ 0.51	\$ 0.69	\$ 1.18

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	Year Ended December 31 (audited)					Three Months Ended March 31 (unaudited)	
	2003	2002	2001	2000	1999	2004	2003
<i>Diluted:</i>							
Income before cumulative effect of a change in accounting for tax service contracts(1)	\$ 5.22	\$ 2.92	\$ 2.27	\$ 1.24	\$ 1.34	\$ 0.62	\$ 1.05
Cumulative effect of a change in accounting for tax service contracts(1)					(0.84)		
Net Income	\$ 5.22	\$ 2.92	\$ 2.27	\$ 1.24	\$ 0.50	\$ 0.62	\$ 1.05
Balance Sheet Data:							
<i>Assets:</i>							
Cash and cash equivalents	\$ 1,113,530	\$ 900,863	\$ 645,240	\$ 300,905	\$ 350,010	\$ 1,095,653	\$ 942,874