

FIDELITY NATIONAL FINANCIAL INC /DE/

Form S-4

February 10, 2003

As filed with the Securities and Exchange Commission on February 10, 2003

Registration No.

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

FIDELITY NATIONAL FINANCIAL, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE
*(State or other jurisdiction of
incorporation or organization)*

6361
*(Primary Standard Industrial
Classification Code Number)*

86-0498599
*(I.R.S. Employer
Identification No.)*

**17911 VON KARMAN AVENUE, SUITE 300
IRVINE, CALIFORNIA 92614
(949) 622-4333**

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

**Peter T. Sadowski, Esq.
Executive Vice President and General Counsel
Fidelity National Financial, Inc.
17911 Von Karman Avenue, Suite 300
Irvine, CA 92614
(949) 622-4333**

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

**With copies to:
C. Craig Carlson, Esq.
Stradling Yocca Carlson & Rauth
660 Newport Center Drive
Suite 1600
Newport Beach, California 92660
(949) 725-4000**

Approximate Date Of Commencement Of Proposed Sale To The Public: As soon as practicable after this Registration Statement is declared effective and all other conditions to the merger (the Merger) of ANFI, Inc. (ANFI) with and into a wholly-owned subsidiary of Fidelity National Financial, Inc. (the Registrant or FNF) pursuant to the Agreement and Plan of Merger described in the enclosed proxy statement/prospectus have been satisfied or waived.

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

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

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share(2)	Proposed maximum aggregate offering price(2)	Amount of registration fee(3)
Common Stock, \$0.0001 par value	4,495,417	N/A	\$137,734,010.18	\$12,671.53

- (1) This Registration Statement relates to the common stock, par value \$0.0001 per share, of the Registrant (the "FNF Common Stock") estimated to be issuable to holders of common stock, no par value per share, of ANFI (the "ANFI Common Stock") in connection with the Merger. The number of shares to be registered pursuant to this Registration Statement is based on the maximum number of shares of FNF Common Stock estimated to be issuable to shareholders of ANFI upon consummation of the Merger, determined as the product of (a) 0.454, the exchange ratio at which the Registrant would issue shares of FNF Common Stock for shares of ANFI Common Stock, and (b) 9,901,798, which represents the 7,242,228 shares of ANFI Common Stock which were issued and outstanding as of February 3, 2003 (less the 2,653,173 shares of ANFI Common Stock beneficially owned by FNF and to be cancelled in the Merger), plus the 2,659,570 options and warrants to purchase shares of ANFI Common Stock which were issued and outstanding as of February 3, 2003, the date by which the merger agreement requires the Merger to be consummated.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933, as amended, based on the product of (i) \$13.91 per share, the average of the high and low prices of ANFI Common Stock, as reported on the Nasdaq National Market on February 7, 2003 and (ii) 9,901,798, which represents the 7,242,228 shares of ANFI Common Stock which were issued and outstanding as of February 3, 2003 (less the 2,653,173 shares of ANFI Common Stock beneficially owned by FNF and to be cancelled in the Merger), plus the 2,659,570 options and warrants to purchase shares of ANFI Common Stock which were issued and outstanding as of February 3, 2003.
- (3) In accordance with Rule 457, 0.0092% of the proposed maximum aggregate offering price.

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

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

SUBJECT TO COMPLETION, DATED FEBRUARY 10, 2003

**PROSPECTUS OF
FIDELITY NATIONAL FINANCIAL, INC.**

**PROXY STATEMENT OF
ANFI, INC.**

MERGER PROPOSAL

YOUR VOTE IS VERY IMPORTANT

To the Shareholders of ANFI, Inc.:

The Board of Directors of ANFI, Inc., formerly American National Financial, Inc., (ANFI) by unanimous vote of its disinterested directors has approved an agreement and plan of merger with Fidelity National Financial, Inc. (FNF) whereby FNF will acquire ANFI through a merger of ANFI into a wholly-owned subsidiary of FNF (the Merger). In order to complete the Merger, ANFI must obtain the approval of its shareholders. ANFI believes that this Merger will benefit its shareholders and asks for your support in voting for the Merger proposal at ANFI 's special meeting.

Under the terms of the Agreement and Plan of Merger, dated as of January 9, 2003 (the Merger Agreement), ANFI will merge into a wholly-owned subsidiary of FNF, with such wholly-owned subsidiary of FNF emerging as the surviving corporation. In the Merger, each share of ANFI common stock outstanding immediately prior to the effective time of the Merger will be converted into 0.454 shares of FNF common stock. In addition, subject to certain limitations applicable to the senior executives of ANFI, outstanding ANFI stock options will be assumed by FNF. FNF shares are traded on the New York Stock Exchange under the symbol FNF. ANFI shares are traded on the Nasdaq National Market under the symbol ANFI. On February 4, 2003, the closing price of FNF common stock was \$33.66 per share. On February 4, 2003, the closing price of ANFI common stock was \$15.16 per share. We encourage you to obtain more recent quotations.

