

First American Financial Corp
Form DEF 14A
April 11, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under § 240.14a-12

FIRST AMERICAN FINANCIAL CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of filing fee (Check the appropriate box):

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April 11, 2011

Dear Fellow Stockholder,

You are cordially invited to attend our annual meeting of stockholders at 2 p.m., Pacific time, on May 17, 2011, at the executive offices of First American Financial Corporation, located at 1 First American Way, Santa Ana, California 92707.

With this letter, we are including the notice for the annual meeting, the proxy statement and the proxy card. We are also including a copy of our 2010 annual report. A map and directions to our executive offices can be found on the inside back cover of the proxy statement.

We have made arrangements for you to vote your proxy over the Internet or by telephone, as well as by mail with the traditional proxy card. The proxy card contains instructions on these methods of voting.

As discussed in greater detail in the proxy statement, last year our Board initiated an effort to augment the skills of its current membership and established criteria for evaluating potential directors. Of those criteria, our Board believes it is most important to add directors with significant, recent operating experience.

As the first step in this transformative process, we are pleased to nominate for election two individuals who were recently appointed to our Board: Michael D. McKee and Thomas V. McKernan. As described in their biographies in the proxy statement, both of these individuals bring considerable operating experience in chief executive officer roles.

Your vote is important. Whether or not you plan on attending the annual meeting on May 17, 2011, we hope you will vote as soon as possible.

Thank you for your ongoing support of, and continued interest in, First American Financial Corporation.

Parker S. Kennedy

Dennis J. Gilmore

Executive Chairman

Chief Executive Officer

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be Held on May 17, 2011

The annual meeting of stockholders of First American Financial Corporation, a Delaware corporation (our Company), will be held at 2 p.m., Pacific time, on May 17, 2011, at the executive offices of the Company, located at 1 First American Way, Santa Ana, California 92707, for the following purposes:

1. To elect the four persons named in the accompanying proxy statement to serve as Class I directors on our board of directors to serve for a three year term;
2. To hold an advisory vote on executive compensation (referred to herein as a Say on Pay vote);
3. To hold an advisory vote on the frequency of holding a Say on Pay vote (referred to herein as a Say on Frequency vote);
4. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011.
5. To transact such other business as may properly come before the meeting or any postponements or adjournments thereof.

Only stockholders of record at the close of business on March 25, 2011, are entitled to notice of the meeting and an opportunity to vote.

First American Financial Corporation's notice of annual meeting and proxy statement, annual report and other proxy materials are available at www.firstam.com/proxymaterials.

We hope you will attend the meeting to vote in person. However, if you are unable to attend the meeting and vote in person, please submit a proxy as soon as possible, so that your shares can be voted at the meeting in accordance with your instructions. You may submit your proxy (1) over the Internet, (2) by telephone, or (3) by mail. For specific instructions, please refer to the questions and answers commencing on page 2 of the proxy statement and the instructions on the proxy card.

Kenneth D. DeGiorgio

Executive Vice President
and Secretary

Santa Ana, California

April 11, 2011

PROXY STATEMENT

Solicitation of Proxies by the Board of Directors

First American Financial Corporation's Notice of Annual Meeting and Proxy Statement,

Annual Report and other proxy materials are available at

www.firstam.com/proxymaterials

Our board of directors (our Board) is soliciting proxies from holders of our common stock for use at the annual meeting of our stockholders to be held on May 17, 2011, at 2 p.m., Pacific time. The meeting will be held at the executive offices of First American Financial Corporation, a Delaware corporation (our Company or First American), located at 1 First American Way, Santa Ana, California 92707. We have included a map and directions to our executive offices on the inside back cover of the proxy statement for your convenience.

We are mailing this proxy statement and the enclosed proxy card, notice of annual meeting, chairman's letter and 2010 annual report to our stockholders on or about April 13, 2011. In lieu of a proxy card, holders of shares held in street name through a bank, broker or other nominee are receiving a voting instruction form from their bank, broker or other nominee. As used herein, references to proxy or proxy card also refer to the voting instruction form provided to street name holders.

The remainder of this proxy statement has been divided into three sections. You should read all three sections.

- I. Questions and answers: This section provides answers to a number of frequently asked questions.
- II. Proposals to be voted on: This section provides information relating to the proposals to be voted on at the stockholders' meeting.
- III. Required information: This section contains information that is required by law to be included in this proxy statement and which has not been included in Sections I or II.

I. QUESTIONS AND ANSWERS

Why have I been sent these proxy materials?

Our Board has sent you this proxy statement and the accompanying proxy card to ask for your vote, as a stockholder of our Company, on certain matters that will be voted on at the annual meeting.

What matters will be voted on at the meeting?

- the election of four persons to serve on the Board as Class I directors until the next annual meeting at which Class I directors are elected or as soon as their successors are duly elected and qualified;
- an advisory vote on executive compensation, which we will refer to as a "Say on Pay" vote;
- an advisory vote on the frequency of holding an advisory vote on executive compensation, which we will refer to as a "Say on Frequency" vote;
- the ratification of the Company's selection of PricewaterhouseCoopers LLP ("PwC") as its independent registered public accounting firm for the 2011 fiscal year; and
- any other business properly raised at the meeting or any postponement or adjournment thereof.

At the time this proxy statement was mailed, our Board was not aware of any other matters to be voted on at the annual meeting.

Who may attend the annual meeting?

All stockholders of the Company.

Who is entitled to vote?

Stockholders of record as of the close of business on March 25, 2011, the record date, or those with a valid proxy from a bank, brokerage firm or similar organization that held our shares on the record date are entitled to vote on the matters to be considered at the annual meeting.

Who is a stockholder of record?

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A stockholder of record is a person or entity whose name appears as an owner of one or more shares of our common stock on the records of our transfer agent as of its close of business on the record date.

How many shares are entitled to vote at the meeting?

As of the record date, 105,111,258 shares of our common stock, par value \$0.00001 per share, were issued, outstanding and entitled to vote at the meeting.

How many votes do I have?

Each share of common stock is entitled to one vote on each proposal.

How many votes are needed to elect each director?

Those candidates receiving the highest number of affirmative votes, up to the number of Class I directors to be elected, will be elected as Class I directors.

Who are the director nominees?

The four nominees for Class I directors are:

James L. Doti
Michael D. McKee

Thomas V. McKernan
Virginia M. Ueberroth

See page 8 for biographical information regarding the nominees.

How many votes are needed to approve, on an advisory basis, the Company's executive compensation?

The affirmative vote of a majority of the shares present and entitled to vote at the annual meeting are needed to approve, on an advisory basis, the Company's executive compensation presented herein.

How many votes are needed to approve, on an advisory basis, the frequency of the Say on Pay vote?

The frequency (every year, every two years or every three years) receiving the highest number of affirmative votes will be deemed to have been approved, on an advisory basis, by the stockholders.

Is the Board of Directors bound by the Say on Pay and Say on Frequency votes?

No. The Say on Pay and Say on Frequency votes are advisory and non-binding. However, the Board of Directors has determined that it will implement the frequency (every year, every two years or every three years) that is approved by the stockholders.

How many votes are needed to ratify PwC as the Company's independent registered public accounting firm?

The affirmative vote of a majority of the shares present and entitled to vote at the annual meeting are needed to ratify PwC as the Company's independent registered public accounting firm.

What happens if the Company's choice of PwC as its independent registered public accounting firm is not ratified by the stockholders?

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If the stockholders do not ratify PwC as the Company's independent registered public accounting firm for the 2011 fiscal year, the audit committee of the Board (the Audit Committee) will reconsider its choice of PwC as the Company's independent registered public accounting firm and may retain a different independent registered public accounting firm; however, the Audit Committee may nonetheless determine that it is in the Company's, and its stockholders', best interests to retain PwC as the Company's independent registered public accounting firm. Additionally, even if stockholders ratify the Audit Committee's selection of PwC as the Company's independent registered public accounting firm, the Audit Committee may at any time determine that it is in the Company's, and its stockholders', best interests to retain a different firm.

How do I vote?

You can vote on matters that properly come before the meeting in one of four ways:

You may vote by mail.

You do this by signing and dating the proxy card and mailing it in the enclosed, prepaid and addressed envelope within the required time. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct.

You may vote by telephone.

You do this by following the instructions accompanying the proxy card. If you submit your proxy by telephone, your shares will be voted as you instruct. You do not have to separately mail in your proxy card. Some stockholders may not be able to submit their proxy by telephone.

You may vote on the Internet.

You do this by following the instructions accompanying the proxy card. If you submit your proxy on the Internet, your shares will be voted as you instruct. You do not have to separately mail in your proxy card. Some stockholders may not be able to submit their proxy on the Internet.

You may vote in person at the meeting.

You can vote in person at the meeting. However, if you hold your shares in street name (in the name of a bank, broker or other nominee), you must request and receive, prior to the meeting, a legal proxy from your bank, broker or other nominee giving you the right to vote your shares at the meeting and you must present the legal proxy at the meeting in order to vote your shares.

What happens if I sign and return my proxy card, but don't mark my votes?

Dennis J. Gilmore, chief executive officer, or Kenneth D. DeGiorgio, executive vice president, will vote your shares as proxies in accordance with the recommendations of the Board reflected herein.

Can I revoke my proxy?

You have the power to change or revoke your proxy at any time before the polls close at the meeting. You may do this by:

- signing and returning another proxy card with a later date;
- if you are a stockholder of record, submitting written notice of your revocation to our secretary at our mailing address on the cover page of this proxy statement;
- submitting your proxy by telephone or on the Internet (only your latest proxy is counted); or
-

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voting in person at the meeting, provided that if your shares are held in street name (in the name of a bank, broker or other nominee), you have obtained a legal proxy from your bank, broker or nominee giving you the right to vote your shares at the meeting. Attendance at the meeting will not by itself constitute revocation of a proxy.

Please note that any change to your proxy that is provided by telephone or the Internet must be submitted by 12:00 p.m. Central time on May 16, 2011.

What happens if my shares are held under the name of a brokerage firm?

If your shares are held in street name, your brokerage firm, under certain circumstances, may vote your shares. Brokerage firms have authority under New York Stock Exchange, or NYSE, rules to vote customers' unvoted shares on certain routine matters. We believe that the proposal to ratify the selection of the Company's independent registered public accounting firm is a routine matter under NYSE rules. If you do not submit your proxy, your brokerage firm has discretion to either:

- vote your shares on routine matters; or

- leave your shares unvoted.

Please note that, pursuant to NYSE rules, the election to the Board of the four nominees named in this proxy statement is considered a non-routine matter. Accordingly, if you are a street name holder and do not submit your proxy to your broker, your broker will not have discretion to vote your shares with respect to that proposal. The Say on Pay and Say on Frequency proposals are similarly considered non-routine matters under NYSE rules.

We encourage you to provide instructions to your brokerage firm by submitting your proxy. This ensures that your shares will be voted at the meeting. You may have granted to your stockbroker discretionary voting authority over your account. Your stockbroker may be able to vote your shares depending on the terms of the agreement you have with your stockbroker.

Who will count the votes?

An employee of the Company's transfer agent will serve as the inspector of elections and count the votes.

What does it mean if I get more than one proxy card?

It means that you have multiple accounts at the transfer agent and/or with stockbrokers. Please sign and return all proxy cards to ensure that all your shares are voted.

What constitutes a quorum?

A quorum refers to the number of shares that must be represented at a meeting in order to lawfully conduct business. A majority of the outstanding shares of common stock entitled to vote at the annual meeting, present in person or represented by proxy, will constitute a quorum at the meeting. Without a quorum, no business may be transacted at the annual meeting. However, whether or not a quorum exists, a majority of the shares represented at the annual meeting, either in person or by proxy, may adjourn the annual meeting to another date, time and place. Abstentions and broker non-votes (defined below) will be counted for the purpose of determining the presence or absence of a quorum for the transaction of business.

What is a broker non-vote and how is it treated?

A broker non-vote occurs with respect to a proposal if the proposal is considered non-routine under applicable NYSE rules (as described above) and the broker has not received voting instructions from a beneficial owner and therefore does not have the discretionary authority to vote shares held by the beneficial owner with respect to such proposal. Broker non-votes are treated as present for purposes of establishing the presence or absence of a quorum. A broker non-vote on the election of directors and Say on Frequency proposals will not affect the results of those proposals, since no absolute number of affirmative votes is required. Broker non-votes will not count as votes cast for or against the Say on Pay proposal and will have no effect on its outcome. We do not anticipate broker non-votes occurring with respect to the ratification of auditor proposal since that matter is routine under applicable NYSE rules.

How are abstentions treated?

Abstentions are treated as present and entitled to vote, but are not treated as votes cast for or against a proposal or, with respect to Say on Frequency, any of its alternatives. Because the election of directors and Say on Frequency proposals are determined by a plurality of the votes cast, abstentions have no effect on those proposals. However, since the proposal to ratify the selection of the Company's independent public registered accounting firm and the Say on Pay proposal require a majority of the shares present and entitled to vote, abstentions will have the same effect as a vote against those proposals.

What percentage of stock do the directors and executive officers own?

Together, they owned approximately 5.1% of our common stock as of the record date. See pages 15 through 16 for more details.

When are stockholder proposals for our next annual meeting due in order to be included in the proxy statement?

We will consider proposals submitted by stockholders for inclusion in the proxy statement for the annual meeting to be held in 2012 if they are received no later than December 15, 2011. This date assumes that the date of our next annual meeting will not be advanced or delayed by more than 30 calendar days from the one year anniversary of the date of the current annual meeting. See page 63 for more details.

Who is paying the cost of preparing, assembling and mailing the notice of the annual meeting of stockholders, proxy statement and form of proxy, and the solicitation of the proxies?

The Company. We will also pay brokers and other nominees for the reasonable expenses of forwarding solicitation materials to their customers who own our common stock.

Who may solicit proxies?

In addition to this proxy statement, our directors, officers and other regular administrative employees may solicit proxies. None of them will receive any additional compensation for such solicitation. MacKenzie Partners, Inc., 105 Madison Avenue, New York, NY 10016, has been engaged by the Company to solicit proxies at an estimated cost of \$12,500 plus reimbursement of reasonable expenses.

How will solicitors contact me?

People soliciting proxies may contact you in person, by mail, by telephone, by e-mail or by facsimile.

Does our Board have any recommendations with respect to the listed proposals?

Our Board recommends you vote **FOR** : (1) all of its nominees for director; (2) the Say on Pay proposal; (3) including a Say on Pay proposal every year, rather than every two or three years; and (4) the ratification of PwC as our Company's independent registered public accounting firm for the 2011 fiscal year.

Who are the largest principal stockholders outside of management?

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The following table lists as of the record date the persons or groups of stockholders who are known to us to be the beneficial owners of 5% or more of our common stock. The information regarding beneficial owners of 5% or more of our common stock was gathered by us from the filings made by such owners with the Securities and Exchange Commission (the SEC) or from informal sources. Shares that may be acquired within 60 days are treated as outstanding for purposes of determining the amount and percentage beneficially owned. This table does not include shares beneficially owned by our directors and officers and entities controlled by them. See the table headed Security Ownership of Management on pages 15 through 16 for that information.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock Inc.(1)	8,623,969	8.2%
Highfields Capital Management LP(2)	8,131,045	7.7%
T. Rowe Price Associates, Inc.(3)	7,129,215	6.8%
FMR LLC(4)	6,876,382	6.5%

- (1) According to a Schedule 13G filed on February 4, 2011, as of December 31, 2010, BlackRock Inc., beneficially owned 8,623,969 shares of our common stock and had sole voting and dispositive power over all 8,623,969 shares. The address for BlackRock is 40 East 52nd Street, New York, NY 10022.

- (2) According to a Schedule 13G/A filed on February 14, 2011, as of December 31, 2010, each of Highfields Capital Management LP, Highfields GP LLC, Highfields Associates LLC, and Jonathon S. Jacobson, through the respective capacities in which they directly or indirectly have voting and dispositive power for Highfields Capital I LP, Highfields Capital II LP and Highfields Capital III L.P. (collectively, the Funds), had sole voting and dispositive power over all 8,131,045 shares of our common stock beneficially owned by the Funds. As of December 31, 2010, Highfields Capital I LP, Highfields Capital II LP and Highfields Capital III L.P. beneficially owned 773,800, 1,693,317, and 5,663,928 shares, respectively, of our common stock. Each reporting person disclaims beneficial ownership of the shares of common stock beneficially owned by the other reporting persons. The address of the principal business office of each of the reporting entities and individuals, other than Highfields Capital III L.P., is c/o Highfields Capital Management LP, John Hancock Tower, 200 Clarendon Street, 59th Floor, Boston, Massachusetts 02116. The of Highfields Capital III L.P. is c/o Goldman Sachs (Cayman) Trust, Limited, Suite 3307, Gardenia Court, 45 Market Street, Camana Bay, P.O. Box 896, Grand Cayman, KY 1-1103, Cayman Islands.
- (3) According to a Schedule 13G filed on February 10, 2011, as of December 31, 2010, T. Rowe Price Associates, Inc. had sole voting power over 1,170,400 shares and sole dispositive power over 7,129,215 shares of our common stock. T. Rowe Price Associates sponsors and serves as investment advisor for various registered investment companies, including T. Rowe Price Mid-Cap Value Fund, Inc., which had sole voting power over 5,935,900 shares but no dispositive powers. T. Rowe Price Associates disclaims beneficial ownership of such securities. The address of T. Rowe Price Associates and T. Rowe Price Mid-Cap Value Fund is 100 E. Pratt Street, Baltimore, Maryland 21202.
- (4) According to a Schedule 13G filed on February 14, 2011, as of December 31, 2010, FMR LLC, and Edward C. Johnson, III, through his and his family members direct and indirect control of FMR and its affiliates, beneficially owned 6,876,382 shares of our common stock and had sole dispositive power over all 6,876,382 shares. Mr. Johnson did not have voting power over any of these shares. FMR had sole voting power over 100 shares of our common stock. Fidelity Management & Research Company, a wholly-owned subsidiary of FMR, as investment advisor to various registered investment companies, had beneficial ownership of 6,876,282 shares of our common stock, over which the sole voting power resides with the board of trustees that oversees the applicable fund. The address of FMR and Mr. Johnson is 82 Devonshire Street, Boston, Massachusetts 02109.

II. PROPOSALS

Information Regarding the Nominees for Election

The following list provides information with respect to each person nominated and recommended to be elected as a Class I director by our Board, to serve for a three-year term expiring on the date of the 2014 annual meeting of stockholders. Each of the nominees is currently serving as a director of the Company.

- James L. Doti Mr. Doti, 64, has been a director since June 2010, when we separated from The First American Corporation. He is the president and Donald Bren Distinguished Chair of Business and Economics at Chapman University. He served as a director of The First American Corporation from 1993 until the separation. He is also a director of Standard Pacific Corp. and served on the board of Fleetwood Enterprises, Inc. until 2009. As president of Chapman University and with a doctorate in economics from the University of Chicago, Dr. Doti gives our Company insight into the organizational challenges that large companies face and the impact of the economic environment on the Company.
- Michael D. McKee Michael D. McKee, 65, has been a director since March 15, 2011. He is currently chief executive officer of Bentall Kennedy U.S., L.P., one of the largest privately-owned real estate investment advisory firms in the United States. Mr. McKee also served as the chief executive officer of The Irvine Company, a privately-held real estate development and investment company, from 2007 to 2008, as vice chairman of its board of directors from 1999 to 2008 and as an executive officer of that company since 1994. Prior to that, he was a partner with the law firm of Latham & Watkins LLP from 1986 to 1994. Mr. McKee is currently a director of HCP, Inc. (NYSE: HCP), Realty Income Corporation (NYSE:O) and the Tiger Woods Foundation. He also previously served as a director of Mandalay Resort Group, Irvine Apartment Communities, Inc. and Oasis Residential Inc. Mr. McKee brings to the Board significant operating and executive management experience. This experience, combined with Mr. McKee's extensive background in the real estate industry, will facilitate the Board's oversight of the Company's operations and will enhance its ability to assess strategic opportunities.
- Thomas V. McKernan Thomas V. McKernan, 65, has been a director since March 15, 2011. He has served as chief executive officer of the Automobile Club of Southern California (the Auto Club) since 1991. In connection with his position at the Auto Club, Mr. McKernan is also president and chief executive officer of AAA Texas, AAA New Mexico, AAA Hawaii and the Automobile Club of Southern California Life Insurance Company. Mr. McKernan also serves as a director of Payden & Rygel Investment Group as a trustee of certain funds associated therewith. Other positions held by Mr. McKernan include directorships with various companies, including Coast Savings Financial Inc., and membership on various advisory councils. In addition, he served as vice chairman of the board of California Physicians Service, Inc., which operates as Blue Shield of California, and its subsidiary, Blue Shield of California Life & Health Insurance Company, until September 2009. Through his operating and executive management experience, much of it gained in the process of transforming the Auto Club into a leader in the California insurance industry, Mr. McKernan brings to the Company valuable insight into the challenges facing an insurance company that is executing on a strategic growth plan.
- Virginia M. Ueberroth Ms. Ueberroth, 71, has been a director since June 2010, when we separated from The First American Corporation. She is chairman of the Ueberroth Family Foundation, a philanthropic organization. She served as a director of The First American Corporation from 1988 until the separation. Through Ms. Ueberroth's experience in philanthropic causes, the Company derives an appreciation for its stakeholders in the community.