After careful consideration, the ANFI Board of Directors has determined that the Merger and the transactions associated with it are fair to and in the best interests of ANFI and its shareholders and has approved the Merger Agreement. The ANFI Board of Directors recommends that you vote FOR the approval of the Merger and the adoption of the Merger Agreement.

Before the Merger can be consummated, shareholders holding a majority of the outstanding shares of ANFI common stock must approve and adopt the Merger Agreement and the Merger. Shareholders of ANFI who beneficially own an aggregate of approximately 36.3% of the outstanding shares of ANFI common stock have entered into a Voting Agreement with FNF to vote all of their outstanding ANFI common stock in favor of the Merger Agreement and the Merger. After adding the shares of ANFI common stock subject to the Voting Agreement to the shares of ANFI common stock held by FNF and by William P. Foley, II, a director of ANFI and the Chairman of the Board of Directors and Chief Executive Officer of FNF, it is expected that at least approximately 64.1% of the outstanding shares of ANFI common stock as of December 31, 2002, will vote in favor of the Merger Agreement and Merger, assuring ANFI shareholder approval.

ANFI will hold a special meeting of its shareholders on _____, 2003, at _____ California time, at the Irvine Marriott Hotel, 18000 Von Karman Avenue, Irvine, California 92612, to consider and vote on the Merger Agreement and the Merger. ANFI 's Board of Directors has fixed the close of business on _____, 2003 as the record date for the determination of ANFI shareholders entitled to notice of, and to vote at, the ANFI special meeting.

This document is a prospectus of FNF relating to the issuance of shares of FNF common stock in connection with the Merger and a proxy statement for ANFI to use in soliciting proxies for its special meeting.

We strongly urge you to read and consider carefully this proxy statement/prospectus in its entirety, including the matters discussed under the section entitled Risk Factors beginning on page 23.

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Your vote is important. Whether or not you plan to attend the ANFI special meeting in person, please take the time to vote your shares. You may vote your shares by completing, signing and dating the enclosed proxy card and promptly returning it in the accompanying prepaid envelope.

Michael C. Lowther

Chairman of the Board and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulator has approved the FNF common stock to be issued in the Merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated _____, 2003 and is first being mailed to shareholders on or about _____, 2003.

ANFI, INC.

**1111 E. Katella Avenue, Suite 220
Orange, California 92867**

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held On _____, 2003

To the Shareholders of ANFI, Inc.:

We will hold a special meeting of shareholders of ANFI, Inc. at _____, local time, on _____, 2003 at The Irvine Marriott Hotel, 18000 Von Karman Avenue, Irvine, California 92612, for the following purposes:

1. To consider and vote on a proposal to approve the Agreement and Plan of Merger dated as of January 9, 2003, by and among Fidelity National Financial, Inc., a Delaware corporation (FNF), ANFI Merger Sub, Inc., a California corporation and a wholly-owned subsidiary of FNF (Merger Sub), and ANFI, Inc., a California corporation (ANFI), a copy of which is attached as Appendix A to the accompanying proxy statement/prospectus (the Merger Agreement).

2. To transact such other business as may properly come before the special meeting or any adjournment or postponement.

Only shareholders of record of ANFI common stock at the close of business on _____, 2003 are entitled to notice of, and will be entitled to vote at, the special meeting or any adjournment or postponement thereof. Approval of the Merger Agreement will require the affirmative vote of the holders of ANFI common stock representing a majority of the outstanding shares of ANFI common stock entitled to vote at the special meeting.

YOUR VOTE IS IMPORTANT. TO ASSURE THAT YOUR SHARES ARE REPRESENTED AT THE SPECIAL MEETING, YOU ARE URGED TO COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND MAIL IT PROMPTLY IN THE POSTAGE-PAID ENVELOPE PROVIDED, WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON. YOU MAY REVOKE YOUR PROXY IN THE MANNER DESCRIBED IN THE ACCOMPANYING PROXY STATEMENT/ PROSPECTUS AT ANY TIME BEFORE IT HAS BEEN VOTED AT THE SPECIAL MEETING. IF YOU ATTEND THE SPECIAL MEETING YOU MAY VOTE IN PERSON EVEN IF YOU RETURNED A PROXY.

BY ORDER OF THE BOARD OF DIRECTORS

Fernando Velez, Jr.,
Corporate Secretary

_____, 2003

Orange, California

PLEASE DO NOT SEND YOUR STOCK CERTIFICATES AT THIS TIME. IF THE MERGER IS COMPLETED, YOU WILL BE SENT INSTRUCTIONS REGARDING THE SURRENDER OF YOUR STOCK CERTIFICATES.

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Difficulties associated with integrating FNF and ANFI could affect the combined company's ability to realize cost savings.

Insurance regulators may not approve FNF's plans to convert ANFI's title and escrow operations to Ticor operations.

The price of FNF's common stock may fluctuate rapidly and prevent stockholders from selling their stock at a profit.

The sale of a substantial amount of FNF common stock after the Merger could adversely affect the market price of FNF common stock.

Risks Related to FNF

FNF's revenues may decline during periods when the demand for FNF's products and services decreases.

As a holding company, FNF depends on distributions from its subsidiaries, and if distributions from its subsidiaries are materially impaired, FNF's ability to declare and pay dividends may be adversely affected.

FNF's entering into new business lines subjects it to associated risks, such as the diversion of management attention, difficulty integrating operations and lack of experience in operating such businesses.

Difficulties FNF may encounter managing its growth could adversely affect its results of operations.

FNF faces competition in its industry from traditional title insurers and from new entrants with alternative products.

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APPENDIX A	Agreement and Plan of Merger, dated as of January 9, 2003, by and among Fidelity National Financial, Inc., ANFI, Inc. and ANFI Merger Sub, Inc.
APPENDIX B	Voting Agreement, dated as of January 9, 2003, by and among Fidelity National Financial, Inc. and the holders party thereto and Waiver Agreement dated January 14, 2003 relating thereto
APPENDIX C	Opinion of Houlihan, Lokey, Howard & Zukin Financial Advisors, Inc. to the Special Committee dated January 9, 2003
APPENDIX D	ANFI 10-K for year ended December 31, 2001 (restated)
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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: Why are the two companies proposing to merge?

A: FNF expects that the Merger will result in synergies for FNF's and ANFI's combined operations, furthering its ability to develop and expand its and ANFI's operations. The Merger will combine FNF's and ANFI's complementary strengths and provide significant benefits to FNF's stockholders and customers. ANFI believes that the merger consideration will provide a significant premium and increased liquidity to the ANFI shareholders.

Q: What am I being asked to vote on?

A: ANFI shareholders are being asked to approve the proposed Merger of FNF and ANFI.

Q: What do I need to do now?

A: After you have carefully read this proxy statement/prospectus, indicate on your proxy how you want to vote, and sign and mail it in the enclosed prepaid return envelope as soon as possible so that your shares may be represented and voted at the ANFI special meeting. If you send the proxy without indicating how you want to vote, we will count your proxy as a vote in favor of the Merger. The Board of Directors of ANFI recommends voting for the Merger.

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

A: Your broker will vote your shares only if you provide instructions on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without instructions, your shares will not be voted on the proposed Merger, which will have the same effect as voting against the proposed Merger.

Q: Can I change my vote after I have mailed my signed proxy card?

A: Yes. There are several ways in which you may revoke your proxy and change your vote. First, you may send a written notice to the party to whom you submitted your proxy stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy. Third, you may attend the ANFI special meeting and vote in person. Simply attending the special meeting, however, will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

Q: Should I send in my stock certificates now?

A: No. We will send ANFI shareholders separate written instructions for exchanging their share certificates promptly after the effective time of the Merger. FNF stockholders will keep their existing share certificates.

Q: What will happen to my future dividends?

A: The Merger Agreement prohibits ANFI from paying dividends through the closing of the Merger. However, FNF has agreed to permit ANFI to declare and pay a cash dividend during the first quarter not to exceed \$0.125 per share, subject to reaching an agreement on the timing of the dividend. Following the Merger, the ANFI shareholders will become FNF stockholders, and dividends will be paid on the FNF shares held by the former ANFI shareholders only as determined by the Board of Directors of FNF. On January 22, 2002, FNF's Board of Directors declared a cash dividend of \$0.09 per share (as adjusted to reflect the ten percent stock dividend on May 23, 2002) payable on April 26, 2002, to stockholders of record as of April 12, 2002. On April 24, 2002, FNF's Board of Directors declared a cash dividend of \$0.10 per share, payable on July 23, 2002, to stockholders of record as of July 9, 2002. On July 23, 2002, FNF's Board of Directors declared a cash dividend of \$0.12 per share, payable on October 25, 2002, to

stockholders of record on October 11, 2002. On October 22, 2002, FNF's Board of Directors declared a cash dividend of \$0.12 per share, payable on January 21, 2003, to stockholders of record on January 7, 2003. On January 28, 2003, FNF's Board of Directors declared a cash dividend of \$0.15 per share, payable on April 25, 2003, to stockholders of record on April 11, 2003. After the Merger, FNF expects its quarterly dividend to continue to be \$0.15 per common share.

Q: Are the FNF stockholders also required to approve the Merger?

A. FNF has determined that the approval of its stockholders is not necessary in connection with the Merger.

Q: Has an outside party given its opinion as to the fairness of the merger consideration?