Information Regarding the Other Incumbent Directors

The following list provides information with respect to the individuals currently serving as Class II directors, whose current term expires at the 2012 annual meeting of stockholders, followed by similar information with respect to the Class III directors, whose term expires in 2013 and a director whose term expires on May 17, 2011.

Class II Directors Term Expiring 2012

Hon. George L. Argyros Mr. Argyros, 73, has been a director since June 2010, when we separated from The First American Corporation. He serves as chairman and chief executive officer of Arnel & Affiliates, a diversified investment company. He served as a director of The First American Corporation from 1988 to 2001, was the U.S. Ambassador to Spain and Andorra from 2001 to 2004, and again served on The First American Corporation's board of directors from 2005 until the separation. He currently serves as a director of DST Systems, Inc. and Pacific Mercantile Bancorp. Through his experience as a real estate investor, Mr. Argyros provides the Company with insight into the importance of our services to our customers as well as an important perspective on how we can improve those services.

Frank E. O Bryan Mr. O Bryan, 77, has been a director since June 2010, when we separated from The First American Corporation. He is a private investor. From 1997 to 2003 he served as chairman of the board of WMC Mortgage Corporation. He served as a director of The First American Corporation from 1994 until the separation. Mr. O Bryan is also a director of Ares Capital Corporation and previously served on the board of Standard Pacific Corp. With decades of experience in the mortgage industry, Mr. O Bryan enhances the Company's understanding of the needs of its customers and how those needs change in response to the economic environment.

Herbert B. Tasker Mr. Tasker, 74, has been a director since June 2010, when we separated from The First American Corporation. He has served as chairman and chief executive officer of Mason McDuffie Mortgage Corporation since 2005. He was a mortgage industry consultant from 2004 to 2005 and was vice chairman and managing director of Center Capital Group, Inc., a mortgage conduit, from 1999 to 2004. He served as a director of The First American Corporation from 2002 until the separation and has also previously served on the board of AmNet Mortgage, Inc. The Company avails itself of Mr. Tasker's experience as an executive at various mortgage companies and service as president of the National Mortgage Bankers Association of America to better understand and anticipate trends in the mortgage industry.

Class III Directors Term Expiring 2013

Hon. William G. Davis Mr. Davis, 81, has been a director since June 2010, when we separated from The First American Corporation. He is counsel to the law firm Davis Webb LLP. Previously, he was counsel to Torys LLP until 2010. He served as a director of The First American Corporation from 1992 until the separation. As the former premier of Ontario, Canada, Mr. Davis provides advice and direction with respect to our relationship with governmental entities and with respect to our extensive business in Canada and our other international operations.

Lewis W. Douglas, Jr. Mr. Douglas, 86, has been a director since June 2010, when we separated from The First American Corporation. He is chairman of Stanley Energy, Inc., an oil exploration company. He served as a director of The First American Corporation from 1971 until the

separation and also from 1961 to 1967. With a background in oil and gas exploration, Mr. Douglas brings to the Company, particularly in his role as chairman of our Compensation Committee, an awareness of the relationship between risk and reward, which has manifested itself through increased rigor in our compensation programs.

Dennis J. Gilmore

Mr. Gilmore, 52, is our chief executive officer and has been a director since June 2010, when we separated from The First American Corporation. From 2008 until the separation, he served as chief executive officer of The First American Corporation's Financial Services Group. He also served as chief operating officer of The First American Corporation from 2004 to 2008. As the Company's chief executive officer, Mr. Gilmore provides our Board of Directors in-depth insight into the Company's businesses, challenges and opportunities, as well as significant experience in the real estate settlement services industry.

Parker S. Kennedy

Mr. Kennedy, 63, is our executive chairman and has been a director since June 2010, when we separated from The First American Corporation. From 2003 until the separation, he served as The First American Corporation's chairman and chief executive officer. Previously he also served as The First American Corporation's president from 1993 to 2004. He has been a director of The First American Corporation, since 1987 and continues to serve its successor entity, CoreLogic, Inc., as executive chairman. He also served on the First Advantage Corporation board until 2009. We believe that Mr. Kennedy, who has worked with us in various capacities for over 30 years, has unparalleled executive experience in our industry. He brings to the Company an incomparable understanding of our history and culture.

Directors Serving through May 17, 2011

Bruce S. Bennett

Mr. Bennett, 52, has been a director since June 2010, when we separated from The First American Corporation. He is a partner at the law firm of Dewey & LeBoeuf LLP. He was a founding partner of the law firm Hennigan, Bennett & Dorman, LLP until February 2011. He served as a director of The First American Corporation from 2008 until the separation. As an experienced bankruptcy attorney, Mr. Bennett brings to the Company a unique perspective on commercial title risk and the general financial risks we face. Mr. Bennett is a Class I director who is not standing for reelection, and, accordingly, it is anticipated that his service on the Board will be completed on May 17, 2011.

See the section entitled Security Ownership of Management, which begins on page 15, for information pertaining to stock ownership of our directors. There are no family relationships among any of the directors or nominees or any of the executive officers of the Company. There are no arrangements or understandings between any director and any other person pursuant to which any director was or is to be selected as a director.

Item 1. Election of Class I Directors

Our certificate of incorporation provides for a classified board of directors. Each person elected as a Class I director at the annual meeting of stockholders will serve for a three-year term expiring on the date of the 2014 annual meeting. Our Board has nominated the following individuals for election as Class I directors.

James L. Doti
Michael D. McKee

Thomas V. McKernan
Virginia M. Ueberroth

Soon after the Company's June 1, 2010, separation our Board initiated an effort, with the assistance of a third party search firm, to augment the skills of its current membership. In particular, it has been our Board's objective to add members with a background that meets one or more of the following criteria:

- Significant operating experience, either as a sitting or recently retired chief executive officer, chief operating officer or head of a business unit or as a chief financial officer with meaningful operational responsibility, preferably for a company with characteristics similar to our own;
- Expertise in managing commercial or residential real estate enterprises;
- Experience analyzing business and risk metrics, especially in an operational context;
- Experience in successfully managing investment portfolios, especially portfolios with characteristics similar to our own;
- Experience in expanding a business internationally; and
- Experience in senior roles in government or at a regulatory agency.

Our Board believes that adding members with significant, recent operating experience is most critical. The appointment to the Board and nomination for election by the stockholders at the 2011 annual meeting of Messrs. McKee and McKernan, each of whom has considerable operating experience in chief executive officer roles, represents the first step in this transformative process.

Unless otherwise specified by you in your proxy card, the proxies solicited by our Board will be voted FOR the election of the Class I director nominees. If any nominee should become unable or unwilling to serve as a director, the proxies will be voted for such substitute nominee(s) as shall be designated by our Board. Our Board presently has no knowledge that any of the nominees will be unable or unwilling to serve.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THESE CLASS I DIRECTOR NOMINEES.

Item 2. Advisory Vote on Executive Compensation

The recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires us to seek the advice of our stockholders on the compensation of our named executive officers as presented in the Executive Compensation section of this proxy statement commencing on page 22. Specifically, we are seeking stockholder approval of the following resolution:

RESOLVED, that the stockholders of First American Financial Corporation approve, on an advisory basis, the compensation of the company's named executive officers, as disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for the company's 2011 annual meeting of stockholders.

As discussed below in the section entitled Compensation Discussion and Analysis, our executive compensation program is designed to enhance stockholder value by providing that a substantial portion of the executive's total compensation be related to our Company's financial performance and the executive's contribution to our Company. Our policy is to develop and administer compensation programs that will attract and retain executives critical to our long-term strategy and success, provide compensation levels that are competitive with companies in our peer group, motivate executives to enhance long-term stockholder value without taking excessive risk to achieve short term gains and encourage the identification and implementation of best business practices. For 2010 we believe this program functioned as designed, as indicated by our ability despite challenges in the economy and in the mortgage and real estate markets to achieve the following:

- An increase in net income from \$122.4 million in 2009 to \$127.8 million in 2010, despite a three percent decline in 2010 revenues over 2009;
- An increase in net income per share from \$1.18 in 2009 to \$1.20 in 2010;
- A pretax margin of 5.4% and a return on equity of 6.4% in 2010;
- A pretax margin of 6.3% for 2010 in our Title Insurance and Services segment, an increase over a 5.7% pretax margin in 2009; and
- Successful completion of our separation from our former parent company.

Stockholders are urged to read the Compensation Discussion and Analysis in its entirety.

While this vote on executive compensation is not binding, the Compensation Committee intends to review the results of the vote in connection with its ongoing analysis of the Company's compensation programs.

OUR BOARD RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE RESOLUTION SET FORTH ABOVE.

Item 3. Advisory Vote on the Frequency of the Executive Compensation Vote

The Dodd Frank Act also requires us to seek the advice of our stockholders as to whether a Say on Pay vote, like the one described in Item 2, should be held every year, every two years or every three years. Our Board is recommending annual frequency.

There appear to be valid reasons behind selecting any of these options. For example, a less than annual frequency may permit stockholders to focus more on overall design issues rather than details of individual decisions, and might permit stockholders who receive proxy statements from many companies to invest a more appropriate amount of time in analyzing their companies' Say on Pay proposals. We believe, however, that an annual vote gives stockholders the best opportunity to provide prompt feedback to the Company and to react to emerging trends in compensation. In addition, we believe that an annual frequency enhances the Compensation Committee's ability to ascertain the reasons for any negative feedback received from the stockholders, as well as its ability to respond appropriately and promptly to any such feedback.

You should mark your proxy for one, two or three based on your preference as to the frequency with which you believe an advisory vote on such compensation should be held. You may also abstain. While the vote is advisory and not binding on the Board of Directors, the Board has determined that it intends to implement the frequency that is approved by the stockholders. The Board may, however, in the future decide to conduct advisory votes on a more or less frequent basis and may vary its practice based on factors such as discussions with stockholders and the adoption of material changes to compensation programs.

OUR BOARD RECOMMENDS THAT YOU VOTE FOR THE COMPANY TO HOLD AN ADVISORY EXECUTIVE COMPENSATION VOTE EVERY YEAR.

Item 4. Ratification of Selection of Independent Auditor

The Audit Committee has selected PricewaterhouseCoopers LLP (PwC) to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2011. Representatives of PwC are expected to be present at the annual meeting, and, if they do attend the annual meeting, will have an opportunity to make a statement and be available to respond to appropriate questions.

Selection of our independent registered public accounting firm is not required to be submitted for stockholder approval, but the Audit Committee is seeking ratification of its selection of PwC from our stockholders as a matter of good corporate governance. If the stockholders do not ratify this selection, the Audit Committee will reconsider its selection of PwC and will either continue to retain this firm or appoint a new independent registered public accounting firm. Even if the selection is ratified, the Audit Committee may, in its discretion, appoint a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our Company's best interests and those of its stockholders.

The affirmative vote of a majority of the shares represented and voting at the annual meeting will be required to ratify the selection of PwC as our Company's independent registered public accounting firm for the 2011 fiscal year, provided that the shares voting affirmatively on the proposal also constitute at least a majority of the shares required to constitute a quorum at the meeting.

OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE FOREGOING PROPOSAL TO RATIFY THE SELECTION OF PwC AS OUR COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

III. REQUIRED INFORMATION

Security Ownership of Management

The following table sets forth the total number of our shares of common stock beneficially owned and the percentage of the outstanding shares so owned as of the record date by:

- each director (and each nominee for director);
- each executive officer named in the Summary Compensation Table on page 40 (each, a named executive officer); and
- all directors and executive officers as a group.

Unless otherwise indicated in the notes following the table, the stockholders listed in the table are the beneficial owners of the listed shares with sole voting and investment power (or, in the case of individual stockholders, shared power with such individual's spouse) over the shares listed. Shares subject to rights exercisable within 60 days after the record date are treated as outstanding when determining the amount and percentage beneficially owned by a person or entity.

<u>Stockholders</u>	<u>Number of Common shares</u>	<u>Percent if greater than 1%</u>
<i>Directors</i>		
George L. Argyros(1)	1,052,674	1.0%
Bruce S. Bennett	11,815	
Hon. William G. Davis	19,411	
James L. Doti	31,845	
Lewis W. Douglas, Jr.	51,821	
Dennis J. Gilmore	629,661	
Parker S. Kennedy(2)	3,153,624	3.0%
Michael D. McKee		
Thomas V. McKernan		
Frank E. O Bryan	56,181	
Herbert B. Tasker	34,636	
Virginia M. Ueberroth(3)	123,961	
<i>Named executive officers who are not directors</i>		
Kenneth D. DeGiorgio	194,039	
Max O. Valdes	47,190	
Mark E. Seaton	1,723	
<i>All directors, named executive officers and other executive officers as a group (15 persons)</i>	5,408,580	5.1%

The shares set forth in the table above include shares that the following individuals have the right to acquire within 60 days of the record date in the amounts set forth below:

Individuals	Shares
Hon. George L. Argyros	11,645
Bruce S. Bennett	
Hon. William G. Davis	11,645
James L. Doti	11,645
Lewis W. Douglas, Jr.	11,645
Dennis J. Gilmore	544,999
Parker S. Kennedy	419,230
Michael D. McKee	
Thomas V. McKernan	
Frank E. O Bryan	11,645
Herbert B. Tasker	11,645
Virginia M. Ueberroth	11,645
Kenneth D. DeGiorgio	168,852
Max O. Valdes	46,581
Mark E. Seaton	90

- (1) Includes 235,889 shares held in the Argyros Family Trust, for the benefit of Mr. Argyros and his family members and over which Mr. Argyros has voting and dispositive power; 3,400 shares held by Mr. Argyros as trustee, with investment power over such securities, of a trust for the benefit of a family member; 125 shares held in a Uniform Transfers to Minors Act custodial account for which Mr. Argyros serves as the custodian; 7,513 shares held by a trust for which Mr. Argyros is not a trustee, over which Mr. Argyros may be deemed to have investment power; 653,041 shares are held by a nonprofit corporation whose six-member board of directors includes Mr. Argyros and his wife, which board directs the voting and disposition of such shares; 18,800 shares held by another nonprofit corporation with a five-member board, including Mr. Argyros, having similar voting and dispositive power; and an aggregate of 114,700 shares held by two companies of which Mr. Argyros is the sole shareholder, chief executive officer and a director. Mr. Argyros disclaims beneficial ownership of all shares included in the table which are held by a nonprofit corporation or by a trust for which Mr. Argyros is not the beneficiary.
- (2) Includes 2,666,686 shares held by Kennedy Enterprises, L.P., a California limited partnership of which Mr. Kennedy is the sole general partner. The limited partnership agreement pursuant to which the partnership was formed provides that the general partner has all powers of a general partner as provided in the California Uniform Limited Partnership Act, including the power to vote securities held by the partnership, provided that the general partner is not permitted to cause the partnership to sell, exchange or hypothecate any of its shares of stock of the Company without the prior written consent of all of the limited partners. Of the shares held by the partnership, 463,533 are allocated to the capital accounts of Mr. Kennedy. The balance of the shares held by the partnership is allocated to the capital accounts of the other limited partners, who are relatives of Mr. Kennedy. Except to the extent of his voting power over the shares allocated to the capital accounts of the limited partners, Mr. Kennedy disclaims beneficial ownership of all shares held by the partnership other than those allocated to his own capital accounts.
- (3) Includes 5,000 shares held by a nonprofit corporation of which Ms. Ueberroth is an officer and whose six-member board of directors is composed of Ms. Ueberroth and her husband and children. In her capacity as an officer of that corporation, Ms. Ueberroth has the power, as do certain other officers, to direct the voting and disposition of the shares. Ms. Ueberroth disclaims beneficial ownership of these shares.

Board and Committee Meetings

Our Board held three meetings during 2010 following our separation from The First American Corporation on June 1, 2010. Each director attended 75% or more of the meetings of the Board and the committees (if any) on which the director served. From time to time, our Board may act by unanimous written consent as permitted by the laws of the State of Delaware. Our Board's standing committees include an audit, nominating and corporate governance, and compensation committee.

Audit Committee

The members of the Audit Committee are Messrs. Bennett, Doti (chairman), McKernan and O Bryan. The functions performed by this committee include:

- reviewing internal auditing procedures and results,
- selecting our independent registered public accounting firm,
- engaging with our compliance and risk management executives to review the state of enterprise risk management and compliance programs with a view to understanding the steps management has taken to monitor and control the Company's major risk exposures,
- reviewing with internal counsel the state of litigation, claims and regulatory matters,
- discussing with management, internal audit and external advisors the state of internal controls and management tone,
- directing and supervising investigations into matters within the scope of its duties, and
- reviewing with the independent registered public accounting firm the plan and results of its audit and determining the nature of other services to be performed by, and fees to be paid to, such firm.

Following the separation, our Audit Committee met three times during 2010. This committee's charter is posted in the corporate governance section of our Web site at www.firstam.com. Our Board of Directors has determined that Messrs. Doti and McKernan are audit committee financial experts within the meaning of the SEC's rules and regulations and that each member of the Audit Committee meets the requirement of independence established in the Securities Exchange Act of 1934, as amended, and the New York Stock Exchange Listing Standards.

Compensation Committee

The members of the Compensation Committee are Messrs. Davis, Douglas (chairman), McKee and Tasker. This committee establishes compensation rates and procedures with respect to our executive officers, including bonus awards, monitors our equity compensation plans and makes recommendations to the Board regarding director compensation. Following the separation, our Compensation Committee met five times

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during 2010. This committee's charter is posted in the corporate governance section of our Web site at www.firstam.com.

Additional information concerning the Compensation Committee's processes and procedures for consideration and determination of non-employee director compensation is included in the section entitled "2010 Director Compensation," which begins on page 59. Additional information concerning the executive compensation policies and objectives established by the Compensation Committee, the Compensation Committee's processes and procedures for consideration and determination of executive compensation, and the role of executive officers and the Compensation Committee's compensation consultant in determining executive compensation is included in the section entitled "Compensation Discussion and Analysis," which begins on page 22.

Nominating and Corporate Governance Committee

The members of this committee are Messrs. Argyros, Bennett, Davis (chairman) and Douglas and Ms. Ueberroth. This committee is responsible for identifying individuals qualified to become directors of our Company; recommending that the Board select the nominees identified by the committee for all directorships to be filled by the Board or by the stockholders; and developing, recommending to the Board and periodically reviewing the corporate governance principles applicable to our Company. This committee held four meetings during 2010 following the separation. This committee's charter is posted in the corporate governance section of our Web site at www.firstam.com. The committee has adopted procedures by which certain stockholders of the Company may recommend director nominees to the Board. In particular, the committee has established a policy whereby it will accept and consider, in its discretion, director recommendations from any stockholder holding in excess of five percent of the Company's outstanding shares of common stock. Such recommendations must include the name and credentials of the recommended nominee and should be submitted to the secretary of the Company at our address indicated on the first page of this proxy statement. The committee will evaluate director candidates recommended by stockholders for election to our Board in the same manner and using the same criteria as used for any other director candidate (as described below). If the committee determines that a stockholder-recommended candidate is suitable for membership on our Board, it will include the candidate in the pool of candidates to be considered for nomination upon the occurrence of the next vacancy on our Board or in connection with the next annual meeting of stockholders.

As stated in its charter, while the committee has no specific minimum qualifications in evaluating a director candidate, the committee takes into account all factors it considers appropriate in identifying and evaluating candidates for membership on our Board, including some or all of the following: strength of character, an inquiring and independent mind, practical wisdom, mature judgment, career specialization, relevant technical skills, reputation in the community, diversity and the extent to which the candidate would fill a present need on the Board. The committee makes recommendations to the full Board as to whether or not incumbent directors should stand for re-election. However, if our Company is legally required by contract or otherwise to provide third parties with the ability to nominate directors, the selection and nomination of such directors generally is not subject to the committee process for identifying and evaluating nominees for director. The committee conducts all necessary and appropriate inquiries into the background and qualifications of possible candidates and may engage a search firm to assist in identifying potential candidates for nomination.

The Company does not have a formal policy for the consideration of diversity in identifying nominees for director. However, the Nominating and Corporate Governance Committee recognizes the benefits associated with a diverse board and, as indicated above, considers diversity as a factor when identifying and evaluating candidates for membership on our Board. This committee utilizes a broad conception of diversity, including professional and educational background, prior experience on other boards of directors (both public and private), political and social perspectives as well as race, gender and national origin. Utilizing these factors, and the factors described above, this committee makes recommendations, as the committee deems appropriate, regarding the composition and size of the Board. The priorities and emphasis of this committee and of the Board may change from time to time to take into account changes in business and other trends and the portfolio of skills and experience of current and prospective Board members.