A. A Special Committee of ANFI's Board of Directors received an opinion from Houlihan, Lokey, Howard & Zukin Financial Advisors, Inc., to the effect that, as of the date of the opinion and subject to the assumptions, limitations and qualifications contained therein that the consideration to be received by the Unaffiliated Shareholders of ANFI in connection with the Merger is fair to them from a financial point of view. The term "Unaffiliated Shareholders" means the shareholders of ANFI, other than FNF, FNF's affiliates and the executive management of ANFI. The Special Committee utilized this fairness opinion in evaluating the Merger. See "The Merger" Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc. to the Special Committee and Appendix C.

Q: Are there any conditions to completion of the Merger?

A. In addition to ANFI shareholder approval, the Merger is also subject to the following conditions:

the absence of specified material and adverse changes affecting ANFI or FNF;

obtaining all necessary regulatory approvals;

the FNF shares of common stock to be issued in the Merger shall have been authorized for listing on the NYSE, subject to official notice at issuance;

in the event the ANFI shareholders have appraisal, dissenters' or similar rights under applicable law, no more than three percent of the ANFI common shares, determined as of the record date for the ANFI special meeting, shall have made an effective demand for exercise of their appraisal, dissenters' or similar rights under applicable law.

receipt by each of ANFI and FNF of legal opinions to the effect that the Merger will qualify as a reorganization within the meaning of Section 368 of the Internal Revenue Code; and

the absence of any legal restraint blocking the Merger.

See "The Merger Agreement" Conditions to the Merger.

Q: What rights do I have if I oppose the Merger?

A. You can vote against the Merger by indicating a vote against the proposal on your proxy card and signing and mailing your proxy card, or by voting against the Merger in person at the meeting. Failure to submit a proxy or vote at the meeting will have the same effect as a vote against the Merger. Under California law, since ANFI's and FNF's shares are listed on the NASDAQ and New York Stock Exchange respectively, dissenting ANFI shareholders do not have the right to receive the appraised value of their shares in connection with the proposed Merger unless demands for payment are filed to the extent of five percent or more of the outstanding shares of that class of stock. In the event this occurs, FNF will not be required to complete the Merger. However, if FNF decides to complete the Merger, you will not receive any stock in FNF if you dissent and follow all required procedures. If you do not vote in favor of the proposed Merger and it takes place anyway you will be bound by the terms of the Merger Agreement.

Q: Have any lawsuits been filed in connection with the Merger?

A: Yes. After FNF and ANFI announced the execution of the Merger Agreement, three putative class actions were filed in California against FNF and the directors of ANFI. These actions allege that the defendants have breached their fiduciary duties to ANFI's shareholders, by among other things, agreeing to inadequate and unfair merger terms whereby FNF will acquire the publicly held shares of ANFI. FNF and ANFI believe these lawsuits are without merit and intend to vigorously defend the cases. See The Merger Pending Litigation Shareholder Litigation beginning on page 55.

Q: When and where will the Special Meeting be held?

A: The Special Meeting will be held at The Irvine Marriott Hotel, 18000 Von Karman Avenue, Irvine, California 92612, on _____, 2003 at _____ local time. See The Special Meeting.

Q: Who can vote?

A: Only shareholders of record as of the close of business on _____, 2003 may vote at the meeting. See The ANFI Special Meeting Record Date; Vote Required.

Q: How do I vote?

A: ANFI offers its registered shareholders three ways to vote, other than by attending the special meeting and voting in person:

by mail, using the enclosed proxy card and envelope;

by telephone, using the telephone number printed on the enclosed proxy card and following the instructions on the enclosed proxy card; or

through the internet, using a unique password which is printed on your enclosed proxy card and following the internet instructions on the enclosed proxy card.

Q: What if I am a beneficial holder rather than an owner of record?

A: If you hold your ANFI shares through a broker, bank or other nominee, you will receive separate instructions from the nominee describing how you may vote your ANFI shares.

Q: What other matters will be voted on at this Special Meeting?

A: California law and ANFI's Bylaws do not permit any other matters to be presented at this special meeting except for procedural matters including adjournment of the meeting to a later date.

Q: What does it mean if I receive more than one proxy or voting instruction card?

A: It means that your shares are registered differently or held in more than one account. Please complete, sign, date and mail each proxy card that you receive.

Q: What happens if I sell my shares before the Special Meeting?

A: The record date for the meeting is earlier than the expected completion date of the Merger. If you held your shares on the record date, but have transferred those shares after the record date and before the Merger, you will retain your right to vote at the meeting, but not the right to receive the Merger consideration. The right to receive the merger consideration will pass to the person to whom you transferred your shares.

Q: Who should I contact if I have questions about the Merger and need additional copies of the proxy statement?

A. If you have more questions about the Merger or would like additional copies of the attached proxy statement, you should contact Jo Ann N. Bunton, ANFI, Inc., 1111 E. Katella Avenue, Suite 220, Orange California 92867, Telephone: (714) 289-4300.