Independence of Directors

The Board has affirmatively determined that each member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, as well as each other member of the Board, except Dennis J. Gilmore and Parker S. Kennedy (who are not independent), is independent as that term is defined in the corporate governance rules of the New York Stock Exchange for listed companies, and that each member of the Audit Committee is independent under the additional standards applicable to that committee. In making these determinations, the Board considered the following relationships between directors and the Company: Mr. Argyros is affiliated with entities that do business with the Company in the ordinary course from time to time; Mr. Davis's son is a director of one of the Company's subsidiaries and he receives standard director

fees for his services; each of Messrs. Argyros, Doti, McKernan and O Bryan and Ms. Ueberroth is affiliated with a nonprofit organization to which the Company and/or its management has made donations from time to time; and Mr. Tasker is affiliated with a company that subleases approximately 2,200 square feet of office space from the Company at a market rate. Each of the relationships above, while considered by the Board, falls within the Company's categorical independence standards contained in the Board's corporate governance guidelines, which are available on the corporate governance section of the Company's Web site at www.firstam.com. In addition to the relationships described above, Mr. Tasker's son was paid a market rate brokerage commission of less than \$4,000 during 2010 in connection with the sublease referenced above and Mr. O Bryan continues to occupy space within the building housing the Company's principal office, for which he continues to pay the Company rent at a market rate.

Board Leadership Structure; Meetings of Independent Directors

Our Board believes it is important to select the Company's chairman and the Company's chief executive officer in the manner it considers in the best interests of the Company at any given point in time. Accordingly, the chairman and chief executive officer positions may be filled by one individual or by two different individuals. From 2003 until our separation from The First American Corporation, Mr. Kennedy served as both chairman and chief executive officer. In connection with the separation, our Board determined that it would be appropriate to separate the roles of chairman and chief executive officer and these positions are currently held by different individuals, Mr. Kennedy and Mr. Gilmore, respectively.

To promote the independence of our Board and appropriate oversight of management, the independent directors annually elect a lead non-management director, currently Mr. Doti, to ensure free and open discussion and communication among the non-management members of our Board, which are those directors who are not officers of the Company. In 2010 following the separation, the non-management directors met three times in executive session without management present. The lead director is responsible for chairing and coordinating the agenda for these executive sessions of the non-management directors and serving as the principal liaison between the non-management directors as a group and the chairman. In addition, the lead director is to provide advice to the chairman with respect to the following: (i) establishing an appropriate schedule for Board meetings; (ii) preparing agendas for the meetings of the Board and its committees; (iii) the retention of consultants who report directly to the Board; (iv) the Nominating and Corporate Governance Committee's oversight and implementation of the Company's corporate governance policies; and (v) the Compensation Committee's oversight of the implementation of and compliance with the Company's policies and procedures for evaluating and undertaking executive and incentive-based compensation.

Our Board believes this to be the most effective leadership structure for the Company at this time because it effectively allocates authority, responsibility, and oversight between management and the independent members of our Board and capitalizes on the experience and strengths of our current management team. It does this by giving primary responsibility for the operational leadership and strategic direction of the Company to our chief executive officer, enabling the lead director to facilitate our Board's independent oversight of management and consideration of key governance matters, and allowing our executive chairman to promote communication between management and our Board. The Board believes that its programs for overseeing risk, as described under the Risk Oversight section below, would be effective under a variety of leadership frameworks. Accordingly, the Board's risk oversight function did not significantly impact its selection of the current leadership structure.

Risk Oversight

The Board's responsibilities in overseeing the Company's management and business to maximize long-term stockholder value include oversight of the Company's key risks and management's processes and controls to manage them appropriately. Management, in turn, is responsible for the day-to-day management of risk and implementation of appropriate risk management controls and procedures.

Although risk oversight permeates many elements of the work of the full Board and the committees, the Audit Committee has the most direct and systematic responsibility for overseeing risk management. The Audit Committee charter provides for a variety of regular and recurring responsibilities relating to risk, including:

- having responsibility for the internal audit function, with that function reporting directly to the committee;
- overseeing the independent registered public accounting firm;
- receiving reports from management and the internal auditor regarding the adequacy and effectiveness of various internal controls;
- reviewing regularly with management legal and regulatory matters that could have a significant impact on the company;
- overseeing the Company's compliance program with respect to legal and regulatory requirements and risks; and
- discussing with management and the independent auditor the Company's guidelines and policies with respect to risk assessment and risk management, including the Company's major risk exposures and the steps management has taken to monitor and control such exposures.

In performing these functions, the committee regularly receives reports from management, including the Company's enterprise risk management committee on which senior officers of the Company sit, and internal and external auditors regarding the Company's enterprise risk management program, compliance program, information security and business continuity programs, extraordinary claims and losses and noteworthy litigation.

Separately, the Compensation Committee oversees the Company's compensation policies and practices and has assessed whether the Company's compensation policies encourage excessive risk taking. The Compensation Committee has concluded that these policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company. In arriving at that conclusion the Compensation Committee considered, among other factors, the Company's review and approval processes surrounding certain compensatory arrangements; caps on certain variable compensation; the metrics used to determine variable compensation, including the performance measures selected by the Compensation Committee and performance ranges associated with the metrics; the Compensation Committee's oversight of inclusion or exclusion of extraordinary items in the financial results upon which certain compensatory arrangements are based; the inclusion of overall Company performance in the determination of divisional leader compensation; the portion of variable compensation paid in restricted stock units, which generally vest over four to five years; the extent to which qualitative judgments are involved in the compensatory arrangements; the amount of compensation paid as sales commissions, the number of people to whom such compensation is paid and the localized nature of the commission payments; controls, such as actuarial studies on claims and quality checks that the Company employs; and the extent to which compensatory arrangements can be changed if circumstances evidence increased risk associated with such arrangements.

Director Attendance at Annual Meetings

Our directors are expected to attend the annual meetings of our stockholders. This will be the first meeting of our stockholders since we became a public company in connection with our separation from The First American Corporation on June 1, 2010.

Stockholder and Interested Party Communications with Directors

Stockholders and other interested parties may communicate directly with members of the Board, including the lead director or any of the other non-management directors of our Company (individually or as a group) by

writing to such director(s) at the business addresses provided under each director's name in the corporate governance section of our Web site at www.firstam.com. Directors receiving such communications will respond as such directors deem appropriate, including the possibility of referring the matter to management of our Company, to the full Board or to an appropriate committee of the Board.

The Audit Committee has established procedures to receive, retain and address complaints regarding accounting, internal accounting controls or auditing matters, and for the submission by our employees of concerns regarding questionable accounting or auditing matters. Our 24-hour, toll-free hotline is available for the submission of such concerns or complaints at 1-800-589-3259. To the extent required by applicable law, individuals wishing to remain anonymous or to otherwise express their concerns or complaints confidentially are permitted to do so.

Transactions with Management and Others

The Board of Directors has adopted a written policy regarding related party transactions, which generally prohibits transactions between the Company and/or its affiliates, on the one hand, and the Company's directors, officers (or officers of affiliates) or stockholders holding in excess of 5% of the Company's common stock, on the other hand, without prior approval. The approving body may be either the Board or the Nominating and Corporate Governance Committee, or, if the proposed transaction involves \$1,000,000 or less and it is impractical to seek the approval of the Board or that committee, then the chairman of the Nominating and Corporate Governance Committee may review and pre-approve the transaction (or the chairman of the Audit Committee if the chairman of the Nominating and Corporate Governance Committee is a party to the transaction). The policy prohibits directors of the Company from entering into any transaction with the Company or any of its affiliates outside of the ordinary course of business, except for transactions previously approved and in effect on the date the policy took effect with our prior parent company.

Certain transactions are excluded from the application of the policy and are therefore permitted without prior approval. For example, compensatory arrangements for service as an officer or director of the Company are excluded from the policy, as are transactions between the Company and its affiliates (other than directors and officers). In cases where the potential transaction would involve the officer, director or large stockholder only in an indirect fashion, the policy does not apply where such indirect interest results solely from ownership of less than 10% of, or being a director of, the entity entering into the transaction with the Company. In addition, arms length ordinary course transactions involving annual payments of \$100,000 or less are permitted without prior approval.

Executive Officers

The following provides information regarding the Company's current executive officers.

<u>Name</u>	<u>Position(s) Held</u>	<u>Age</u>
Parker S. Kennedy	Executive Chairman	63
Dennis J. Gilmore	Chief Executive Officer	52
Kenneth D. DeGiorgio	Executive Vice President and Secretary	39
Max O. Valdes	Executive Vice President and Chief Financial Officer	56
Mark E. Seaton	Senior Vice President, Finance	33

All officers of the Company are appointed annually by the Board on the day of its election.

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· **Parker S. Kennedy** has served as our executive chairman since June 2010, when we separated from The First American Corporation. From 2003 until the separation he served as chairman and chief executive officer of The First American Corporation. He served as the president of The First American

Corporation from 1993 to 2004 and was an executive vice president of The First American Corporation from 1986 to 1993. He has been employed by the Company's subsidiary, First American Title Insurance Company, since 1977 and became a vice president of that company in 1979 and a director in 1981. During 1983, he was appointed executive vice president of First American Title Insurance Company, and in 1989 was appointed its president. He now serves as its chairman, a position to which he was appointed in 1999.

- **Dennis J. Gilmore** has served as our chief executive officer since June 2010, when we separated from The First American Corporation. From April 2008 until the separation, he served as chief executive officer of The First American Corporation's financial services group. Previously, Mr. Gilmore served as The First American Corporation's chief operating officer from 2004 to 2008. He served as an executive vice president of The First American Corporation from 2003 to 2004 and served as president of the property information business segment from 1998 to 2005. Prior to that time, he established and managed the Lenders Advantage division of the Company's subsidiary, First American Title Insurance Company, from 1993 to 1998 and was employed by The First American Corporation's tax service subsidiary from 1988 to 1993.
- **Kenneth D. DeGiorgio** has served as executive vice president and secretary since June 2010, when we separated from The First American Corporation. He was senior vice president and general counsel of The First American Corporation from 2004 until the separation. From 2006 until the separation, he served as The First American Corporation's secretary. Mr. DeGiorgio was vice president and associate general counsel of The First American Corporation from 2001 to 2004, and served as regulatory and acquisition counsel from 1999 to 2001.
- **Max O. Valdes** has served as our chief financial officer since August 2010. He was senior vice president and chief accounting officer from June 2010 until his promotion in August 2010. From 2006 until the separation in June 2010 he served as The First American Corporation's senior vice president and chief accounting officer. He served as chief financial officer of The First American Corporation from April 2008 to January 2009 and also performed chief financial officer functions from January to March 2006. Mr. Valdes served as vice president and chief accounting officer of The First American Corporation from 2002 to 2006. Prior to that time, he served as The First American Corporation's controller. Mr. Valdes has been employed by us since 1988.
- **Mark E. Seaton** has served as our senior vice president, finance since August 2010. Mr. Seaton has been employed with us since 2006, including service as our director of investor relations from 2007 to 2010. Prior to joining The First American Corporation, Mr. Seaton worked for BancBoston Capital, a private equity firm, and for Robertson Stephens, an investment banking firm.

Executive Compensation

Compensation Discussion and Analysis

Last year was a pivotal one for the Company. On June 1, 2010, the Company's parent, The First American Corporation, spun-off to its shareholders the stock of the Company, which consisted of the businesses comprising its financial services group. Despite the expected distractions associated with the separation transaction which was in large part led by executives at the Company and the challenges presented by continuing softness in the economy and, especially, the mortgage and real estate markets, the Compensation Committee (the Committee) believed the Company performed well. In particular, despite a three percent decline in revenues compared to 2009, net income increased from \$122.4 million in 2009 to \$127.8 million in 2010. Net income per share over the same period increased from \$1.18 to \$1.20. The Company achieved a pretax margin of 5.4% and a return on equity of 6.4%. And the pretax margin in the Company's Title Insurance and Services segment increased from 5.7% in 2009 to 6.3% in 2010.

In addition to successfully executing the separation transaction, in 2010 the Company focused on achieving efficiencies which the Committee expects will not only position the Company to capitalize on eventual improvements in the market, but also enable the Company to better react to downturns. The Company also focused on the achievement of certain financial objectives which, in addition to being an early indicator of the Company's success at its efficiency initiatives, would also reflect the value that the Company generates for its stockholders. The 2010 incentive compensation awards, both short-term and long-term, reflect the Company's success with respect to these goals.

As part of the Committee's continuing review of the Company's compensation practices and policies, in 2010 and 2011 the Company implemented a number of substantial changes to its compensation programs, including:

- The Company amended its change-in-control agreements to eliminate the excise tax gross-up for benefits payable under the agreement, to eliminate the obligation of the Company to pay benefits if the executive voluntarily terminates employment within 30 days of the one year anniversary of a change-in-control (commonly referred to as a "single trigger" provision) and to reduce the multiple of base salary and bonus payable from three to two;
- The Company closed its Executive Supplemental Benefit Plan ("SERP") to new participants, fixed the compensation used to determine benefits payable under the plan and established a maximum benefit; and
- The Company adopted stock ownership guidelines which require the chief executive officer to hold Company stock with a value equal to at least five times his base salary and the other named executive officers to hold stock with a value equal to at least three times their respective base salaries.

Named Executive Officers

This discussion addresses the compensation programs applicable to the Company's named executive officers:

Parker S. Kennedy	Executive Chairman
Dennis J. Gilmore	Chief Executive Officer
Kenneth D. DeGiorgio	Executive Vice President and Secretary
Max O. Valdes	Executive Vice President and Chief Financial Officer
Mark E. Seaton	Senior Vice President, Finance

I. The Company's Compensation Philosophy & Objectives

The Company's executive officer compensation program, which is administered by the Committee, is designed to enhance stockholder value by providing that a substantial portion of the executive officer's total compensation be related to the Company's consolidated financial performance and the Committee's subjective analysis of the contribution of each individual executive officer to the Company. The Company's policy is designed to develop and administer programs that will:

- attract and retain executives critical to the Company's long-term strategy and success;
- provide compensation levels that are competitive with others in the Company's peer group, as that peer group is identified by the Committee from time to time;

- motivate executive officers to enhance long-term stockholder value; and
- encourage the identification and implementation of best business practices.

II. Role of the Compensation Committee

A. General

The Committee is comprised of independent members of the Board of Directors. The Committee reviews and approves the base salaries of the executive officers of the Company, their annual incentive bonus programs, their long-term incentive compensation and other incentive and executive benefit plans. It also reviews and makes recommendations to the Board of Directors regarding director compensation. The Committee, in consultation with the compensation consultants that it retains, analyzes the reasonableness of the compensation paid to the executive officers. In discharging its functions, as described in more detail below, the Committee reviews compensation data from comparable companies and from relevant surveys, which it utilizes to assess the reasonableness of compensation for the Company's executive officers.

The Committee's function is more fully described in its charter which has been approved by the Company's Board of Directors. The charter is available in the corporate governance section of the Company's Web site at www.firstam.com.

The Committee may meet with the Company's chief executive officer to discuss his own compensation package, but ultimately decisions regarding his package are made solely based upon the Committee's deliberations with input from its compensation consultant. Decisions regarding other executive officers are made by the Committee after considering recommendations from the chief executive officer and certain other executive officers, as appropriate, as well as input from its compensation consultants.

The Company's chief executive officer and, as appropriate, certain other executive officers, may attend the portion of the Committee's meetings where individual executive officer performance is discussed. Only Committee members are allowed to vote on decisions regarding executive officer compensation.

Prior to the June 1, 2010 separation, 2010 compensation decisions for those individuals who after the separation would become executive officers of the Company, other than Mr. Kennedy, were made by a subcommittee of the compensation committee of the board of directors of The First American Corporation. The members of this subcommittee became the members of the Committee. Additionally, on August 25, 2010, the Committee ratified, approved and adopted all actions of this subcommittee as if they were taken by the Committee. References in this report to the Committee for actions taken prior to June 1, 2010, should generally be deemed to refer to this subcommittee. For Mr. Kennedy, references in this report to the Committee for actions taken prior to June 1, 2010 should generally be deemed to refer to the compensation committee of the board of directors of The First American Corporation.

B. Interaction with Compensation Consultants

In making its determinations with respect to executive officer compensation, the Committee engages the services of Frederic W. Cook & Co., Inc. to assist with its review of the compensation package of the chief executive officer and other executive officers. In addition, the compensation consultant has assisted the Committee with related projects, such as evaluating non-employee director pay levels, advice with respect to the design of executive compensation programs, review of annual management incentive bonus plans, preparation of certain of the Company's compensation-related disclosures and related tasks.

The Committee retains the compensation consultant directly, although in carrying out assignments, the compensation consultant also interacts with Company management to the extent necessary and appropriate. The compensation consultant performs no services for management, though it does assist in the preparation of certain of the Company's compensation-related disclosures.

III. Compensation Structure

A. Pay Elements Overview

The Company utilizes three main components of compensation:

- *Base Salary*: fixed pay that takes into account an individual's role and responsibilities, experience, expertise and individual performance;
- *Annual Incentive Bonus*: variable pay that is designed to reward executive officers primarily based on Company performance. The annual incentive bonus may be paid in cash, equity or a combination thereof; and
- *Long-Term Incentives*: stock-based awards, which currently consist solely of restricted stock units (RSUs). RSUs also may be awarded as a component of the annual incentive bonus.

In connection with the separation transaction, two significant one-time elements of compensation were awarded to certain of the named executive officers, namely cash payments made upon completion of the separation and the issuance of performance based RSUs (the Staking Grants). These unique components of 2010 compensation are described in detail below in III.B.(5) Separation Bonuses and Staking Grants.

B. Pay Elements

(1) Base Salary

The Committee sets base salaries for executive officers based on the individual's position within the Company and his current and sustained performance results. The Committee reviews executive officer base salaries each year and makes any adjustments it deems necessary based on, among other factors, the overall performance of the Company, new roles and/or responsibilities assumed by the executive officer, the general performance of the business units or departments over which the executive officer has responsibility, the significance of the executive officer's impact on the achievement of the Company's strategic goals, the executive officer's length of service with the Company and the executive officer's base salary relative to the base salaries of similar individuals in peer companies. The Committee gives no specific weighting to any one factor in setting the level of base salary, and the process ultimately relies on the subjective exercise of the Committee's judgment. Although base salaries generally are targeted at market median or below, based on the Company's peer group and relevant compensation survey data (discussed further below), the Committee also takes into account the factors described above, as well as the executive officer's potential as a key contributor and amounts that may be required to recruit new executive officers.

Other than in the case of new hires, the Committee generally determines base salaries for executive officers around the beginning of each calendar year. As described below under VII.A. Employment Agreements, all of the named executive officers, other than Messrs. Kennedy and Seaton, have employment agreements with the Company that specify their base salaries. Messrs. Gilmore, DeGiorgio and Valdes entered into employment agreements with The First American Corporation in December 2008, which were assumed by the Company in connection with the separation. The agreements provide for a minimum base salary in the amount indicated in the column entitled Minimum Base Salary in the table below. These amounts may be, and have been, increased at the discretion of the Committee.

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For 2010 the Committee determined, primarily as a result of uncertain conditions facing the industry in which the Company operates, that executive officer salaries should remain constant until the consummation of the separation, and then adjust to amounts commensurate with the responsibilities of the particular executive officer after the separation. In particular:

- *Mr. Kennedy.* Upon the separation Mr. Kennedy's base salary decreased from \$675,000 to \$350,000, reflecting the reduction in his duties resulting from the cessation of his service as chief executive officer

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of The First American Corporation as well as an understanding that he would continue to be compensated as executive chairman of CoreLogic, Inc. post-separation and would not receive the compensation otherwise paid to a director of the Company;

- *Mr. Gilmore.* Upon the separation Mr. Gilmore's salary increased from \$650,000 to \$750,000, reflecting his increased responsibilities as chief executive officer and a director of a public company;
- *Mr. DeGiorgio.* Upon separation Mr. DeGiorgio's salary increased from \$400,000 to \$500,000 reflecting his increased participation in determining and executing on the strategy of the Company and his increased responsibility over managing the risks facing the Company;
- *Mr. Valdes.* While Mr. Valdes' base salary remained at \$350,000 upon separation, on August 26, 2010, the Company appointed Mr. Valdes as its chief financial officer. As a result, Mr. Valdes' salary increased to \$450,000 reflecting his increased responsibilities; and
- *Mr. Seaton.* Because Mr. Seaton was not an executive officer when the Committee determined salaries in 2010, the Committee did not participate in determining his 2010 salary. However, in 2010 Mr. Seaton's salary was increased from \$165,000 to \$200,000 and then, ultimately, to \$285,000 on August 26, 2010 when the Company promoted him to senior vice president, finance. These salary increases reflected the increase in his responsibility over the Company's financial planning and treasury functions.