If you would like additional copies of this proxy statement/prospectus or the enclosed proxy card, or if you have questions about the Merger, the special meeting, or how to vote by proxy, please contact:

ANFI, Inc.
1111 E. Katella Avenue, Suite 220
Orange, California 92867
Attention: Jo Ann N. Bunton
Phone Number: (714) 289-4300

U.S. Stock Transfer Corporation
1745 Gardena Avenue, Suite 200
Glendale, California 91204
Attention: Bridget Barela
Phone Number: (818) 502-1404

If you would like copies of any FNF documents incorporated by reference in this proxy statement/prospectus, please contact FNF at the following address:

Fidelity National, Financial, Inc.

4050 Calle Real, Suite 200
Santa Barbara, California 93110
Attention: Daniel K. Murphy,
Senior Vice President, Investor Relations
dmurphy@fnf.com
Phone Number: (805) 696-7218

FNF has supplied all information contained or incorporated by reference in this proxy statement/prospectus relating to FNF, and ANFI has supplied all information contained in this proxy statement/prospectus relating to ANFI.

THIS DOCUMENT INCORPORATES BY REFERENCE IMPORTANT BUSINESS AND FINANCIAL INFORMATION ABOUT FNF FROM OTHER DOCUMENTS FILED WITH THE SEC. THIS DOCUMENT IS ACCOMPANIED BY A COPY OF ANFI'S ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 (RESTATED) AND A COPY OF ANFI'S QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2002, WHICH ARE ATTACHED TO THIS DOCUMENT AS APPENDIX D AND APPENDIX E, RESPECTIVELY. YOU MAY HAVE PREVIOUSLY BEEN SENT SOME OF THE FNF DOCUMENTS INCORPORATED HEREIN BY REFERENCE, WHICH ARE LISTED UNDER THE HEADING WHERE YOU CAN FIND MORE INFORMATION, BUT YOU CAN OBTAIN ANY OF THEM FROM FNF OR THE SEC. THE DOCUMENTS INCORPORATED BY REFERENCE ARE AVAILABLE WITHOUT CHARGE UPON WRITTEN OR ORAL REQUEST TO THE PERSON IDENTIFIED ABOVE. IN ORDER TO RECEIVE TIMELY DELIVERY OF THE DOCUMENTS IN ADVANCE OF THE ANFI SPECIAL MEETING, PLEASE MAKE YOUR REQUEST NO LATER THAN _____, 2003, WHICH IS FIVE BUSINESS DAYS BEFORE THE ANFI SPECIAL MEETING.

CAUTIONARY STATEMENT REGARDING

FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations and business of each of FNF and ANFI. These statements may be made directly in this document or may be incorporated by reference from other documents filed with the SEC by FNF or ANFI. You can find many of these statements by looking for words such as believes, expects, anticipates, estimates or similar expressions in this proxy statement/prospectus or in documents incorporated by reference herein.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties, and the Private Securities Litigation Reform Act provides a safe harbor for these statements. Factors that may cause actual results to differ from those contemplated by the forward-looking statements include, among others, the following possibilities.

General economic and business conditions, including interest rate fluctuations and general volatility in the capital markets.

Changes in the performance of the real estate markets.

The impact of competitive products and pricing.

Success of operating initiatives.

Adverse publicity.

The ability to identify businesses to be acquired.

Availability of qualified personnel.

Employee benefits costs and changes in, or the failure to comply with government regulations.

Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. You are cautioned not to place undue reliance on such statements, which speak only as of the date of this proxy statement/prospectus or, in the case of documents incorporated by reference, the date of such documents.

All subsequent written and oral forward-looking statements attributable to FNF or ANFI or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Neither FNF nor ANFI undertakes any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events.

SUMMARY

This summary highlights information from this proxy statement/prospectus. Because it is a summary, it does not contain all of the information that may be important to you. FNF and ANFI urge you to read carefully the entire proxy statement/ prospectus and the other documents to which this document refers to obtain a full understanding of the Merger.

The Companies

Fidelity National Financial, Inc.

**17911 Von Karman Avenue, Suite 300
Irvine, CA 92614
(949) 622-4333**

FNF is the largest title insurance and diversified real estate related services company in the United States. FNF's title insurance underwriters Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title together issued approximately 29% of all title insurance policies issued nationally during 2001. FNF provides title insurance in 49 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands, and in Canada and Mexico. Since acquiring Chicago Title Corporation in March 2000, FNF has leveraged its national network of 1,100 direct offices and 8,700 agents to secure the leading market share (based on net premiums written) in three out of the four states that account for 50% of the real estate activity in the country.

In addition, FNF provides a broad array of escrow and other title related services, as well as real estate related products and services, including:

collection and trust activities;

trustee's sales guarantees;

recordings;

reconveyances;

property appraisal services;

credit reporting;

exchange intermediary services in connection with real estate transactions;

real estate tax services;

home warranty insurance;

foreclosure posting and publishing services;

loan portfolio services;

flood certification;

field services;

property data and disclosure services;

multiple listing services;

flood insurance; and

homeowners insurance.

ANFI, Inc.

**1111 E. Katella Avenue, Suite 220
Orange, California 92867
(714) 289-4300**

ANFI, through its subsidiaries, provides title insurance services as well as other real estate related financial and informational services including:

escrow;

real estate information;

trustee sale guarantees;

exchange intermediary services;

document preparation and research services,;

notary signing services;

property management; and

appraisals.

In addition, ANFI obtains specialized services for customers, including tax reporting services and courier services. ANFI focuses its business on the residential real estate market and in 2001 generated the majority of its revenue from issuing title insurance policies as an independent agent on behalf of an affiliated title underwriter. For the years ended December 31, 2001, 2000 and 1999, net title service revenue represented approximately 55.9%, 53.1% and 57.8% of ANFI's revenues, respectively.

ANFI's primary operations are conducted in 17 counties, consisting of 104 offices, located in major counties throughout California, Arizona and Nevada. ANFI's offices process real estate transactions within their geographical area or region. Each county is operated as a separate profit center.

From 1999 through 2002, ANFI established offices in Tennessee, Florida, and New York and Pennsylvania to expand its current customer base by developing agency relationships. In addition, during 2001, ANFI expanded its operations by opening several title and escrow offices in California and Arizona, in addition to the formation of the Wireless Title Service division.

This proxy statement/prospectus is accompanied by a copy of ANFI's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (restated) and a copy of ANFI's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002, which includes financial information for the three and nine month periods ended September 30, 2002, which are attached hereto as Appendix D and Appendix E, respectively. Certain reclassifications have been made to ANFI's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 to conform with the September 30, 2002 presentation. In addition, transitional disclosures required under Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets, paragraph 61, have been added and all data with respect to earnings per share, dividends per share and share information, including price per share where applicable, have been retroactively adjusted to reflect the effect of the five-for-four (25%) stock split declared by ANFI's Board of Directors on June 27, 2002, and effective July 18, 2002. Such documents contain detailed financial and other information about ANFI and are hereby incorporated by reference in this proxy statement/prospectus.

ANFI Merger Sub, Inc.

**17911 Von Karman Avenue, Suite 300
Irvine, CA 92614
(949) 622-4333**

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ANFI Merger Sub, Inc., a California corporation, is a newly-formed, wholly-owned subsidiary of FNF. FNF formed ANFI Merger Sub, Inc. solely to effect the Merger, and ANFI Merger Sub, Inc. has not

conducted and will not conduct any business from its inception through the effectiveness of the Merger. ANFI Merger Sub, Inc. is sometimes referred to in this document as the merger sub.

The ANFI Special Meeting

The ANFI special meeting will be held on _____, _____, 2003 at _____ local time, at The Irvine Marriott Hotel located at 18000 Von Karman Avenue, Irvine, California 92612. At the ANFI special meeting, ANFI common shareholders will be asked to approve and adopt the Merger Agreement and the Merger.

Record Date; Vote Required (Page 36)

You are entitled to vote at ANFI's special meeting if you owned shares at the close of business on _____, 2003, which is the record date for the special meeting. On _____, 2003, there were _____ shares of ANFI common stock issued and outstanding and entitled to vote. You can cast one vote with respect to the Merger Agreement, for each share of ANFI common stock that you owned on the record date.

Approval by ANFI shareholders of the Merger Agreement requires the affirmative vote of holders of more than 50% of the shares of ANFI common stock outstanding on the record date. As described below under the heading *Share Ownership of FNF and Affiliates*, it is expected that at least 6,122,983, or approximately 64.1% of the outstanding shares of ANFI common stock as of December 31, 2002, will vote in favor of the Merger, assuring ANFI shareholder approval of the Merger Agreement and Merger.

Share Ownership of Management and Directors; Voting Agreement (Page 36)

As of February 3, 2003, directors and executive officers of ANFI and their affiliates held and were entitled to vote 3,156,802 shares of ANFI common stock, or approximately 32% of the shares of ANFI common stock outstanding on February 3, 2003. Pursuant to the terms of a voting agreement (the *Voting Agreement*) entered into concurrently with the execution of the Merger Agreement, four of the executive officers who are also directors of ANFI and who own in the aggregate 2,557,380 shares of ANFI common stock have agreed to vote all of their shares in favor of the Merger and not to sell any of their outstanding ANFI shares other than shares relating to or obtained as the result of the exercise of ANFI options until the Merger has occurred or the Merger Agreement is terminated. On January 14, 2003, FNF entered into a written waiver with the ANFI holders party to the *Voting Agreement*, whereby FNF waived any rights it may have to enforce the transfer prohibition as it relates to the exercise of ANFI stock options and any subsequent sale of any shares of ANFI common stock received upon exercise. In this regard, two of the interested directors of ANFI on January 16 and 17, 2003 sold in the aggregate 170,700 shares of ANFI stock obtained as the result of their exercise of ANFI options in order to begin to reduce their outstanding options to acquire ANFI shares as required by the Merger Agreement and to diversify their own personal investment portfolios.