In summary, the base salaries of the named executive officers as of January 1, 2010, as of December 31, 2010, and the minimum base salary as required by their respective employment agreements are as follows:

Named Executive Officer	January 1, 2010 Base Salary	December 31, 2010 Base Salary	Minimum Base Salary
Kennedy, P.	\$ 675,000	\$ 350,000(1)	None
Gilmore, D.	\$ 650,000	\$ 750,000(1)	\$ 585,000
DeGiorgio, K.	\$ 400,000	\$ 500,000(1)	\$ 300,000
Valdes, M.	\$ 350,000	\$ 450,000(2)	\$ 300,000
Seaton, M.	\$ 165,000	\$ 285,000(2)	None

(1) Effective June 1, 2010

(2) Effective August 26, 2010

For 2011, the Committee determined that Mr. Kennedy's base salary would remain at \$350,000, Mr. Gilmore's base salary would remain at \$750,000, Mr. DeGiorgio's base salary would increase to \$550,000, Mr. Valdes' base salary would remain at \$450,000, and that Mr. Seaton's base salary would remain at \$285,000. These decisions took into account the history of salary increases for the executives, the Company's projected challenging economic environment in 2011, and the results of the benchmarking analysis performed by the Committee's compensation consultant.

(2) Annual Incentive Bonus

The Committee considers the annual incentive bonus to be a critical component of the executive officer compensation program. In recent years the annual incentive bonus has accounted for the majority of the compensation paid to the named executive officers. This emphasis on annual

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incentive bonuses, as opposed to fixed base salary and long-term incentive compensation, reflects the view that key components of the Company's business operations are cyclical in nature. As described further below, the Company pays a significant portion of the annual incentive bonus in RSUs that vest over several years, which the Committee believes focuses executive officers on enhancing long-term stockholder value. Accordingly, the Company believes that an incentive structure tied to annual performance is a more effective means of motivating and rewarding executive officers to enhance long-term stockholder value.

As was the case in recent years, the Committee structured the 2010 bonus program for executive officers as an objective program, based on measurable performance against financial targets. The Committee believes that this increases the focus of executive officers on key drivers of stockholder value and aligns the Company's compensation practices more with current executive compensation trends.

As with base salaries, for 2010 the Committee determined to maintain the 2009 target bonus levels for the period prior to the separation and then increase them for the post-separation period to reflect the changes in the responsibilities of each executive officer (as described above in III.B.(1)

Base Salary). Accordingly, at the separation Messrs. Gilmore's and DeGiorgio's target bonus amounts increased, on a pro rata basis, from \$1,690,000 and \$650,000, respectively, to \$2,100,000 and \$800,000, respectively. Similarly, while the Committee determined that Mr. Valdes target bonus amount should not increase upon the separation, in connection with his appointment as the Company's chief financial officer the Committee increased his target bonus amount from \$500,000 to \$550,000. The Committee determined that the Company would pay half of Mr. Kennedy's pro rata pre-separation bonus target amount of \$2,075,000 and that Mr. Kennedy would not be eligible for an annual incentive bonus after the separation. Because Mr. Seaton was not an executive officer when the Committee determined target bonus amounts for 2010, the Committee did not set a target bonus amount for him.

The 2010 annual incentive bonus payable to Messrs. Kennedy, Gilmore, DeGiorgio and Valdes is determined by adjusting the applicable portion of the target bonus amount (listed in the table below under the column entitled "Percentage of Target") based on objective financial criteria in two areas (each listed in the table below under the column entitled "Metric"), each of which has associated with it a threshold, target, superior and maximum level of achievement (listed in the table below under the columns entitled "Threshold", "Target" and "Superior", respectively).

For 2010 the two financial criteria utilized by the Committee were:

- *Pretax Margin*: the pretax income of the Company divided by the gross revenue of the Company, excluding costs associated with the separation transaction and, in the discretion of the Committee, the effects of net realized investment gains and unusual or one-time items; and
- *Return on Equity*: net income of the Company divided by average stockholders equity, excluding the impact associated with the Company's holdings in CoreLogic, Inc. (net of the deferred tax liability), accumulated other comprehensive income and noncontrolling interests and otherwise subject to the same adjustments as apply to pretax margin.

The Committee set the target performance at the level set forth in the Company's budget, which was unanimously approved by the Board of Directors. The Committee believes these metrics, and the related performance levels, are an indicator as to whether the Company, given the environment in which it is operating, has generated value for stockholders. The Committee also believes these metrics are utilized by stockholders, potential stockholders and their advisors in determining the value of the Company.

At threshold, target and superior performance levels, 50%, 100%, and 175% of the target bonus amount, respectively, was payable on a linear sliding scale between threshold and target and target and superior performance levels. In addition, up to 250% of the target bonus amount was payable for each metric, on the same linear sliding scale as applies between target and superior performance levels, provided that the total bonus payable was capped at 175% of the target bonus amount.

The performance levels and actual performance for 2010 are as follows:

Metric	Threshold	Target	Superior
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	Percentage of Target				Actual 2010 Results
Pretax Margin	50%	3.25%	4.65%	6.04%	5.53%
Return on Equity	50%	3.98%	5.64%	7.27%	6.99%

The actual results for 2010 exclude 2010 expenses associated with the separation transaction, which had the effect of increasing the results, and the Committee exercised its discretion to exclude investment gains, which had the effect of decreasing the results.

The Committee has concluded that the alignment of executive officer efforts with long-term increases in stockholder value would be advanced by paying a portion of the annual incentive bonus in the form of RSUs. Because these RSUs vest over a four-year period (RSUs granted to executive officers before 2011 vest over five years), this practice also discourages executive officers from taking excessive risks for short term gains. RSUs granted as part of the annual incentive bonus program will sometimes be referred to as Bonus RSUs for purposes of clarity.

The Committee adopted a schedule to determine the percentage of the executive officer's annual incentive bonus that is paid in Bonus RSUs. The schedule provides for the payment of an increasing percentage of the annual incentive bonus to be paid in Bonus RSUs as the sum of the executive officer's base salary and annual incentive bonus amount increases.

The following table summarizes the computation of the 2010 annual incentive bonuses and the amount paid in cash and Bonus RSUs to each named executive officer. The cash amounts in the table below are reflected in the Summary Compensation Table under the column entitled Non-Equity Incentive Plan Compensation.

Named Executive Officer	2010 Target Annual Incentive Bonus	2010 Metric Result	2010 Annual Incentive Bonus Amount	2010 Actual Bonus		2009 Actual Bonus	
				Cash	RSUs	Cash	RSUs
Kennedy, P.	\$ 432,292	154.8%	\$ 669,188	\$ 401,513	\$ 267,675	\$ 1,308,242	\$ 1,308,242
Gilmore, D.	\$ 1,929,167	154.8%	\$ 2,986,350	\$ 1,493,175	\$ 1,493,175	\$ 991,677	\$ 991,677
DeGiorgio, K.	\$ 737,500	154.8%	\$ 1,141,650	\$ 684,990	\$ 456,660	\$ 491,773	\$ 327,848
Valdes, M.	\$ 516,667	154.8%	\$ 799,800	\$ 479,880	\$ 319,920	\$ 409,811	\$ 220,667
Seaton, M.	n/a	n/a	\$ 250,000	\$ 200,000	\$ 50,000	\$ 90,000	\$ 10,000

As discussed above, because Mr. Seaton was not an executive officer when the Committee determined target bonus amounts for 2010, the Committee did not set a target bonus amount for him. Based on the recommendation of Messrs. Gilmore and Valdes and on their and the Committee's qualitative assessment of his performance in 2010, including his success in overseeing the Company's financial planning, treasury and investor relations functions, the Committee approved an annual incentive bonus for Mr. Seaton as indicated above.

RSUs are denominated in units of the Company's common stock. In accordance with Company policy, the number of units granted to a named executive officer in 2011 for 2010 performance was determined by dividing the dollar amount of the annual incentive bonus that the Committee determines to be paid in Bonus RSUs by the closing price of the Company's stock on March 3, 2011, the second day on which the New York Stock Exchange was open for trading following the filing of the Company's Annual Report on Form 10-K. These shares are not actually issued to the recipient on the grant date. Instead, when an RSU vests, the recipient is entitled to receive the shares. Dividends paid on the Company's common stock are treated as if they were paid at the same time with respect to the RSUs and immediately reinvested in additional RSUs. These additional RSUs are subject to the same restrictions as the underlying RSUs.

As a general rule the 2011 Bonus RSUs vest at a rate of 25% on each anniversary of the date of grant. Vesting accelerates in certain circumstances, including upon the death or disability of the recipient and upon the one year anniversary of the early retirement or normal retirement of the recipient or the date on which the recipient is terminated without cause. Early retirement means the termination of the recipient's employment, other than for cause, after having reached age 55 and 10 years of service. Normal retirement means the termination of

the recipient's employment, other than for cause, after having reached age 62, irrespective of the

number of years of service. It is a condition of early vesting in the event of disability, termination without cause or retirement that the recipient sign a separation agreement in a form satisfactory to the Company. An RSU holder has none of the rights of a stockholder unless and until shares are actually delivered to the holder.

The Bonus RSUs issued in 2010 and 2011 to the Company's named executive officers provided that, except in the case of death, disability or certain changes-in-control, none of the Bonus RSUs shall vest unless certain performance criteria were met. In particular, grants made in 2010 would not vest unless the net income of the Company for 2010, combined with the net income of CoreLogic, Inc. for 2010 was at least \$50 million. Because of the separation, for grants made in 2011 the Committee conditioned vesting on the achievement of \$25 million in net income by the Company alone. In either case, net income excluded (a) asset write-downs, (b) litigation or claim judgments or settlements, (c) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results, (d) any reorganization and restructuring programs, (e) extraordinary, unusual and/or nonrecurring items of gain or loss and (f) foreign exchange gains and losses (Extraordinary Items). The Committee decided to place such a condition on the vesting of Bonus RSUs so that they could be deducted by the Company for tax purposes under Section 162(m) of the Internal Revenue Code.

It should be noted that as required by applicable rules, the Summary Compensation, Grants of Plan-Based Awards and Outstanding Equity Awards at Fiscal Year End tables in this proxy statement reflect Bonus RSUs issued to the named executive officers in 2010 for performance in 2009. Similarly, the Bonus RSUs issued in 2011 in connection with the 2010 annual incentive bonuses are not reflected in those tables contained in this proxy statement. Applicable rules require that these tables only reflect equity awards issued to the named executive officers in 2010.

For 2010 the Committee utilized a performance unit arrangement for named executive officers (other than Mr. Seaton) designed to permit the Company to deduct for tax purposes under Section 162(m) of the Internal Revenue Code the entire amount of the cash portion of the annual incentive bonus awarded for 2010 performance. The arrangement involves the granting of performance units under the Company's incentive compensation plan in an amount significantly exceeding the expected cash portion of the target bonus amount, followed by a reduction of the amount of performance units to eliminate the excess units when the actual cash portion of the annual incentive bonus has been determined. The remaining units were then utilized to pay the cash portion of the annual incentive bonus in the amount determined by the Committee. As with the Bonus RSUs, these performance units provided that they would not be payable unless the 2010 net income of the Company combined with the net income of CoreLogic, Inc., was at least \$50 million, excluding Extraordinary Items. The Committee determined that this target was met for 2010, with the result that the named executive officers ultimately received performance units for 2010, which the Committee subsequently converted into cash in the amount shown in the preceding table in the column labeled "2010 Actual Bonuses Cash."

With respect to the 2011 bonus amount and the metrics for adjusting those amounts, the Committee determined that Mr. Kennedy would continue to be ineligible for an annual incentive bonus and, instead, would continue to be compensated through his base salary. The Committee also determined that Mr. Gilmore's target bonus amount would increase to \$2,175,000, that Mr. DeGiorgio's target bonus amount would increase to \$850,000, that Mr. Valdes' target bonus amount would increase to \$625,000, and set Mr. Seaton's target bonus amount at \$200,000. These decisions took into account the history of bonus increases for the executives, the level of bonus payouts in previous years, the Company's projected challenging economic environment in 2011, and the results of the benchmarking analysis performed by the Committee's compensation consultant.

Subject to the Committee's discretion to award a different amount, Messrs. Gilmore, DeGiorgio, Valdes and Seaton's annual incentive bonus for 2011 is expected to be determined by adjusting the target bonus amount based on objective financial criteria in two areas, return on equity and pretax margin (subject to certain specified adjustments that may be made at the discretion of the Committee), each of which has associated with it a threshold fifty percent payout level, an eighty percent payout level, a one hundred percent payout level and a one

hundred seventy five percent payout level. With respect to both metrics, results below the threshold fifty percent payout level would not result in any payment and results above the maximum would not result in any additional payment. The percentage payout for results between the threshold and maximum would be determined on a linear sliding scale basis between the two metric points on either side of the actual result (i.e., between the threshold and eighty percent point, the eighty percent and the one hundred percent point, or the one hundred percent and the maximum point, as applicable).

For 2011, the Committee again established a performance arrangement for the named executive officers. The Committee granted to Messrs. Gilmore, DeGiorgio, Valdes and Seaton performance units with a cash value approximately equal to the maximum expected cash portion of the 2011 target annual incentive bonus under the metrics described above, or \$1,905,000, \$745,000, \$660,000 and \$265,000 for Messrs. Gilmore, DeGiorgio, Valdes and Seaton, respectively. These performance units, which were issued under the Company's 2010 Incentive Compensation Plan, provided that they would not be payable unless the net income of the Company for 2011 was at least \$25 million, excluding Extraordinary Items. As in 2010, the award agreements give the Committee complete discretion to reduce the actual amount of bonus payable to any lesser amount. It is expected that such a reduction will be made when the Committee determines the actual 2011 annual incentive bonus.

(3) Long-Term Incentives

Since 2006 the Committee has provided long-term incentives to its executive officers through the issuance of RSUs. The Committee believes that RSUs provide the best means of aligning the interests of executive officers with those of its long-term stockholders based on, among other factors, (a) the significant accounting charges that result from alternative forms of long-term equity compensation, in particular stock options, (b) the tendency for employees, as a result of the cyclical nature of some of the Company's core businesses, to assign a value to stock options that is lower than the actual accounting expense for those options, and (c) the inherent difficulties in establishing long-term performance targets. The Committee also believes that such long-term incentive awards, particularly when coupled with the payment of a meaningful portion of the annual incentive bonus in Bonus RSUs, incentivizes executive officers to have a long-term perspective on the Company's performance and, concomitantly, discourages them from taking excessive risk to achieve short term gains. RSUs issued as part of the Company's long-term incentive program will sometimes be referred to as Long-Term Incentive RSUs, to distinguish them from the previously described Bonus RSUs awarded to the named executive officers as a portion of their annual incentive bonus.

The Committee does not employ a formulaic approach in determining the amount of Long-Term Incentive RSUs to grant to executive officers. Instead, at the beginning of the year the Committee typically establishes a maximum amount of Long-Term Incentive RSUs. After the year is concluded, the Committee qualitatively evaluates the performance of the executive officer (with input from the chief executive officer for named executive officers other than himself) and the Company for that year and, based on this evaluation, it determines the appropriate amount of the award.

As with base salaries and the annual incentive bonus targets, for 2010 the Committee determined to maintain the 2009 maximum Long-Term Incentive RSU levels for the period prior to the separation and then increase them for the post-separation period to reflect the changes in the responsibilities of each executive officer (as described above in III.B.(1) Base Salary). Accordingly, at the separation Messrs. Gilmore's and DeGiorgio's maximum amounts increased, on a pro rata basis, from \$850,000 and \$325,000, respectively, to \$900,000 and \$375,000, respectively. The Committee determined that Mr. Valdes' maximum amount should not increase upon the separation. The Committee determined that Mr. Kennedy's maximum Long-Term Incentive RSU amount would be prorated for the period from January 1, 2010 to the date of the separation and that half of that amount would be allocated to the Company. Because Mr. Seaton was not an executive officer when the Committee determined maximum Long-Term Incentive RSU levels for 2010, the Committee did not set a maximum amount for him and he did not receive any Long-Term Incentive RSUs with respect to 2010 performance.

For 2010 performance the Committee awarded \$177,083, \$879,167, \$354,167 and \$175,000 of Long-Term Incentive RSUs to Messrs. Kennedy, Gilmore, DeGiorgio and Valdes, respectively. In each case this represented the maximum amount, prorated as described above for pre-separation and post-separation periods for Messrs. Kennedy, Gilmore and DeGiorgio.

The terms and conditions of Long-Term Incentive RSUs are identical to the Bonus RSUs issued to the named executive officer except that vesting does not accelerate upon early retirement or termination without cause and their value is not included in determining the amount of the benefit under the SERP.

The approximate dollar values of the Long-Term Incentive RSUs issued to each of the named executive officers in 2011 and 2010 and, for awards made in 2011 in connection with 2010 performance, the maximum potential value of the awards, are described in the following table:

Named Executive Officer	Long-Term Incentive RSUs Granted in 2010 for 2009 Performance(1)	Maximum Potential 2010 Long-Term Incentive RSUs	Long-Term Incentive RSUs Granted in 2011 for 2010 Performance(1)
Kennedy, P.	\$ 850,000	\$ 177,083	\$ 177,083
Gilmore, D.	\$ 850,000	\$ 879,167	\$ 879,167
DeGiorgio, K.	\$ 300,000	\$ 354,167	\$ 354,167
Valdes, M.	\$ 165,000	\$ 175,000	\$ 175,000

- (1) The actual dollar value of the RSUs may differ slightly from these dollar amounts in the table due to rounding. The Long-Term Incentive RSUs granted in 2010 in connection with 2009 performance were issued, pursuant to The First American Corporation's policy, on March 3, 2010, the second day on which the New York Stock Exchange was open for trading following the filing of the Annual Report on Form 10-K. With respect to the Long-Term Incentive RSUs granted in 2011, the Committee made an exception to the policy because the Company's Annual Report on Form 10-K had already been filed when it approved the award amounts, and the RSUs were issued on March 31, 2011.

As indicated above with respect to Bonus RSUs, it should be noted that, as required by applicable rules, Long-Term Incentive RSUs granted in 2011 in connection with 2010 performance are not reflected in the Summary Compensation table, the Grants of Plan-Based Awards table or the Outstanding Equity Awards at Fiscal Year End table contained herein. Those tables reflect Long-Term Incentive RSUs granted in 2010 in connection with 2009 performance.

Unlike prior years, the Committee determined not to establish in advance maximum Long-Term Incentive RSU amounts with respect to 2011 performance. Instead, it will review the performance of the executive officers following the completion of the year and award the amount of Long-Term Incentive RSUs that the Committee deems appropriate.

Summary of Base Salary, Bonus, and Long-Term Incentive Compensation Paid for 2010. The following table summarizes for each named executive officer the amount paid for 2010 in the form of total base salary, annual incentive bonus (paid in 2011 for 2010 performance) and long-term incentive RSUs (granted in 2011 in connection with 2010 performance). This table is not a substitute for the compensation tables required by the Securities and Exchange Commission and included under the heading Compensation Tables herein, but the Committee believes it provides a more accurate picture of how the Committee viewed its compensation actions for the named executive officers based on performance for 2010:

Named Executive Officer	Base Salary Paid in 2010	2010 Actual Bonus (Paid in 2011)		Long-Term Incentive RSUs Issued in 2011 for 2010 Performance	Total
		Cash	Bonus RSUs		
Kennedy, P.	\$ 344,423	\$ 401,513	\$ 267,675	\$ 177,083	\$ 1,190,694
Gilmore, D.	\$ 705,385	\$ 1,493,175	\$ 1,493,175	\$ 879,167	\$ 4,570,902
DeGiorgio, K.	\$ 455,385	\$ 684,990	\$ 456,660	\$ 354,167	\$ 1,951,202
Valdes, M.	\$ 381,539	\$ 479,880	\$ 319,920	\$ 175,000	\$ 1,356,339
Seaton, M.	\$ 223,461	\$ 200,000	\$ 50,000	n/a	\$ 473,461

(4) Other Executive Officer Benefits

Executive officers are entitled to employee benefits generally available to all full-time employees of the Company (subject to fulfilling any minimum service requirement). This includes elements such as the health and welfare benefits generally available to all employees. In designing these elements the Company seeks to provide an overall level of benefits that is competitive with the level of benefits offered by similar companies in the markets in which it operates.

Named executive officers may participate in several benefit plans that provide benefits upon retirement. Such retirement benefits include: the First American Financial Corporation 401(k) Savings Plan, the First American Financial Corporation Pension Plan, the First American Financial Corporation Pension Restoration Plan, the SERP and the First American Financial Corporation Deferred Compensation Plan. The first two plans are generally available to employees (except that the Pension Plan is limited to individuals who became participants before 2002), while the remaining three plans are limited to a select group of management (in addition, the Pension Restoration Plan is limited to individuals who became participants before 1995). The First American Financial Corporation 401(k) Savings Plan is a tax-qualified profit-sharing plan, which authorizes company matching contributions based on the amount of employee pre-tax contributions and a schedule that ties the amount of matching contributions to the Company's profitability. For 2010, the Company will provide a match of \$0.75 for each \$1.00 employees contributed to the plan, up to 3% of the employee's eligible compensation. Further explanation of the other four plans can be found in connection with the Pension Benefits and Deferred Compensation tables in the Compensation Tables section. The Company believes that these plans provide a valuable recruiting and retention mechanism for its executive officers and enable it to compete more successfully for qualified executive talent.

(5) Separation Bonuses and Staking Grants

In recognition of their substantial contributions to the strategy and execution of the separation transaction, their leadership in the management of the transaction and the burden they undertook in its management and implementation, in June 2010 the Company awarded to Messrs. DeGiorgio and Valdes a one-time cash bonus in the amount of \$800,000 and \$225,000, respectively.

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Additionally, on June 1, 2010, the Committee awarded to certain key executives of the Company, including Messrs. Gilmore and DeGiorgio, a performance based RSU award referred to as a "Staking Grant" designed to incentivize these executives to maximize the post-separation value of the Company for its stockholders. The Committee intended these awards to only deliver value to the recipients when substantial value is delivered to the Company's stockholders.

Based on the closing price of the Company's stock on the date of grant, the Staking Grant made to Messrs. Gilmore and DeGiorgio had a value of \$3 million and \$1.4 million, respectively. In general, up to one third of the RSUs subject to the Staking Grant will vest on June 1 of 2013, 2014 and 2015 if and only if the recipient remains employed by the Company and the Company, as of such potential vesting date, has met the compounded annual total stockholder return criteria, as follows:

- If the Company's compounded annual total stockholder return from the separation date equals at least 10 percent, then 50 percent of the RSUs eligible for vesting as of the applicable date will vest;
- If the Company's compounded annual total stockholder return from the separation date equals at least 12 percent, then 100 percent of the RSUs eligible for vesting as of the applicable date will vest; and
- To the extent the compounded annual total stockholder return is between 10 percent and 12 percent, then between 50 percent and 100 percent of the RSUs eligible for vesting will vest on a proportionate basis.

If less than 100 percent vesting occurs on a vesting date, then the number of RSUs that did not vest will carry-forward for potential vesting on subsequent vesting dates. Unvested RSUs as of the last vesting date are forfeited.

Total stockholder return is defined to include appreciation in the Company's stock price and dividends paid to stockholders. Dividends are deemed reinvested in the Company's stock. For the purpose of measuring total stockholder return the initial price is \$13.61, the average closing price on trading days during the 60-day period starting on the date of grant. The awards provide for potential pro rata vesting (to the extent the total stockholder return targets are met) in the event of death, disability, and termination of the recipient's employment without cause prior to the vesting dates, as well as provisions providing for a determination of the extent to which the stockholder return targets are met prior to the vesting dates in the event of a change in control prior to the vesting dates.

The form agreement evidencing the Staking Grant award is attached as an exhibit to the Quarterly Report on Form 10-Q filed by the Company on August 9, 2010.

C. Pay Mix

The Committee utilizes the particular elements of compensation described above because it believes that they represent a well-proportioned mix of stock-based compensation, retention value and at-risk compensation which produces short-term and long-term performance incentives and rewards. By following this portfolio approach, the Committee endeavors to provide each named executive officer with a measure of security with respect to the minimum level of compensation he is entitled to receive, while motivating each named executive officer to focus on the business metrics that will produce a high level of performance for the Company with corresponding increases in stockholder value and long-term wealth creation for the named executive officer, as well as reducing the risk of loss of top executive talent to competitors.

For named executive officers, the mix of compensation is weighted heavily toward at-risk pay and, in particular, the annual incentive bonus. This pay mix is consistent with the overall philosophy of maintaining a pay mix that results fundamentally in a pay-for-performance orientation for the Company's executive officers.

D. Pay Levels and Benchmarking

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Overall compensation levels for named executive officers are determined based on a number of factors, including each individual's roles and responsibilities within the Company, each individual's experience and expertise, the compensation levels for peers within the Company, compensation levels in the marketplace for similar positions and performance of the individual and the Company as a whole. In determining these compensation levels, the Committee considers all forms of compensation and benefits.

In order to determine competitive compensation practices, the Committee primarily relies upon data compiled from public filings of selected companies (comparator companies) that it considers appropriate comparators for the purpose of developing executive compensation benchmarks. The comparator companies for 2010 are identified below. In addition, the Committee periodically considers nationally recognized survey data published by various consulting firms, such as Towers Watson, Aon-Hewitt, and Mercer. Compensation survey data includes information from both general industry and the financial sector.

With respect to 2010, as discussed above, the Committee generally determined to make no adjustments to base salary, annual incentive bonus opportunities, and Long-Term Incentive RSU opportunities prior to the separation, but then make certain adjustments as of the date of the separation to reflect changes in each named executive officer's responsibilities. To assist it in determining the amount and mix of compensation commensurate with each named executive officer's role, the Committee examined a group of companies with characteristics similar to the Company, including the business lines in which they operate as well as financial measures and other metrics such as market capitalization, assets, revenues and employee counts.

The comparator companies for 2010 were:

- American Financial Group, Inc.
- Assurant, Inc.
- Broadridge Financial Solutions, Inc.
- Cincinnati Financial Corporation
- DST Systems, Inc.
- Fidelity National Financial, Inc.
- Fiserv, Inc.
- The Hanover Insurance Group, Inc.
- Lender Processing Services, Inc.
- Mercury General Corporation
- Old Republic International Corporation
- W.R. Berkeley Corporation

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· White Mountains Insurance Group, Ltd.

The 2010 comparator companies differed significantly from the comparator companies utilized by the Committee to assist it in determining Mr. Gilmore's compensation in 2009 (the Committee utilized a broader group of comparator companies for the other named executive officers, excluding Mr. Seaton, who was not an executive officer in 2009, because of their broader responsibilities over the Company's former parent company). In addition to changes resulting from the bankruptcy of one comparator company in the title insurance industry, the changes reflect the Committee's continuing efforts to identify a significant number of comparable companies in light of the fact that there is only one other company in the Company's primary industry with financial characteristics similar to the Company's. While the Committee concluded that the 2010 comparator group consisted of companies with a business model more closely aligned to the Company's, the Committee recognized that the median market capitalization of the 2010 peer group was meaningfully higher than that of the Company and made adjustments to reported long-term incentive values to take that disparity into account.

After consideration of the data collected on competitive compensation levels and relative compensation within the executive officer group, the Committee determines each individual executive officer's target total compensation opportunities based on Company and individual performance and the need to attract, incentivize and retain an experienced and effective management team. The Committee examines the relationship of each executive officer's base salary, target annual incentive bonus opportunity and long-term incentive opportunity to market median data. The Committee does not believe, however, that compensation opportunities should be structured toward a uniform relationship to median market data, especially in light of the different financial characteristics of the Company's business units (such as the relationship of revenues to net income). Accordingly, total compensation for specific individuals will vary based on a number of factors in addition to Company and individual performance, including scope of duties, tenure, institutional knowledge and/or difficulty in recruiting a replacement executive officer.

E. Conclusion

The final level and mix of compensation determined by the Committee is considered within the context of both the objective data from a competitive assessment of compensation and performance, as well as discussion of the subjective factors as outlined above. The Committee believes that each of the compensation packages for the named executive officers is within the competitive range of practices when compared to the objective comparative data even where qualitative factors have influenced the compensation decisions.

IV. Timing of Equity Grants

The Company's policy with respect to equity awards to executive officers is, after Committee approval, to issue the awards on the second day on which the New York Stock Exchange is open for trading following the filing of the Company's Annual Report on Form 10-K. Because the amount of Long-Term Incentive RSUs issued in 2011 had not yet been finally determined as of that date, as an exception to that policy, the Committee determined that they should be issued on March 31, 2011. In the case of RSUs denominated in dollars and stock options, pricing (that is, the number of shares or units issued for each dollar denominated RSU award or the strike price with respect to stock options) is determined as of that date. The price of Company common stock used for these purposes is the last sale price reported for a share of the Company's common stock on the New York Stock Exchange on that date. Because the performance criteria utilized in the Staking Grant is designed to measure total stockholder return from the June 1, 2010 separation, the Committee issued the Staking Grant awards on June 1, 2010 and the number of RSUs was determined by dividing the dollar value of the award by the final when issued price of the Company's stock on June 1, 2010.

With respect to employees other than executive officers, the methodology is the same as that for executive officers, except that grants are made, following Committee approval, on the 20th day of the third month of the calendar quarter or the subsequent business day.

V. Adjustment or Recovery of Awards

The Company has no specific policies to adjust or recoup prior awards. However, under Section 304 of Sarbanes-Oxley, if the Company is required to restate its financials due to material noncompliance with any financial reporting requirements as a result of misconduct, the chief executive officer and chief financial officer may be required to reimburse the Company for any bonus or other incentive-based or equity-based compensation received during the 12 months following the first public issuance of the non-complying document and any profits realized from the sale of securities of the Company during that twelve month period.

VI. Consideration of Prior Amounts Realized

The Company's philosophy is to incentivize and reward executive officers for future performance. Accordingly, prior stock compensation gains (option gains or restricted stock awarded in prior years) generally are not considered in setting future compensation levels.

VII. Employment Agreements and Post-Termination Payments

A. Employment Agreements

Messrs. Gilmore, DeGiorgio and Valdes are parties to employment agreements with the Company. These employment agreements were originally entered into with the Company's prior parent, The First American Corporation, but were assumed by the Company in connection with

the separation.

Messrs. Gilmore, DeGiorgio and Valdes. On November 18, 2008, the Committee authorized the Company to enter into these agreements, which the parties subsequently executed in December 2008. Given the uncertainties in the general economy, the challenges facing the Company and the industries in which it operates,

the Company's reliance on its key executives while it restructured its operations and the practice of certain of the Company's peers to give employment agreements to its key executives, the Committee believed that the offering of employment agreements to its key executives would be an effective retention tool. The Committee concluded that any potential additional costs of the employment agreements were compensated for by the retention incentives provided by the contracts and the post-termination covenants that applied to the executive officers.

The agreements, which expire on December 31, 2011, specify initial base salaries at the levels then in effect with respect to these executive officers. Base salaries may be increased at the discretion of the Committee. Determinations regarding bonus amounts, long term incentive awards and any increases in base salary remain at the discretion of the Committee. The agreements further provide that if the Company terminates the executive officer's employment without cause, he is entitled to an amount representing twice the sum of the executive officer's base salary and the second largest of the prior three years' annual incentive bonuses. Half of this sum would be paid over the first year following termination in twelve equal monthly installments, and the other half would be paid at the end of this one-year period. The executive officer's receipt of these amounts would be contingent on the Company's receipt of a release from the executive officer as well as his compliance with certain non-compete, non-solicitation and confidentiality provisions contained within the agreement. In addition, if the executive officer's employment is terminated without cause and the executive would otherwise, during the term of the agreement, have reached his early retirement date under the SERP, then the executive officer's benefit under the plan will be deemed vested on his early retirement date notwithstanding the termination, provided that the executive's final average compensation used to determine the amount of the benefit would be determined as of his actual termination date. No additional benefits are payable in the event that the executive voluntarily terminates or termination is on account of death, disability or for cause.

Under the agreements, cause is defined to include (1) the executive officer's physical or mental inability to perform the essential functions of his job, (2) willful breach of any fiduciary duties owed to the Company, (3) willful failure to comply with applicable rules and regulations, (4) gross incompetence in the performance of job duties, (5) commission of crimes involving moral turpitude, fraud, or misrepresentation, (6) the failure to perform duties consistent with a commercially reasonable standard of care, (7) refusal to perform job duties or reasonable directives from his superior or the Board of Directors and (8) any gross negligence or willful misconduct resulting in loss or damage to the reputation of the Company.

Messrs. Gilmore's and Valdes' agreements are attached as an exhibit to the Form 10-K filed by The First American Corporation on March 2, 2009 and Mr. DeGiorgio's agreement is attached as an exhibit to Amendment No. 2 to Form 10 filed by the Company on March 22, 2010.

B. Change-in-Control Arrangements

The Company's 2010 Incentive Compensation Plan (except as otherwise provided in an award agreement) generally provides for the accelerated vesting of awards in the event of a change-in-control of the Company. Award agreements evidencing RSUs issued in 2007 and thereafter provide that vesting will not accelerate as a result of a change-in-control that has been approved by the Company's incumbent Board of Directors.

Prior to January 1, 2011, the SERP generally provided for the accelerated vesting of benefits in the event of a change-in-control of the Company that was not approved by the Company's incumbent directors and, upon the subsequent termination of the participant's employment for any reason, the commencement of benefits as though the participant had attained normal retirement age. The Company amended the SERP, effective as of January 1, 2011, to, among other changes, require as a condition to the commencement of benefits the involuntary termination of the participant within 36 months of the change-in-control. In that event the amendments also provided for an actuarial reduction in the benefit payable to participants who had not yet reached age 55. Participants age 55 and older would receive the benefit they would otherwise have been entitled to at termination absent a change in control.

The document evidencing the SERP, as amended, is attached as an exhibit to the Form 10-K filed by the Company on March 1, 2011.

Change-in-Control Agreements. As part of the Company's efforts to retain key employees, it has entered into agreements with each of the named executive officers to provide for certain benefits in the event the executive officer is terminated following a change-in-control. In October 2010 the Company amended these agreements to eliminate the excise tax gross-up for benefits payable under the agreements, to eliminate the obligation of the Company to pay benefits if the executive voluntarily terminates employment within 30 days of the one year anniversary of a change-in-control (commonly referred to as a "single trigger" provision) and to reduce the multiple of base and bonus payable from three to two. In the opinion of the Committee, these changes reflected current best practices with respect to such agreements.

Under the agreement a "change-in-control" means any one of the following with respect to the Company:

- a merger or consolidation of the Company in which the Company's stockholders end up owning less than 50% of the voting securities of the surviving entity;
- the sale, transfer or other disposition of all or substantially all of the Company's assets or the complete liquidation or dissolution of the Company;
- a change in the composition of the Company's Board of Directors over a two-year period as a result of which fewer than a majority of the directors are incumbent directors, as defined in the agreement; or
- the acquisition or accumulation by any person or group, subject to certain limited exceptions, of at least 25% of the Company's voting securities.

If the termination of the executive officer's employment occurs without cause or if the executive officer terminates his employment for good reason within 36 months following the change-in-control, the Company is required to pay the following benefits in one lump sum within ten business days:

- the executive officer's base salary through and including the date of termination and any accrued but unpaid annual incentive bonus;
- an annual incentive bonus for the year in which the termination occurs in an amount equal to the target bonus for the year of termination (or if there is no target annual incentive bonus or under certain other specified circumstances, the average of the annual incentive bonuses paid for the three prior years), prorated through the date of termination;
- accrued and unpaid vacation pay;
- unreimbursed business expenses;
- two times the executive officer's annual base salary in effect immediately prior to the termination; and
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two times the executive's target bonus (or if there is no target annual incentive bonus or under certain other specified circumstances, two times the average of the annual incentive bonuses paid for the three prior years).

In addition, for a period of 24 months following the date on which the executive officer's employment terminates, the Company will provide the same level of benefits and perquisites that the executive officer received at the time of termination or, if more favorable to the executive officer, at the time at which the change-in-control occurred. These benefits include tax-qualified and nonqualified savings plan benefits (excluding, however, any supplemental benefit plans), medical insurance, disability income protection, life

insurance coverage and death benefits. To the extent that the executive officer cannot participate in the plans previously available, the Company, will provide such benefits (or a cash equivalent) on the same after-tax basis as if they had been available. These obligations are reduced by any welfare benefits made available to the executive officer from subsequent employers.

If the amount payable under the agreements, together with other payments and benefits, would constitute an excess parachute payment under the Internal Revenue Code and, consequently, be subject to excise tax, the change-in-control agreements provide for a reduction in the amount payable to that amount that would result in the elimination of the excise tax, provided that the reduced amount exceeds the amount the executive officer would receive if the excise tax has been applied.

The change-in-control agreements initially expire on December 31, 2011, however, they automatically extend for additional one-year periods unless either party notifies the other not later than the preceding January 1 that it does not wish to extend the term.

The form change-in-control agreement is attached as an exhibit to the Form 10-Q filed by the Company on November 1, 2010.

C. Retirement Programs

As noted above, the Company maintains five programs that provide retirement benefits to the named executive officers: the First American Financial Corporation 401(k) Savings Plan, the First American Financial Corporation Pension Plan, the First American Financial Corporation Pension Restoration Plan, the SERP and the First American Financial Corporation Deferred Compensation Plan. The First American Financial Corporation 401(k) Savings Plan is described above under III.B.4 Other Executive Officer Benefits. Explanation of the other four plans can be found in connection with the Pension Benefits and Deferred Compensation Plan tables in the Compensation Tables section.

As part of its efforts to curtail the Company's expenses, in 2010 management recommended certain changes to the benefits payable under the SERP. In response to this recommendation and based on its own analysis of practices at comparable companies with respect to similar plans, effective January 1, 2011, the Committee closed the SERP to new participants and, as part of the amendments described above, fixed as of December 31, 2010 the compensation used to determine benefits payable under the SERP. The amendments also capped the annual benefit to a maximum of \$500,000 for the Company's chief executive officer and \$350,000 for other participants.

D. Payments due Upon Terminations and/or a Change-in-Control

Calculations and further explanation of the payments due the named executive officers upon termination of employment and/or a change-in-control are found under the portion of the Compensation Tables section of this document entitled Potential Payments Upon Termination or Change-in-Control.

VIII. Stock Ownership Guidelines and Hedging Policies

The Company has adopted guidelines requiring its chief executive officer to hold Company stock with a value equal to at least five times his base salary and each of the other named executive officers to hold stock with a value equal to at least three times their respective base salaries. The Company has not adopted policies prohibiting named executive officers from holding Company securities in a margin account or pledging Company securities as collateral.

IX. Impact of Tax and Accounting

As a general matter, the Committee takes into account the various tax and accounting implications of compensation vehicles employed by the Company.

When determining amounts of long-term incentive grants to executive officers and employees, the Committee examines the accounting cost associated with the grants. Under accounting guidance, grants of stock options and RSUs result in an accounting charge for the Company. The accounting charge is equal to the fair value of the instruments being issued. For RSUs the cost is generally equal to the fair value of the stock on the date of grant times the number of shares granted, although a discount was applied with respect to the Staking Grants, reflecting the uncertainty of the achievement of the performance criteria. Generally, this expense is amortized over the requisite service period. With respect to stock options, the Company calculates the fair value of the option and takes that value into account as an expense over the vesting period, after adjusting for possible forfeitures.

Section 162(m) of the Internal Revenue Code generally prohibits any publicly held corporation from taking a federal income tax deduction for compensation paid in excess of \$1 million in any taxable year to the chief executive officer and certain of the other most highly compensated officers. Exceptions are made for qualified performance-based compensation, among other things. RSUs granted to executive officers and performance units have been structured in a manner intended to qualify under this exception for performance-based compensation.

X. Impact of the Separation on Outstanding Equity Awards

At the time of the separation, each of the named executive officers held stock options and RSUs issued by the Company's former parent, The First American Corporation. In the separation, all of the stock options and RSUs held by Messrs. Gilmore, DeGiorgio, Valdes and Seaton and half of the stock options and RSUs held by Mr. Kennedy were converted into options to purchase the stock of the Company and into the Company's RSUs, respectively. The strike price and the number of shares subject to stock options and the number of RSUs were adjusted to maintain, on a post-separation basis, the pre-separation value of such awards. Otherwise the awards remained subject to substantially the same terms, including vesting requirements.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on its review and discussion with management, the Compensation Committee on March 7, 2011 recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

Compensation Committee

Lewis W. Douglas, Jr., Chairman

Glenn C. Christenson

Hon. William G. Davis

Herbert B. Tasker

Compensation Tables

The following tables set forth compensation information for the Company's named executive officers pursuant to the specific requirements of applicable regulations. The Company believes that the Summary Compensation Table below does not completely reflect its perspective on compensation for its named executive officers. Rather, the Company believes that its perspective is more completely reflected in the Compensation Discussion and Analysis section above.