Share Ownership of FNF and Affiliates (Page 36)

As of January 9, 2003, FNF held 2,653,173 shares of ANFI common stock, or approximately 27.8% of the shares of ANFI common stock outstanding on December 31, 2002. As of October 23, 2002, William P. Foley II, a director of ANFI and the Chairman of the Board of Directors and Chief Executive Officer of FNF, held 556,805 shares of ANFI common stock, or approximately 5.8% of the shares of ANFI common stock outstanding on October 23, 2002. As of January 9, 2003, 3,469,810 shares of ANFI common stock, or approximately 36.3% of the shares of ANFI common stock outstanding on December 31, 2002, are subject to the *Voting Agreement* entered into by FNF and four executive officers of ANFI. After combining the shares of ANFI common stock subject to the *Voting Agreement* and the shares of ANFI common stock held by FNF and Mr. Foley, it is expected that at least 6,122,983, or approximately 64.1% of the outstanding shares of ANFI common stock as of December 31, 2002, will vote in favor of the Merger, assuring ANFI shareholder approval of the Merger Agreement and Merger.

Recommendation to Shareholders (Page 37)

ANFI's Board of Directors believes that the Merger is fair to ANFI and to you as an ANFI shareholder and in your best interests, and by unanimous vote of the disinterested directors recommends that you vote FOR the proposal to approve and adopt the Merger Agreement.

Pending Litigation (Page 54)

A lawsuit captioned *Schneider v. Fidelity National Financial, Inc., et. al.* (Case No. 03CC00017) was filed on January 17, 2003 in Orange County Superior Court naming as defendants FNF and the members of the Board of Directors of ANFI. The complaint seeks class action status and alleges breach of fiduciary duty in connection with the approval of the Merger by ANFI's directors. A second lawsuit captioned *Rossi v. Michael C. Lowther, et. al.* (Case No. 03CC0021) was filed on January 21, 2003 in the Orange County Superior Court naming as defendants FNF and the members of the Board of Directors of ANFI. Management of FNF and ANFI believe the lawsuits are without merit. A third lawsuit captioned *Miller v. Michael C. Lowther, et. al.*, (Case No. 03CC00018) was filed on January 17, 2003 in the Orange County Superior Court naming as defendants FNF and the members of the Board of Directors of ANFI.

The Merger

FNF and ANFI have attached the Merger Agreement to this document as Appendix A. Please read the Merger Agreement. It is the legal document that governs the transaction.

General (Page 38)

In the proposed Merger ANFI will be merged into a wholly-owned subsidiary of FNF, with such wholly-owned subsidiary emerging as the surviving corporation and as a wholly-owned subsidiary of FNF. At the completion of the Merger, the merger subsidiary's articles of incorporation, bylaws and directors, as in effect immediately prior to the Merger, will continue as the articles of incorporation, bylaws and directors of the surviving corporation. FNF and ANFI hope to complete the Merger by June 30, 2003.

What ANFI Shareholders Will Receive (Page 38)

In the Merger, each share of ANFI common stock will be converted into the right to receive 0.454 shares of FNF common stock. In addition, ANFI shareholders will receive cash instead of any fractional shares of FNF common stock to which they are otherwise entitled.

ANFI Stock Options; Warrants and Employee Stock Purchase Plan (Page 38)

Subject to certain limitations applicable to the senior executives of ANFI, when the Merger is completed, each unexercised option to buy ANFI common stock outstanding under ANFI's stock option plans and each warrant to purchase ANFI common stock will become an option or warrant to purchase FNF common stock. The number of shares of FNF common stock subject to each new option or warrant, as well as the exercise price of each new option or warrant, will be adjusted to reflect the exchange ratio. There will be no change in the vesting schedule applicable to any of the ANFI stock options or warrants.

All ANFI employees shall be eligible to become participants in FNF's employee stock purchase plan with credit for time of service with ANFI and credit for time of participation in the ANFI employee stock purchase plan for all purposes. All ANFI employees who are participants in ANFI's employee stock purchase plan at the effective time of the Merger shall automatically become participants in FNF's employee stock purchase plan, and ANFI's employee stock purchase plan will be terminated in accordance with its provisions.