The following Summary Compensation Table sets forth compensation awarded to or earned by our named executive officers in 2008, 2009, and 2010. Amounts shown in this table include compensation paid by our former parent company, The First American Corporation (TFAC). Amounts shown for Mr. Kennedy in 2010 include only the portion of compensation paid by TFAC prior to our separation from TFAC that was allocated to us.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus(1) (\$)	Stock Awards(2) (\$)	Non-Equity Incentive Plan Compensation(1) (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(3) (\$)	All Other Compensation (\$)	Total (\$)
Parker S. Kennedy(4) Chairman	2010	\$ 344,423	\$ 0	\$ 1,079,104	\$ 401,513	\$ 350,800	\$ 7,350(5)	\$ 2,183,189
	2009	\$ 675,000	\$ 0	\$ 0	\$ 1,308,242	\$ 319,221	\$ 0	\$ 2,302,463
	2008	\$ 695,480	\$ 0	\$ 64,998	\$ 0	\$ 0	\$ 6,750(5)	\$ 767,228
Dennis J. Gilmore Chief Executive Officer	2010	\$ 705,385	\$ 0	\$ 3,546,588	\$ 1,493,175	\$ 502,225	\$ 7,670(6)	\$ 6,255,042
	2009	\$ 597,500	\$ 0	\$ 878,964	\$ 991,667	\$ 759,204	\$ 285(6)	\$ 3,227,620
	2008	\$ 602,750	\$ 0	\$ 1,249,974	\$ 805,500	\$ 556,123	\$ 7,009(6)	\$ 3,221,356
Kenneth D. DeGiorgio Executive Vice President & Secretary	2010	\$ 455,385	\$ 800,000	\$ 1,423,483	\$ 684,990	\$ 206,482	\$ 8,129(7)	\$ 3,578,469
	2009	\$ 380,769	\$ 0	\$ 296,949	\$ 491,773	\$ 292,933	\$ 740(7)	\$ 1,463,164
	2008	\$ 300,000	\$ 0	\$ 399,993	\$ 365,809	\$ 56,410	\$ 7,483(7)	\$ 1,129,695
Max O. Valdes Executive Vice President & Chief Financial Officer	2010	\$ 381,539	\$ 225,000	\$ 385,632	\$ 479,880	\$ 648,958	\$ 7,350(8)	\$ 2,128,359
	2009	\$ 340,385	\$ 0	\$ 236,277	\$ 409,811	\$ 417,213	\$ 0	\$ 1,403,686
	2008	\$ 300,000	\$ 0	\$ 264,990	\$ 309,532	\$ 253,895	\$ 6,750(8)	\$ 1,135,168
Mark E. Seaton(9) Senior Vice President, Finance	2010	\$ 223,461	\$ 200,000	\$ 9,979	\$ 0	\$ 0	\$ 7,350(10)	\$ 440,790

- (1) As required by applicable rules, cash portions of the annual incentive bonus amounts that were paid through performance units are included under the column entitled "Non-Equity Incentive Plan Compensation", as opposed to the column entitled "Bonus". For Mr. DeGiorgio and Mr. Valdes, amounts in the column entitled "Bonus" for 2010 represent special one-time bonuses in recognition of their significant efforts toward the consummation of the separation. Mr. Seaton's bonus for 2010 was not paid through performance units and therefore is included under the "Bonus" column.
- (2) The amounts shown are the grant date fair value of stock awards granted in the year indicated as computed in accordance with accounting guidance. Amounts for 2008 for Mr. Kennedy include First Advantage Corporation (FADV) restricted stock unit (RSU) awards granted in connection with his service on the FADV board of directors. Mr. Kennedy agreed to remit to the Company any after-tax benefit of such awards. Amounts for 2010 for Messrs. Gilmore and DeGiorgio include the performance-based RSU staking awards made in connection

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with the separation, discounted by 43% to reflect the uncertainty of the achievement of the performance criteria contained therein.

- (3) Reflects the change in the present value of the life annuity from the end of the year preceding the applicable fiscal year to the end of the applicable fiscal year for both the qualified and non-qualified pension plans (which are entitled the First American Financial Corporation Pension Plan, the First American Financial

Corporation Pension Restoration Plan and the First American Financial Corporation Executive Supplemental Benefit Plan). See Pension Benefits table for assumptions. Amounts in the column do not include earnings under the Company's deferred compensation plan as such earnings are neither above market nor preferential. The Company's deferred compensation plan provides a return based on a number of investment crediting options.

- (4) Amounts shown for Mr. Kennedy in 2010 include compensation paid by TFAC prior to the separation that was allocated to the Company, which is 50% of the compensation from TFAC.
- (5) For 2010, this amount consists of Company contributions of \$7,350 to his account in the Company's tax qualified 401(k) savings plan. For 2008, this amount consists of Company contributions of \$6,750 to his account in the Company's tax qualified 401(k) savings plan.
- (6) For 2010, this amount consists of (a) Company contributions of \$7,350 to his account in the Company's tax qualified 401(k) savings plan and (b) life insurance premiums of \$320. For 2009, this amount consists entirely of life insurance premiums. For 2008, this amount consists of (a) Company contributions of \$6,750 to his account in the Company's tax qualified 401(k) savings plan and (b) life insurance premiums of \$259.
- (7) For 2010, this amount consists of (a) Company contributions of \$7,350 to his account in the Company's tax qualified 401(k) savings plan and (b) life insurance premiums of \$779. For 2009, this amount consists entirely of life insurance premiums. For 2008, this amount consists of (a) Company contributions of \$6,750 to his account in the Company's tax qualified 401(k) Savings Plan and (b) life insurance premiums of \$733.
- (8) For 2010, this amount consists of Company contributions of \$7,350 to his account in the Company's tax qualified 401(k) savings plan. For 2008, this amount consists of Company contributions of \$6,750 to his account in the Company's tax qualified 401(k) savings plan.
- (9) Mr. Seaton became an executive officer in December 2010.
- (10) This amount consists of Company contributions of \$7,350 to his account in the Company's tax qualified 401(k) savings plan.

Grants of Plan-Based Awards

The following table contains information concerning awards of RSUs and performance units made by TFAC and the Company to each of our named executive officers during fiscal year 2010. All grants made prior to the separation were denominated in TFAC shares. These awards were converted and became denominated in Company stock in connection with the separation. Converted share amounts are shown in the Outstanding Equity Awards at Fiscal Year-End table.

Name	Grant Date	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock Awards
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Parker S. Kennedy(1)	3/22/10(2)	2/23/10			\$ 1,037,500					
	3/3/10(3)	2/23/10					20,441		\$ 654,112	
	3/3/10(4)	2/23/10					13,281		\$ 424,992	
Dennis J. Gilmore	3/22/10(2)	2/23/10			\$ 1,690,000					
	3/3/10(3)	2/23/10					30,989		\$ 991,648	
	3/3/10(4)	2/23/10					26,562		\$ 849,984	
	6/1/10(5)	5/18/10				106,383		212,765	\$ 1,704,956	
Kenneth D. DeGiorgio	3/22/10(2)	2/23/10			\$ 690,000					
	3/3/10(3)	2/23/10					10,245		\$ 327,840	
	3/3/10(4)	2/23/10					9,375		\$ 300,000	
	6/1/10(5)	5/18/10				49,645		99,290	\$ 795,643	
Max O. Valdes	3/22/10(2)	2/23/10			\$ 650,000					
	3/3/10(3)	2/23/10					6,895		\$ 220,640	
	3/3/10(4)	2/23/10					5,156		\$ 164,992	
Mark E. Seaton	3/22/10(6)	2/23/10						287	\$ 9,979	

- (1) Awards shown for Mr. Kennedy represent one-half of actual grants made by TFAC, which is considered the portion attributable to service to the Company, and which awards were ultimately converted into Company awards in connection with the separation.
- (2) Awards represent the maximum amount payable with respect to performance units awarded under the Company's incentive compensation plan for 2010. None of the awards were payable unless, as was the case, the combined net income of the Company and CoreLogic for 2010 was at least \$50 million, excluding (a) asset write-downs, (b) litigation or claim judgments or settlements, (c) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results, (d) any reorganization and restructuring programs, (e) extraordinary, unusual and/or nonrecurring items of gain or loss and (f) foreign exchange gains and losses (Extraordinary Items). The Compensation Committee has the discretion to reduce the amount of the performance units, and, for 2010, exercised this discretion by reducing the amount of performance units to the amount of the cash portion of the named executive officer's annual incentive bonus and converting the reduced performance units to cash. These performance units were awarded to permit the Company to deduct, for tax purposes, the entire amount of bonuses paid to named executive officers. See Compensation Discussion and Analysis III. Compensation Structure B. Pay Elements Details (2) Annual Incentive Bonus. The amounts identified in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table for 2010 are the actual amounts paid under the plan.
- (3) Grants represent the portion of the 2009 annual bonus, paid in 2010, in the form of RSUs, referred to as Bonus RSUs. Vesting of those Bonus RSUs generally occurs at a rate of 20% per year on each anniversary of the date of grant, and would not occur unless, as was the case, the combined net income of the Company and CoreLogic for 2010 was at least \$50 million, excluding Extraordinary Items.

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- (4) Grants represent Long-Term Incentive RSUs which were issued to the named executive officers for 2009 performance. Vesting of those Long-Term Incentive RSUs generally occurs at a rate of 20% per year on

each anniversary of the date of grant, and would not occur unless, as was the case, the combined net income of the Company and Core Logic for 2010 was at least \$50 million, excluding Extraordinary Items.

- (5) Grants represent the 2010 performance-based RSU staking awards made in connection with the separation. Vesting of the award is contingent the Company meeting future total stockholder return targets. See Compensation Discussion and Analysis III. Compensation Structure B. Pay Elements Details (5) Separation Bonuses and Staking Grants for a further discussion of goals and vesting criteria. The grant date fair value of this award was computed in accordance with ASC Topic 718.
- (6) Grant of time-vesting RSUs. The award vests at a rate of 20% per year on each anniversary of the date of grant.

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Outstanding Equity Awards at Fiscal Year-End

The following table shows outstanding equity awards of the Company held by the named executive officers as of December 31, 2010. With the exception of half of Mr. Kennedy's outstanding equity awards, all TFAC equity awards outstanding at the time of the separation were converted into Company equity awards.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options(#)	Number of Securities Underlying Unexercised Options(#)	Option Exercise Price (\$)	Option Expiration Date(1)	Number of Shares or Units That Have Not Vested(2) (#)	Market Value of Shares or Units of Stock That Have Not Vested(3) (\$)	Equity Incentive Plan Awards: Number of Shares or Units That Have Not Vested(4) (#)	Equity Incentive Plan Awards: Market Value of Unearned Shares or Units of Stock That Have Not Vested(5) (\$)
Parker S. Kennedy	46,580	0	7.77	12/13/2011				
	93,163	0	9.82	2/27/2013				
	93,162	0	13.13	2/26/2014				
	93,162	0	15.70	2/28/2015				
	93,163	0	20.40	12/8/2015				
					23,403(6)	\$ 349,641		
					79,691(9)	\$ 1,190,584		
Dennis J. Gilmore	18,632	0	8.25	12/13/2011				
	13,974	0	8.21	7/23/2012				
	116,452	0	9.82	2/27/2013				
	116,453	0	13.13	2/26/2014				
	139,744	0	15.70	2/28/2015				
	139,744	0	20.40	12/8/2015				
					31,921(6)	\$ 476,900		
					57,372(7)	\$ 857,138		
					77,012(8)	\$ 1,150,559		
					136,005(9)	\$ 2,031,915		
							214,596	\$ 3,206,064
Kenneth D. DeGiorgio	10,480	0	11.32	3/12/2013				
	10,480	0	11.32	4/1/2013				
	67,540	0	16.02	6/4/2013(10)				
	33,771	0	13.63	12/22/2013(10)				
	46,581	0	20.40	12/8/2015				
					8,219(6)	\$ 122,792		
					18,365(7)	\$ 274,373		
					26,019(8)	\$ 388,724		
					46,362(9)	\$ 692,648		
							100,144	\$ 1,496,151
Max O. Valdes	46,581	0	20.40	12/8/2015				
					7,890(6)	\$ 117,877		
					12,175(7)	\$ 181,895		
					20,367(8)	\$ 304,283		
				28,475(9)	\$ 425,417			
Mark E. Seaton					183(11)	\$ 2,734		
					1,017(12)	\$ 15,194		
					710(13)	\$ 10,607		
					668(14)	\$ 9,980		

-
- (1) The options referenced in the table have a ten-year life.
 - (2) The RSUs vest in 20% equal annual increments commencing on the first anniversary of the grant.
 - (3) Represents the value of unvested RSUs based on a stock price of \$14.94 as of December 31, 2010.

- (4) Represents the maximum potential staking grant RSUs as of December 31, 2010. The RSUs may vest on 6/1/2013, 6/1/2014, and 6/1/2015 depending on the Company's total stockholder return over the applicable period. For a full description of the performance criteria and vesting schedule, see Compensation Discussion and Analysis III. Compensation Structure B. Pay Elements Details (5) Separation Bonuses and Staking Grants.
- (5) Represents the value of the unearned staking grant RSUs based on a stock price of \$14.94 as of December 31, 2010. However, the performance criteria would not be satisfied at the \$14.94 stock price and no RSUs would vest absent future achievement of the total stockholder return criteria.
- (6) Remaining vesting dates include: 3/5/2011 and 3/5/2012.
- (7) Remaining vesting dates include: 3/4/2011, 3/4/2012, and 3/4/2013.
- (8) Remaining vesting dates include: 3/4/2011, 3/4/2012, 3/4/2013, and 3/4/2014.
- (9) Remaining vesting dates include: 3/3/2011, 3/3/2012, 3/3/2013, 3/3/2014, and 3/3/2015.
- (10) These amounts represent options to purchase Company common shares arising from the conversion of FADV options that were previously issued to Mr. DeGiorgio and that were converted into TFAC options in connection with TFAC's acquisition of the publicly traded shares of FADV. As required by the applicable plan documents, as a result of that transaction, all unvested FADV options immediately vested.
- (11) Remaining vesting dates include: 3/30/2011 and 3/30/2012.
- (12) Remaining vesting dates include: 3/20/2011, 3/20/2012, and 3/20/2013.
- (13) Remaining vesting dates include: 3/20/2011, 3/20/2012, 3/20/2013, and 3/20/2014.
- (14) Remaining vesting dates include: 3/22/2011, 3/22/2012, 3/22/2013, 3/22/2014, and 3/22/2015.

Option Exercises and Stock Vested

The following table sets forth information concerning value realized by each of the named executive officers upon exercise of stock options and vesting of stock during 2010.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized Upon Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Parker S. Kennedy	86,581	\$ 707,461	9,886	\$ 315,858

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Dennis J. Gilmore	46,581	\$	66,054	22,955	\$	731,142
Kenneth D. DeGiorgio	0	\$	0	7,052	\$	224,565
Max O. Valdes	0	\$	0	5,504	\$	175,314
Mark E. Seaton	0	\$	0	261	\$	9,015

Pension Benefits

The following table shows the actuarial present value of the accumulated retirement benefits payable upon normal retirement age to each of the named executive officers, computed as of December 31, 2010. The amounts are based upon benefits provided to the named executive officers under the tax-qualified First American Financial Corporation Pension Plan (Pension Plan), First American Financial Corporation Pension Restoration Plan (Pension Restoration Plan) and First American Financial Corporation Executive Supplemental Benefit Plan (Executive Supplemental Benefit Plan).

Name	Plan Name	Number of Years Credited Service(1) (#)	Present Value of Accumulated Benefits(2)(3) (\$)	Payments During Last Fiscal Year (\$)
Parker S. Kennedy(4)(5)	Pension Plan	33.7	\$ 577,161	\$0
	Pension Restoration Plan	33.7	\$ 198,465	\$0
	Executive Supplemental Benefit Plan	33.7	\$ 4,636,277	\$0
Dennis J. Gilmore	Pension Plan	17.6	\$ 113,714	\$0
	Executive Supplemental Benefit Plan	17.6	\$ 3,989,782	\$0
Kenneth D. DeGiorgio	Pension Plan	11.8	\$ 23,524	\$0
	Executive Supplemental Benefit Plan	11.8	\$ 490,229	\$0
Max O. Valdes(6)	Pension Plan	22.0	\$ 207,590	\$0
	Pension Restoration Plan	22.0	\$ 33,246	\$0
	Executive Supplemental Benefit Plan	22.0	\$ 2,130,606	\$0

(1) Credited years of service for both the Pension Plan and Pension Restoration Plan is the time between the participant's deemed participation date under the plan and December 31, 2010. Credited years of service for the Executive Supplemental Benefit Plan is generally equal to credited years of service under the Pension Plan, and does not affect the benefit to the executive after minimum service requirements are met.

(2) Pension Plan and Pension Restoration Plan benefits accrue from hire date through age 65. The following assumptions were used for calculating present values: interest rate of 5.3%, pre- and post-retirement mortality per the 2011 Static Mortality Table for Non-annuitants per §1.430(h)(3)-1(e), benefit is payable as a 50% joint and survivor annuity and spouse is assumed to be three years younger than participant.

Executive Supplemental Benefit Plan eligibility requires 10 years of service and 5 years of participation in the plan with the benefit dependent on age at retirement between 55 and 62, rather than credited years of service. The following assumptions were used for calculating present values: interest rate of 5.3%, pre- and post retirement mortality per the 2011 Static Mortality Table for Non-annuitants per §1.430(h)(3)-1(e), benefit is payable as a 50% joint and survivor annuity and spouse is assumed to be the same age as participant.

(3) The present values under the Executive Supplemental Benefit Plan for Mr. Kennedy were calculated using a retirement age of 60 because he was vested on November 1, 2007, the effective date of the plan amendment, and as a result is entitled to receive the higher of the benefit as calculated under the amended plan at normal retirement age (as defined in the plan) or what he would have otherwise received had he retired on October 31, 2007.

(4) At the separation, half of Mr. Kennedy's benefits under TFAC's pension restoration and executive supplemental benefit plans were transferred to CoreLogic's retirement plans and the other half remained in the TFAC plans, which were subsequently transferred to the

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Company and renamed the First American Financial Corporation Pension Restoration Plan and First American Financial Corporation Executive Supplemental Benefit Plan.

- (5) Mr. Kennedy is eligible for early retirement under the Pension Plan and Pension Restoration Plan and normal retirement under the Executive Supplemental Benefit Plan due to his age and meeting certain service requirements, as described further below.
- (6) Mr. Valdes is eligible for early retirement due to his age and meeting certain service requirements, as described further below.

(1) Pension Plan

At the separation the Company assumed TFAC's pension plan. Subject to certain conditions of age and tenure, all regular employees of TFAC and participating subsidiaries were eligible to join the Pension Plan until December 31, 2001. No employees have been eligible to join the Pension Plan after that date. In order to participate, during plan years ending on or prior to December 31, 1994, an employee was required to contribute 1.5 % of pay (i.e., base salary plus cash bonuses, commissions and other pay) to the plan. As a result of amendments that were adopted in 1994, during plan years commencing after December 31, 1994, an employee was not required to contribute to the plan in order to participate.

Normal retirement age is defined under the Pension Plan as the later of the employee's attainment of age 65 or three years of service. Upon retirement at normal retirement age, an employee receives full monthly benefits which are equal, when calculated as a life annuity: (i) for years of credited service as of December 31, 1994, to 1% of the first \$1,000 and 1.25 % of remaining final average pay (i.e., the average of the monthly pay, as defined above, during the five highest paid consecutive calendar years out of the last 10 years prior to retirement) times the number of years of credited service as of December 31, 1994; and (ii) for years of credited service after December 31, 1994, to 0.75% of the first \$1,000 and 1% of the remaining final average pay times the number of years of credited service subsequent to December 31, 1994.

Effective December 31, 2000, the Pension Plan was amended to exclude from the calculation of benefits (i) any pay earned after December 31, 2001, and (ii) any service earned after December 31, 2005. Effective December 31, 2002, the Pension Plan was amended to reduce the rate at which future benefits accrue for participants who had not yet attained age 50 by spreading the accrual of the benefit that would have accrued during 2003 to 2005 over extended periods ranging from 5 to 20 years, depending on the participant's age as of December 31, 2002. The Pension Plan was amended in February 2008 to eliminate benefit accruals for service after April 30, 2008.

A participant with at least three years of service may elect to retire after attaining age 55, but prior to age 65, and receive reduced benefits. Benefits are reduced 1/180th for each of the first 60 months and by 1/360th for each of any additional months by which the benefit commencement date precedes the participant's normal retirement date. Benefit payment options include various annuity options, a form of benefit that is reduced prior to the commencement of the participant's Social Security benefits and a lump sum in the case of certain terminations prior to age 55 and upon disability.

Federal tax law limits the maximum amount of pay that may be considered in determining benefits under the Pension Plan. The limit on pay that could be recognized by tax-qualified retirement plans was \$200,000 in 1989. This amount was adjusted for inflation for each year through 1993, when the limit was \$235,840. In 1993, this limit was decreased to \$150,000 for plan years beginning in 1994. The \$150,000 limit has been adjusted for inflation and was increased to \$160,000 as of January 1, 1997, and to \$170,000 as of January 1, 2000. The highest final average pay that could be considered in determining benefits accruing under the Pension Plan before 1994 is \$219,224, and since the plan does not consider pay earned after December 31, 2001, the highest final average pay that can be considered in determining benefits accruing after 1993 is \$164,000.

(2) Pension Restoration Plan

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During 1996, the TFAC adopted the Pension Restoration Plan. The Company assumed this plan in connection with the separation on June 1, 2010. This plan is an unfunded, non-qualified plan designed to make

up for the benefit accruals that are restricted by the indexed \$150,000 pay limit discussed above. However, in order to limit its expense, the Pension Restoration Plan does not make up for benefit accruals on compensation exceeding \$275,000. The Pension Restoration Plan also makes up for benefits that cannot be paid from the Pension Plan because of limitations imposed by the federal tax laws. Vesting of benefits payable to an employee under the Pension Restoration Plan occurs at the same time that vesting occurs for that employee in his or her Pension Plan benefits. The Pension Restoration Plan became effective as of January 1, 1994, but only covers selected Pension Plan participants who were participants on that date. As noted above, January 1, 1994, is the date as of which the pay limit for the Pension Plan was reduced from \$235,840 to \$150,000. The Pension Restoration Plan excludes pay earned after December 31, 2001, as does the Pension Plan. The Pension Restoration Plan was amended in February 2008 to eliminate benefit accruals for service after April 30, 2008.

Effective January 1, 2009, to comply with Internal Revenue Code Section 409A, payment of benefits under the Pension Restoration Plan commences the first of the month following a participant's separation from service or six months following a participant's separation from service if he is considered a specified employee. Also, benefit options under the Pension Restoration Plan include various actuarial equivalent annuity options. The factors for early retirement are the same as those under the Pension Plan.

(3) Executive Supplemental Benefit Plan

The Company's Executive Supplemental Benefit Plan provides retirement benefits for, and pre-retirement death benefits with respect to, certain key management personnel. The plan was originally adopted by TFAC in 1985 and has been amended a number of times since then. It was assumed by the Company on June 1, 2010, in connection with the separation. Under the plan, as originally adopted, upon retirement at normal retirement date (the later of age 65 or completion of 10 years of service) the participant received a joint life and 50% survivor annuity benefit equal to 35% of final average compensation. Final average compensation was determined for those three calendar years out of the last 10 years of employment preceding retirement in which final average compensation is the highest. Final average compensation included base salary and commissions, cash bonuses and stock bonuses that are granted to compensate for past services (such as Bonus RSUs, as described below).

Under the original plan, the benefit was reduced by 5% for each year prior to normal retirement date in which retirement occurs and, until age 70, increased by 5% (compounded in order to approximate the annuitized value of the benefit had retirement occurred at age 65) for each year after such date in which retirement occurs. With respect to such postponed retirement, the plan took into account covered compensation received until age 70, so that the retirement benefit of an executive who retired after normal retirement date was determined as the greater of the annuitized benefit or the benefit calculated using final average compensation until age 70.

To be eligible to receive benefits under the plan, a participant must be at least age 55, have been an employee of the Company or one of its subsidiaries for at least 10 years and covered by the plan for at least five years. The original pre-retirement death benefit consisted of 10 annual payments, each of which equal to 50% of final average compensation. Subject to applicable legal rules, the Board of Directors can, in its discretion, pay the participant or beneficiary in an actuarial equivalent lump sum or other form of benefit. Also under the original plan, in the event of a change-in-control (as defined in the plan) of the Company, a participant who retired after the change-in-control would receive the same benefits as if he were retiring upon the attainment of his normal retirement date.

The Executive Supplemental Benefit Plan was amended in September 2005 to provide that participants who thereafter engage in competition with the Company, either during their employment with or following their departure from the Company, forfeit their right to receive any vested benefits under the plan. Competition is defined to include involvement with a competing business, the misappropriation, sale, use or disclosure of the Company's trade secrets, confidential or proprietary information and solicitation of Company employees or customers.

To reduce the costs of the plan, the plan was further amended in October 2007. Among other changes, this amendment (i) reduced the normal retirement date to the latest of age 62, the date on which the participant completes 10 years of service and the date on which the participant was covered, in combination, by the plan or the Management Supplemental Benefit Plan for five years; (ii) changed the period over which final average compensation was determined to the five full calendar years preceding retirement; (iii) reduced the maximum benefit payable to a joint life and 50% survivor annuity benefit equal to 30% of final average compensation; (iv) eliminated any increased benefit for postponed retirement beyond the normal retirement date; and (v) provided for accelerated vesting only upon a change-in-control that is not approved by the Company's incumbent board of directors. The benefit is reduced by 5.952% for each year prior to age 62 in which retirement actually occurs. Participants who were vested as of the effective date of the amendment, November 1, 2007, are entitled to receive the higher of the benefit as calculated under the amended plan and the benefit to which the participant would have been entitled had he retired on October 31, 2007.

Finally, the plan was further amended effective January 1, 2011 to (i) close the plan to new participants; (ii) fix the period over which the final average compensation is calculated as the five-year period ending on December 31, 2010, irrespective of the participant's actual retirement date; (iii) cap the maximum annual benefit at \$500,000 for the Company's chief executive officer and at \$350,000 for all other participants; (iv) reduce the pre-retirement death benefit to 10 annual payments of 15% of final average compensation (which final average compensation is limited to the cap described above); and (v) provide 100% vesting in connection with a change in control and provide that, if within 36 months following the change in control, the participant's employment is terminated by the Company without cause or by the participant for good reason the participant will be entitled to benefits equal to the benefits provided by the plan (subject to reductions for early retirement) or, if the participant is not yet eligible for early retirement, subject to an actuarial reduction.

Nonqualified Deferred Compensation Plan

As reflected in the following table, certain of the named executive officers have elected to participate in the First American Financial Corporation Deferred Compensation Plan and for pre-separation periods, TFAC's Deferred Compensation Plan (collectively, the Deferred Compensation Plan):

Name	Executive Contributions in Last FY(1) (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY(2) (\$)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last FYE(3) (\$)
Parker S. Kennedy	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Dennis J. Gilmore	\$ 100,000	\$ 0	\$ 146,866	\$ 0	\$ 1,199,818
Kenneth D. DeGiorgio	\$ 0	\$ 0	\$ 18,689	\$ 0	\$ 152,480
Max O. Valdes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Mark E. Seaton	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

- (1) The entire amount of contributions is reported in the Summary Compensation Table in the Salary or Non-Equity Incentive Plan column for 2010.
- (2) Represents earnings or losses on participant-selected investment options. None of the amounts are reflected in the Summary Compensation Table as the return on deferred amounts are calculated in a similar manner and at a similar rate as earnings on externally managed mutual funds.
- (3) Includes amounts contributed since the plan's inception in 1998. Contributions made by the named executive officers since 2003 are as follows: Mr. Gilmore contributed \$100,000, \$150,000, \$150,000, \$150,000, \$150,000, \$50,000 and \$50,000 in 2009, 2008, 2007, 2006, 2005, 2004 and 2003, respectively; and Mr. DeGiorgio contributed \$70,000 and \$10,000 in 2004 and 2003, respectively.

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The Deferred Compensation Plan offers to a select group of management and highly compensated employees the opportunity to elect to defer portions of their base salary, commissions and cash bonuses. A

committee appointed by the Board of Directors is responsible for administering the plan. The plan is unfunded and unsecured. However, the Company informally funds the plan through variable universal life insurance and absorbs all insurance charges. The Company maintains a deferral account for each participating employee on a fully vested basis for all deferrals. Participants can choose to have their cash benefits paid in one lump sum or in quarterly payments upon termination of employment or death. Subject to the terms and conditions of the plan, participants also may elect scheduled and nonscheduled in-service withdrawals of compensation deferred prior to January 1, 2005, and the earnings and losses attributable thereto. Withdrawals of compensation deferred after December 31, 2004, and the earnings and losses attributable thereto, must be scheduled by the participant at the time the participant elects to defer such compensation.

Participants allocate their deferrals among a variety of investment crediting options offered under the plan. The investment crediting rates are based upon the rates of return available under certain separate accounts offered through variable insurance products.

For all participants who joined the Deferred Compensation Plan prior to December 31, 2001, the plan provides a pre-retirement death benefit equal to the lesser of 15 times the amount deferred in the participant's first year of participation or \$2 million. The death benefit is reduced beginning at age 61 by 20% per year. Participants who join the plan after December 31, 2001 are not eligible for this death benefit. The Company maintains term life insurance policies to fund this enhanced pre-retirement death benefit.

Potential Payments upon Termination or Change-in-Control

The following tables describe payments and other benefits that would be provided to the named executive officers under the specified circumstances upon a change-in-control of the Company or their termination on December 31, 2010. For further discussion, see Compensation Discussion and Analysis VII. Employment Agreements and Post-Termination Payments.

Parker S. Kennedy

Executive Payments and Benefits Upon Termination	Voluntary Termination(1)	Involuntary Termination		Change-in-Control			
		For Cause	Without Cause/ Good Reason	Without Termination	With Termination for Good Reason/ without Cause	Death	Disability
Amounts due to Triggering Event							
Severance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,564,584(2)	\$ 0	\$ 0
Bonus	\$ 0	\$ 0	\$ 0	\$ 0	\$ 432,292(3)	\$ 0	\$ 0
Accelerated Vesting of RSUs(4)	\$ 1,419,001	\$ 0	\$ 1,540,224	\$ 1,540,224	\$ 1,540,224	\$ 1,540,224	\$ 1,540,224
Benefit Continuation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,876(5)	\$ 0	\$ 0
Incremental Severance Sub-Total	\$ 1,419,001	\$ 0	\$ 1,540,224	\$ 1,540,224	\$ 3,747,976	\$ 1,540,224	\$ 1,540,224
Previously Earned/Vested Amounts							
Vested Stock Options(6)(7)	\$ 979,596	\$ 0	\$ 979,596	\$ 979,596	\$ 979,596	\$ 979,596	\$ 979,596
Vested 401(k) Savings Plan Balance	\$ 734,051	\$ 734,051	\$ 734,051	\$ 0	\$ 734,051	\$ 734,051	\$ 734,051
Vested Pension Plan	\$ 587,078	\$ 587,078	\$ 587,078	\$ 0	\$ 587,078	\$ 289,664(8)	\$ 587,078
Vested Pension Restoration Plan	\$ 201,876	\$ 201,876	\$ 201,876	\$ 0	\$ 201,876	\$ 99,606(8)	\$ 201,876
Vested Executive Supplemental Benefit Plan	\$ 4,636,277(9)	\$ 0	\$ 4,636,277(9)	\$ 0	\$ 4,636,277(9)	\$ 2,221,072(10)	\$ 4,636,277(9)
Accrued PTO	\$ 10,769	\$ 10,769	\$ 10,769	\$ 0	\$ 10,769	\$ 10,769	\$ 10,769
Total Walk-Away Value	\$ 8,568,648	\$ 1,533,773	\$ 8,689,871	\$ 2,519,821	\$ 10,896,923	\$ 5,874,982	\$ 8,689,871

- Voluntary termination would qualify as early retirement under the Executive Supplemental Benefit Plan. Under the plan, early retirement is defined as retirement at age 55 and satisfaction of the other vesting requirements. Under the Company's RSU grant agreements, voluntary termination would qualify as normal retirement.
- Represents two times the executive's base salary in effect immediately prior to the date of termination and two times the executive's target annual incentive bonus for the current fiscal year, or if there is no such target, the average annual discretionary incentive bonus earned by the executive during the last 3 completed fiscal years.
- Represents the pro rata portion of the executive's target annual bonus for the year of termination. Also assumes that, while any outstanding performance units would vest in the event of a change-in-control of the Company, the Compensation Committee would exercise its discretion to reduce any performance units awarded to the amount of the annual incentive bonus.
- The Company's 2010 Incentive Compensation Plan and related agreements provide for acceleration of unvested RSUs in the event of a change-in-control of the Company that is not approved by the Board of Directors, death or disability. In the event of involuntary

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termination without cause, absent a change-in-control, all unvested LTI RSUs granted in 2007 and all unvested Bonus RSUs vest one year after termination. In addition, unvested Bonus RSUs granted after 2007 vest one year after early retirement (age 55) and unvested Bonus RSUs granted during 2007 and unvested LTI RSUs granted after 2007 vest one year after normal retirement (age 62).

- (5) Represents cash payments to the executive to cover the cost of purchasing the benefits on an after-tax basis.

- (6) Represents the intrinsic value of stock options based on the Company's closing stock price on December 31, 2010, of \$14.94.
- (7) Options granted under the Company's 2010 Incentive Compensation Plan are exercisable within: 5 days of voluntary termination or termination without cause; 90 days of retirement; and one year of death or disability.
- (8) Represents the lump sum present value equal to one half of accrued benefit, converted to a qualified joint and survivor form and payable to female spouse three years younger than participant at the participant's current age.
- (9) Represents the present value of the benefit calculated using the following assumptions: 2011 Static Mortality Table for Non-annuitants per §1.430(h)(3)-1(e) and a discount rate of 5.3%.
- (10) Represents the present value of the survivor benefit of a single life annuity equal to 50% of the vested retirement benefit, calculated using the following assumptions: 2011 Static Mortality Table for Non-annuitants per §1.430(h)(3)-1(e) and a discount rate of 5.3%.

Dennis J. Gilmore

Executive Payments and Benefits Upon Termination	Involuntary Termination			Change-in-Control			
	Voluntary Termination	For Cause	Without Cause/ Good Reason	Without Termination	With Termination for Good Reason/ without Cause	Death	Disability
Amounts due to Triggering Event							
Severance	\$ 0	\$ 0	\$ 4,449,982(1)	\$ 0	\$ 5,358,334(2)	\$ 0	\$ 0
Bonus	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,929,167(3)	\$ 0	\$ 0
Accelerated Vesting of RSUs(4)	\$ 0	\$ 0	\$ 2,788,163	\$ 4,516,511	\$ 4,516,511	\$ 4,516,511	\$ 4,516,511
Benefit Continuation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 167,017(5)	\$ 0	\$ 0
Enhanced Executive Supplemental Benefit Plan(6)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,941,178(7)	\$ 2,819,912(8)	\$ 5,257,810(9)
Incremental Severance Sub-Total	\$ 0	\$ 0	\$ 7,288,145	\$ 4,516,511	\$ 16,916,208	\$ 7,336,423	\$ 9,774,321
Previously Earned/Vested Amounts							
Deferred Compensation Plan	\$ 1,199,818	\$ 1,119,818	\$ 1,199,818	\$ 0	\$ 1,199,818	\$ 1,199,818	\$ 1,199,818
Vested Stock Options(10)(11)	\$ 1,025,707	\$ 0	\$ 1,025,707	\$ 1,025,707	\$ 1,025,707	\$ 1,025,707	\$ 1,025,707
Vested 401(k) Savings Plan Balance	\$ 511,656	\$ 511,656	\$ 511,656	\$ 0	\$ 511,656	\$ 511,656	\$ 511,656
Vested Pension Plan	\$ 113,714	\$ 113,714	\$ 113,714	\$ 0	\$ 113,714	\$ 58,670(12)	\$ 113,714
Total Walk-Away Value	\$ 2,850,895	\$ 1,825,187	\$ 10,139,039	\$ 5,542,219	\$ 19,763,102	\$ 10,207,274	\$ 12,625,216

- (1) Represents two times the executive's base salary in effect immediately prior to the date of termination and two times the median of the executive's last three annual incentive bonuses.
- (2) Represents two times the executive's base salary in effect immediately prior to the date of termination and two times the executive's target annual incentive bonus for the current fiscal year, or if there is no such target, the average annual discretionary incentive bonus earned by the executive during the last 3 completed fiscal years.
- (3) Represents the pro rata portion of the executive's target annual bonus for the year of termination. Also assumes that, while any outstanding performance units would vest in the event of a change-in-control of the Company, the Compensation Committee would exercise its discretion to reduce any performance units awarded to the amount of the annual incentive bonus.
- (4) The Company's 2010 Incentive Compensation Plan and related agreements provide for acceleration of unvested RSUs in the event of a change-in-control of the Company that is not approved by the Board of Directors, death or disability. In the event of involuntary termination without cause, absent a change-in-control, all unvested LTI RSUs granted in 2007 and all unvested Bonus RSUs vest one year after termination. In addition, unvested Bonus RSUs granted after 2007 vest one year after early retirement (age 55) and unvested Bonus RSUs granted during 2007 and unvested LTI RSUs granted after 2007 vest one year after normal retirement (age 62).
- (5) Represents cash payments to the executive to cover the cost of purchasing the benefits on an after-tax basis.
- (6) Enhanced Executive Supplemental Benefit Plan refers to any payments which accrue to the executive, who is not yet vested, under the various scenarios for the Executive Supplemental Benefit Plan.

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- (7) If a qualifying termination occurs within 36 months after a change-in-control of the Company, the executive becomes 100% vested in the benefit in the amount the executive would have been entitled to receive had he

attained his early retirement date, with an actuarial reduction if the executive had not reached early retirement age. Represents the enhanced present value of the benefit calculated using the following assumptions: 2011 Static Mortality Table for Non-annuitants per §1.430(h)(3)-1(e) and a discount rate of 5.3%.

- (8) Represents the present value of 10 annual payments equal to 15% of the participant's final average compensation, calculated using a 5.3% discount rate.
- (9) Represents the present value of the benefit calculated using the following assumptions: 2011 Static Mortality Table for Non-annuitants per §1.430(h)(3)-1(e), a discount rate of 5.3% and participant remains disabled until earliest retirement date at age 55.
- (10) Represents the intrinsic value of stock options based on the Company's closing stock price on December 31, 2010, of \$14.94.
- (11) Options granted under the Company's 2010 Incentive Compensation Plan are exercisable within: 5 days of voluntary termination or termination without cause; 90 days of retirement; and one year of death or disability.
- (12) Represents the lump sum present value equal to one half of accrued benefit, converted to a qualified joint and survivor form and payable to female spouse three years younger than participant at the participant's current age.

Kenneth D. DeGiorgio

Executive Payments and Benefits Upon Termination	Involuntary Termination			Change-in-Control			
	Voluntary Termination	For Cause	Without Cause/ Good Reason	Without Termination	With Termination for Good Reason/ without Cause	Death	Disability
Amounts due to Triggering Event							
Severance	\$ 0	\$ 0	\$ 2,125,532(1)	\$ 0	\$ 2,475,000(2)	\$ 0	\$ 0
Bonus	\$ 0	\$ 0	\$ 0	\$ 0	\$ 737,500(3)	\$ 0	\$ 0
Accelerated Vesting of RSUs(4)	\$ 0	\$ 0	\$ 862,352	\$ 1,478,537	\$ 1,478,537	\$ 1,478,537	\$ 1,478,537
Benefit Continuation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 132,268(5)	\$ 0	\$ 0
Enhanced Executive Supplemental Benefit Plan(6)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 809,716(7)	\$ 1,050,265(8)	\$ 1,053,726(9)
Incremental Severance Sub-Total	\$ 0	\$ 0	\$ 2,987,884	\$ 1,478,537	\$ 5,633,022	\$ 2,528,802	\$ 2,532,263
Previously Earned/Vested Amounts							
Deferred Compensation Plan	\$ 152,480	\$ 152,480	\$ 152,480	\$ 0	\$ 152,480	\$ 152,480	\$ 152,480
Vested Stock Options(10)(11)	\$ 120,115	\$ 0	\$ 120,115	\$ 120,115	\$ 120,115	\$ 120,115	\$ 120,115
Vested 401(k) Savings Plan Balance	\$ 350,905	\$ 350,905	\$ 350,905	\$ 0	\$ 350,905	\$ 350,905	\$ 350,905
Vested Pension Plan	\$ 23,524	\$ 23,524	\$ 23,524	\$ 0	\$ 23,524	\$ 12,307(12)	\$ 23,524
Total Walk-Away Value	\$ 647,025	\$ 526,910	\$ 3,634,909	\$ 1,598,652	\$ 6,280,046	\$ 3,776,985	\$ 3,179,288

- (1) Represents two times the executive's base salary in effect immediately prior to the date of termination and two times the median of the executive's last three annual incentive bonuses.
- (2) Represents two times the executive's base salary in effect immediately prior to the date of termination and two times the executive's target annual incentive bonus for the current fiscal year, or if there is no such target, the average annual discretionary incentive bonus earned by the executive during the last 3 completed fiscal years.
- (3) Represents the pro rata portion of the executive's target annual bonus for the year of termination. Also assumes that, while any outstanding performance units would vest in the event of a change-in-control of the Company, the Compensation Committee would exercise its discretion to reduce any performance units awarded to the amount of the annual incentive bonus.
- (4) The Company's 2010 Incentive Compensation Plan and related agreements provide for acceleration of unvested RSUs in the event of a change-in-control of the Company that is not approved by the Board of Directors, death or disability. In the event of involuntary termination without cause, absent a change-in-control, all unvested LTI RSUs granted in 2007 and all unvested Bonus RSUs vest one year after termination. In addition, unvested Bonus RSUs granted after 2007 vest one year after early retirement (age 55) and unvested Bonus RSUs granted during 2007 and unvested LTI RSUs granted after 2007 vest one year after normal retirement (age 62).
- (5) Represents cash payments to the executive to cover the cost of purchasing the benefits on an after-tax basis.
- (6) Enhanced Executive Supplemental Benefit Plan refers to any payments which accrue to the executive, who is not yet vested, under the various scenarios for the Executive Supplemental Benefit Plan.

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- (7) If a qualifying termination occurs within 36 months after a change-in-control of the Company, the executive becomes 100% vested in the benefit in the amount the executive would have been entitled to receive had he attained his early retirement date, with an actuarial reduction if the executive had not reached early retirement age. Represents the enhanced present value of the benefit calculated using the following assumptions: 2011 Static Mortality Table for Non-annuitants per §1.430(h)(3)-1(e) and a discount rate of 5.3%.

- (8) Represents the present value of 10 annual payments equal to 15% of the participant's final average compensation, calculated using a 5.3% discount rate.
- (9) Represents the present value of the benefit calculated using the following assumptions: 2011 Static Mortality Table for Non-annuitants per §1.430(h)(3)-1(e), a discount rate of 5.3% and participant remains disabled until earliest retirement date at age 55.
- (10) Represents the intrinsic value of stock options based on the Company's closing stock price on December 31, 2010, of \$14.94.
- (11) Options granted under the Company's 2010 Incentive Compensation Plan are exercisable within: 5 days of voluntary termination or termination without cause; 90 days of retirement; and one year of death or disability.
- (12) Represents the lump sum present value equal to one half of accrued benefit, converted to a qualified joint and survivor form and payable to female spouse three years younger than participant at the participant's current age.

Max O. Valdes

Executive Payments and Benefits Upon Termination	Voluntary Termination(1)	Involuntary Termination		Change-in-Control		Death	Disability
		For Cause	Without Cause/ Good Reason	Without Termination	With Termination for Good Reason/ without Cause		
Amounts due to Triggering Event							
Severance	\$ 0	\$ 0	\$ 1,791,636(2)	\$ 0	\$ 1,933,334(3)	\$ 0	\$ 0
Bonus	\$ 0	\$ 0	\$ 0	\$ 0	\$ 516,667(4)	\$ 0	\$ 0
Accelerated Vesting of RSUs(5)	\$ 444,360	\$ 0	\$ 562,237	\$ 1,029,471	\$ 1,029,471	\$ 1,029,471	\$ 1,029,471
Benefit Continuation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 214,134(6)	\$ 0	\$ 0
Incremental Severance Sub-Total	\$ 444,360	\$ 0	\$ 2,353,873	\$ 1,029,471	\$ 3,693,606	\$ 1,029,471	\$ 1,029,471
Previously Earned/Vested Amounts							
Vested 401(k) Savings Plan Balance	\$ 609,927	\$ 609,927	\$ 609,927	\$ 0	\$ 609,927	\$ 609,927	\$ 609,927
Vested Pension Plan	\$ 217,073	\$ 217,073	\$ 217,073	\$ 0	\$ 217,073	\$ 106,396(7)	\$ 217,073
Vested Pension Restoration Plan	\$ 34,765	\$ 34,765	\$ 34,765	\$ 0	\$ 34,765	\$ 17,040(7)	\$ 34,765
Vested Executive Supplemental Benefit Plan	\$ 2,059,746	\$ 0	\$ 2,059,746	\$ 0	\$ 2,059,746	\$ 994,484(8)	\$ 2,059,746
Total Walk-Away Value	\$ 3,365,872	\$ 861,765	\$ 5,275,384	\$ 1,029,471	\$ 6,615,117	\$ 2,757,318	\$ 3,950,982

- (1) Voluntary termination would qualify as early retirement under the Executive Supplemental Benefit Plan. Under the plan, early retirement is defined as retirement at age 55 and satisfaction of the other vesting requirements. Under the Company's RSU grant agreements, voluntary termination would qualify as early retirement.
- (2) Represents two times the executive's base salary in effect immediately prior to the date of termination and two times the median of the executive's last three annual incentive bonuses.
- (3) Represents two times the executive's base salary in effect immediately prior to the date of termination and two times the executive's target annual incentive bonus for the current fiscal year, or if there is no such target, the average annual discretionary incentive bonus earned by the executive during the last 3 completed fiscal years.
- (4) Represents the pro rata portion of the executive's target annual bonus for the year of termination. Also assumes that, while any outstanding performance units would vest in the event of a change-in-control of the Company, the Compensation Committee would exercise its discretion to reduce any performance units awarded to the amount of the annual incentive bonus.
- (5) The Company's 2010 Incentive Compensation Plan and related agreements provide for acceleration of unvested RSUs in the event of a change-in-control of the Company that is not approved by the Board of Directors, death or disability. In the event of involuntary termination without cause, absent a change-in-control, all unvested LTI RSUs granted in 2007 and all unvested Bonus RSUs vest one year after termination. In addition, unvested Bonus RSUs granted after 2007 vest one year after early retirement (age 55) and unvested Bonus RSUs granted during 2007 and unvested LTI RSUs granted after 2007 vest one year after normal retirement (age 62).
- (6) Represents cash payments to the executive to cover the cost of purchasing the benefits on an after-tax basis.

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- (7) Represents the lump sum present value equal to one half of accrued benefit, converted to a qualified joint and survivor form and payable to female spouse three years younger than participant at the participant's current age.
- (8) Represents the present value of the survivor benefit of a single life annuity equal to 50% of the vested retirement benefit, calculated using the following assumptions: 2011 Static Mortality Table for Non-annuitants per §1.430(h)(3)-1(e) and a discount rate of 5.3%.

Mark E. Seaton

Executive Payments and Benefits Upon Termination	Involuntary Termination			Change-in-Control		Death	Disability
	Voluntary Termination	For Cause	Without Cause/ Good Reason	Without Termination	With Termination for Good Reason/ without Cause		
Amounts due to Triggering Event							
Severance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 855,000(1)	\$ 0	\$ 0
Bonus	\$ 0	\$ 0	\$ 0	\$ 0	\$ 142,500(2)	\$ 0	\$ 0
Accelerated Vesting of RSUs(3)	\$ 0	\$ 0	\$ 34,108	\$ 38,515	\$ 38,515	\$ 38,515	\$ 38,515
Benefit Continuation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 107,194(4)	\$ 0	\$ 0
Incremental Severance Sub-Total	\$ 0	\$ 0	\$ 34,108	\$ 38,515	\$ 3,747,976	\$ 38,515	\$ 38,515
Previously Earned/Vested Amounts							
Vested 401(k) Savings Plan Balance	\$ 84,763	\$ 84,763	\$ 84,763	\$ 0	\$ 84,763	\$ 84,763	\$ 84,763
Total Walk-Away Value	\$ 84,763	\$ 84,763	\$ 118,871	\$ 38,515	\$ 1,227,972	\$ 123,279	\$ 123,279

- (1) Represents two times the executive's base salary in effect immediately prior to the date of termination and two times the executive's target annual incentive bonus for the current fiscal year, or if there is no such target, the average annual discretionary incentive bonus earned by the executive during the last 3 completed fiscal years.
- (2) Represents the pro rata portion of the executive's target annual bonus for the year of termination.
- (3) The Company's 2010 Incentive Compensation Plan and related agreements provide for acceleration of unvested RSUs in the event of a change-in-control of the Company that is not approved by the Board of Directors, death or disability. In the event of involuntary termination without cause, absent a change-in-control, all unvested LTI RSUs granted in 2007 and all unvested Bonus RSUs vest one year after termination. In addition, unvested Bonus RSUs granted after 2007 vest one year after early retirement (age 55) and unvested Bonus RSUs granted during 2007 and unvested LTI RSUs granted after 2007 vest one year after normal retirement (age 62).
- (4) Represents cash payments to the executive to cover the cost of purchasing the benefits on an after-tax basis.

2010 Director Compensation

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (1)(\$)	All Other Compensation (\$)	Total (\$)
Hon. George L. Argyros	66,600	55,392	0	121,992
Bruce S. Bennett	76,600	55,392	0	131,992
Glenn C. Christenson(2)	111,258	55,392	0	166,650
Hon. William G. Davis	108,600	55,392	65,996(3)	229,988
James L. Doti	77,394	55,392	0	132,787
Lewis W. Douglas, Jr.	113,600	55,392	0	168,992
Frank E. O Bryan	70,600	55,392	15,600(4)	141,592
Herbert B. Tasker	84,600	55,392	0	139,992
Virginia M. Ueberroth	70,600	55,392	0	125,992

- (1) The amounts shown are the grant date fair value of stock awards granted in the year indicated as computed in accordance with accounting guidance.
- (2) Mr. Christenson resigned from the Board of Directors on April 6, 2011.
- (3) Mr. Davis received 66,000 Canadian dollars for service on the board of directors of FCT Insurance Company Ltd., a Canadian subsidiary of the Company (converted using the Interbank rate as of December 31, 2010, of 0.99994 Canadian dollars to 1 US dollar).
- (4) Mr. O Bryan received \$15,600 for serving on the board of directors of First American Trust F.S.B., a wholly-owned subsidiary of the Company.

The aggregate numbers of stock options and RSUs of the Company held by each non-employee director as of December 31, 2010 were as follows:

Name	Stock Options (#)	Restricted Stock Units (#)
Hon. George L. Argyros	11,645	9,579
Bruce S. Bennett	0	9,579
Glenn C. Christenson	0	9,579
Hon. William G. Davis	11,645	9,579
James L. Doti	11,645	9,579
Lewis W. Douglas, Jr.	11,645	9,579
Frank E. O Bryan	11,645	9,579
Herbert B. Tasker	11,645	9,579
Virginia M. Ueberroth	11,645	9,579

The table above reflects the aggregate compensation received during 2010 from the Company and its prior parent, The First American Corporation. For 2010 the compensation of non-employee directors consisted of several components. The annual cash retainer for 2010 for each non-employee director was maintained at \$48,600 (the amount paid in 2009). The grant value of the annual 2010 RSU grant was maintained at \$55,400 (the amount granted in 2009). The fee paid for attending each Board of Directors and committee meeting was \$2,000. The annual compensation of the chairs of the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee was \$25,000, \$15,000, and \$10,000, respectively. The lead independent director of the Company received \$15,000. Directors may also receive

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additional compensation for serving on the board of directors of certain of the Company's subsidiaries (payments are described in footnotes 2 and 3 to the table above).

On March 3, 2010 the Company granted to each non-management director \$55,392 worth of RSUs, which vest over three years, subject to accelerated vesting at retirement irrespective of length of service prior to such retirement.

The Board of Directors has established a stock ownership guideline for non-employee directors whereby such directors are expected to own at least five times their cash annual retainer in Company common stock. RSUs issued to directors are included for purposes of meeting the guideline. Directors have five years to satisfy the guideline, measured from the later of the date the guideline was adopted (February 28, 2007) or commencement of their service.

Code of Ethics

The Board of Directors has adopted a code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. A copy of this code of ethics is posted in the corporate governance section of the Company's Web site at www.firstam.com. To the extent the Company waives or amends any provisions of this code of ethics, it will disclose such waivers or amendments on the above Web site. The Board also has adopted a broader code of ethics and conduct, applying to all employees, officers and directors, which also has been posted to the Web site at the address stated above. Each of these codes is available in print to any stockholder who requests it. Such request should be sent to the Company's secretary at 1 First American Way, Santa Ana, California 92707.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines which have been posted in the corporate governance section of the Web site at www.firstam.com and are available in print to any stockholder who requests them. Such request should be sent to the secretary at our address indicated on the first page of this proxy statement. In addition to stating the standards that the Board applies in determining whether or not its members are independent, these guidelines state the qualifications and responsibilities of our directors and describe fundamental aspects of our Board and certain of its committees.

Compensation Committee Interlocks and Insider Participation

During 2010 after our separation from The First American Corporation, the Compensation Committee of the Board consisted of Messrs. Davis, Douglas and Tasker and Glenn C. Christenson, who resigned from the Board on April 6, 2011. Each member was and each current member is a non-employee director and there were and are no compensation committee interlocks involving any of the members of the Compensation Committee.

Report of the Audit Committee

The Audit Committee of the Board of Directors reviews the Company's accounting policies and financial reporting and disclosure practices, system of internal controls, audit process and the process for monitoring compliance with laws, regulations and corporate policies. The Board adopted a revised written charter for the Audit Committee on March 15, 2011. The Audit Committee has reviewed the Company's audited consolidated financial statements and discussed them with management.

The Audit Committee has discussed with PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, the matters required to be discussed by Statement of Auditing Standards No. 61 (Communication with Audit Committees), as amended.

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The Audit Committee has received the written disclosures and the letter from PricewaterhouseCoopers required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers its independence.

Based on the review and discussions noted above, the Audit Committee, as then constituted, recommended to the Board that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and be filed with the U.S. Securities and Exchange Commission.

Audit Committee

Glenn C. Christenson, Chairman

Bruce S. Bennett

James L. Doti

Frank O. Bryan

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth details regarding equity securities of the Company that were authorized for issuance under equity compensation plans of the Company as of December 31, 2010.

Plan Category	Equity Compensation Plan Information		
	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 ⁽²⁾ (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
	(in thousands, except weighted-average exercise price)		
Equity compensation plans approved by security holders	6,819 ⁽¹⁾	\$ 14.67	8,735 ⁽³⁾
Equity compensation not approved by security holders		\$	
	<u>6,819</u>	<u>\$ 14.67</u>	<u>8,735</u>

(1) Consists of unexercised outstanding stock options and unvested restricted stock units under the First American Financial Corporation 2010 Incentive Compensation Plan. See Note 16 to the Company's consolidated financial statements in the Annual Report on Form 10-K for the year ended December 31, 2010 for additional information.

(2) Calculated solely with respect to outstanding unexercised stock options.

(3) Consists of the sum of the shares remaining under the First American Financial Corporation 2010 Incentive Compensation Plan and the shares remaining under the Company's Employee Stock Purchase Plan.

Section 16(a) Beneficial Ownership Reporting Compliance

Rules adopted by the SEC require our officers and directors, and persons who own more than ten percent of our issued and outstanding common stock, to file reports of their ownership, and changes in ownership, of our shares with the SEC on prescribed forms. Officers, directors and greater-than-ten-percent stockholders are required by the SEC's rules to furnish us with copies of all such forms they file with the SEC.

Based solely on the review of the copies of the forms received by us, or written representations from reporting persons that they were not required to file a Form 5 to report previously unreported ownership or changes in ownership, we believe that, since the June 1, 2010 separation from The First American Corporation, our officers, directors and greater-than-ten-percent beneficial owners complied with all such filing requirements except that Mark E. Seaton's Form 4 filed March 8, 2011 was one day late.

Relationship with Independent Registered Public Accounting Firm

PwC has been selected by our Audit Committee as the independent registered public accounting firm to audit our consolidated financial statements for the year ending December 31, 2011. This firm has served as our independent accountants since our June 1, 2010 separation from The First American Corporation.

A representative of PwC is expected to be present at the meeting. The representative will have the opportunity to make any desired statement and to answer any appropriate questions by the stockholders.

Principal Accounting Fees and Services

The aggregate fees billed during 2010 for professional services rendered by the Company's principal independent registered public accounting firm since our June 1, 2010 separation from The First American Corporation in the four categories of service set forth in the table below are as follows:

<u>Aggregate fees billed in year</u>	<u>Since June 1, 2010</u>
Audit Fees	\$ 4,593,146
Audit-Related Fees(1)	115,845
Tax Fees(2)	312,446
All Other Fees(3)	37,480

- (1) These fees were incurred primarily for employee benefit plan audits, procedures performed for SAS 70 reports, information technology related services and consultations concerning financial accounting and reporting standards.
- (2) These fees were incurred for tax advice, compliance and planning.
- (3) These fees were incurred primarily for services related to software licensing, human resources benchmarking services and regulatory capital requirement advice.

Policy on Audit Committee Pre-approval of Audit and Permissible Nonaudit Services of Independent Auditor

The Audit Committee's policy is to pre-approve all engagements of the Company's independent principal registered public accounting firm for audit and nonaudit services. Those engagements for which payment by the Company would exceed \$25,000 for nonaudit services or \$50,000 for audit services must be pre-approved by the Audit Committee or a designated member of that committee on an individual basis. The Audit Committee or its designee has pre-approved all engagements included in the audit-related, tax and other categories in the table above.

Stockholder Proposals

In order for a proposal by you or your fellow stockholders to be included in the proxy statement and form of proxy solicited by our Board for our next annual meeting of stockholders, the proposal must be received no later than December 15, 2011.

If you or your fellow stockholders wish to submit a proposal for consideration at next year's annual meeting without including the same in the proxy statement and form of proxy solicited by our Board, you should inform our secretary no later than February 28, 2012, of your intention to do so. If you wait longer, the holders of the proxies solicited by our Board may vote on your proposal at their discretion. Proposals also must be submitted in accordance with the applicable provisions of the Company's bylaws, including the notice provisions.

These deadlines assume that the date of our next annual meeting will not be advanced or delayed by more than 30 calendar days from the one year anniversary of the date of the current annual meeting. If such an event occurs, we will provide you with notice in our earliest possible

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quarterly report on Form 10-Q or on Form 8-K of the respective dates by which such proposals must be received.

Appraisal Rights

You are not entitled to appraisal rights in connection with the approval of the proposals to be voted upon at the meeting.

General Information

We will, upon the written request of any stockholder on the record date for the annual meeting, furnish without charge a copy of our annual report on Form 10-K filed with the SEC for the year 2010 and will furnish, at a charge of \$10, a copy of the exhibits thereto. Such request should contain a representation that the person requesting this material was a beneficial owner of our shares on the record date. Such request should be sent to the secretary at our address indicated on the first page of this proxy statement.

The Board is not aware of any matters to come before the meeting other than those set forth on the notice accompanying this proxy statement. If any other matters come before the meeting, the holders of the proxies will vote thereon in their discretion.

By Order of the Board of Directors

Kenneth D. DeGiorgio

Executive Vice President and Secretary

Santa Ana, California

April 11, 2011

ANNUAL MEETING OF STOCKHOLDERS

Tuesday, May 17, 2011

2:00 p.m. Pacific Time

At the home office of

First American Financial Corporation

1 First American Way, Santa Ana, California 92707

Your Vote Is Important to the Company!

**First American Financial Corporation
1 First American Way
Santa Ana, California 92707**

proxy

This proxy is solicited by the Board of Directors for use at the Annual Meeting on May 17, 2011.

The undersigned stockholder of First American Financial Corporation hereby revokes all previously granted proxies and appoints Dennis J. Gilmore and Kenneth D. DeGiorgio, and each of them, with power to each of substitution, to attend the annual meeting of the stockholders of said corporation to be held May 17, 2011, at 2:00 p.m. Pacific Time at the home office of First American Financial Corporation, 1 First American Way, Santa Ana, California, and any adjournments or postponements thereof; and to vote the shares of the undersigned at such meeting as indicated on the reverse side hereof, with all powers that the undersigned would have if acting in person; and with discretionary authority to act on such other matters as may properly come before said meeting or any adjournments or postponements thereof.

THE SHARES REPRESENTED HEREBY SHALL BE VOTED SPECIFICALLY ON THE PROPOSALS LISTED ON THE REVERSE SIDE HEREOF AS THERE SPECIFIED. WHERE NO SPECIFICATION IS MADE, SAID SHARES SHALL BE VOTED FOR ITEMS 1, 2 AND 4 AND ONE YEAR FOR ITEM 3.

See reverse for voting instructions.

111513

Shareowner ServicesSM

P.O. Box 64945
St. Paul, MN 55164-0945

COMPANY #

Vote by Internet, Telephone or Mail

24 Hours a Day, 7 Days a Week

Your phone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

INTERNET www.eproxy.com/faf

Use the Internet to vote your proxy until 12:00 p.m. (CT) on May 16, 2011.

PHONE 1-800-560-1965

Use a touch-tone telephone to vote your proxy until 12:00 p.m. (CT) on May 16, 2011.

MAIL Mark, sign and date your proxy card and return it in the postage-paid envelope provided.

If you vote your proxy by Internet or by Telephone, you do NOT need to mail back your Proxy Card.

TO VOTE BY MAIL AS THE BOARD OF DIRECTORS RECOMMENDS ON ALL ITEMS BELOW,

SIMPLY SIGN, DATE, AND RETURN THIS PROXY CARD.

ò Please detach here ò

The Board of Directors Recommends a Vote FOR Items 1, 2, and 4 and recommends ONE YEAR for Item 3.

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1. Election of	01 James L. Doti	03 Thomas V. McKernan	Vote FOR all nominees	Vote WITHHELD from all nominees
Class I directors:	02 Michael D. McKee	04 Virginia M. Ueberroth	(except as marked)	

(Instructions: To withhold authority to vote for any indicated nominee, write the number(s) of the nominee(s) in the box provided to the right.)

- | | | | | |
|---|--------|---------|---------|---------|
| 2. Advisory Vote on Executive Compensation. | For | Against | Abstain | |
| 3. Advisory Vote on the Frequency of the Executive Compensation Vote. | 1 year | 2 years | 3 years | Abstain |
| 4. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011. | For | Against | Abstain | |

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR

ITEMS 1, 2 AND 4 AND ONE YEAR FOR ITEM 3.

Address Change? Mark box, sign, and indicate changes below:

Date

Signature(s) in Box

Please sign exactly as your name(s) appears on Proxy. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the Proxy.