Opinion of ANFI's Financial Advisors (Page 45)

Houlihan, Lokey, Howard & Zukin Financial Advisors, Inc. (HLHZFA) has delivered its written opinion dated January 9, 2003 to the Special Committee of the ANFI Board of Directors that, as of such date and based on the assumptions made, matters considered and limits of review stated therein, the consideration

to be received by the Unaffiliated Shareholders of ANFI in connection with the Merger is fair to them from a financial point of view. A copy of the opinion delivered by HLHZFA is attached to this document as Appendix C. You should read this opinion in its entirety to understand the assumptions made, matters considered and limitations on the review undertaken by HLHZFA in providing its opinion.

Certain U.S. Federal Income Tax Consequences of the Merger (Page 49)

Since the Merger is expected to qualify as a reorganization under Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended, the ANFI shareholders should not recognize any gain or loss on the receipt of shares of FNF common stock in exchange for shares of ANFI common stock in the Merger. However, ANFI shareholders may recognize gain or loss on the receipt of cash in lieu of a fractional share of FNF common stock. Because of the complexities of the tax laws, ANFI shareholders are advised to consult their own tax advisors concerning the applicable federal, state, local, foreign and other tax consequences resulting from the Merger.

Regulatory Approvals Required for the Merger (Page 52)

The Hart-Scott-Rodino Antitrust Improvements Act of 1976 requires us to furnish certain information and materials to the Antitrust Division of the Department of Justice and the Federal Trade Commission and requires a specified waiting period to expire or be terminated before the Merger can be completed. Even after the waiting period expires or terminates, the Antitrust Division of the Department of Justice and the Federal Trade Commission will have the authority to challenge the merger on antitrust grounds before or after the merger is completed. FNF and ANFI do not believe that additional regulatory filings will be required for consummation of the Merger and are in the process of confirming the same with authorities in the states of New York and California. Following the Merger, FNF believes preapproval regulatory filings will be necessary in connection with its currently planned conversion of ANFI's title and escrow operations to Ticor operations.

Interests of Certain Persons in the Merger (Page 53)

Shareholders should note that some of ANFI's directors and executive officers and some of FNF's directors and executive officers may have interests in the Merger that are different from, or in addition to, the interests of ANFI and FNF stockholders generally.

Appraisal Rights for Dissenting Shareholders (Appendix F)

If you are an ANFI shareholder, California law permits you to dissent from the Merger. If you dissent, the fair value of your ANFI stock may be determined by a court and paid to you in cash. To do this, you must follow certain procedures, including giving ANFI certain notices and voting your shares against the merger. Generally, under California law, because ANFI is listed on the National Market System of the NASDAQ Stock Market, you only have the right to receive the fair value of your shares as a dissenter if demands for payment are filed to the extent of five percent or more of the outstanding shares. In the event this occurs, FNF will not be required to complete the Merger. However, if FNF decides to complete the Merger, you will not receive any stock in FNF if you dissent and follow all of the required procedures. Instead, you will only receive the value of your shares as determined by a court. The value of your shares as determined by the court may be more or less than the value of the merger consideration. The relevant sections of California law governing this process are attached to this document as Appendix F.

Accounting Treatment (Page 55)

The Merger will be accounted for as a purchase in accordance with accounting principles generally accepted in the United States of America, which means that the assets and liabilities of ANFI not already owned by FNF will be recorded on the books of FNF at their fair values as of the acquisition date, with the excess of the purchase price, if any, allocated to goodwill.

Conditions to Completion of the Merger (Page 60)

The completion of the Merger depends on the satisfaction or waiver of a number of conditions, including the following:

1. approval of the Merger by the holders of more than 50% of the shares of ANFI common stock outstanding on the record date;
2. the FNF shares of common stock to be issued in the Merger shall have been authorized for listing on the NYSE, subject to official notice of issuance;
3. approval of the Merger by certain federal regulatory authorities and the expiration of applicable waiting periods;
4. the absence of any legal action blocking, or threatening to block, the consummation of the Merger;
5. receipt by each of FNF and ANFI of legal opinions to the effect that the Merger will qualify as a reorganization within the meaning of Section 368 of the Internal Revenue Code;
6. the absence of a material adverse effect on FNF or ANFI from December 31, 2001, until the time of the Merger, other than effects caused by the Merger itself, changes in general economic conditions, securities market conditions, interest rate levels, or certain legal proceedings; and
7. less than three percent of the outstanding shares of ANFI common stock validly elect to exercise any appraisal rights they may have.

Termination of the Merger Agreement (Page 62)

FNF and ANFI may mutually agree in writing to terminate the Merger Agreement at any time without completing the Merger, even after the shareholders of ANFI have approved the Merger.

In addition, either of FNF and ANFI can terminate the Merger Agreement at any time if:

1. the merger has not been completed by June 30, 2003, which either of FNF or ANFI can extend for a maximum amount of an additional 60 days in order to obtain necessary governmental consents, including clearance under the Hart-Scott-Rodino Act;
2. the ANFI shareholders do not give the required approval;
3. the other company breaches or fails to perform any representation, warranty, covenant or agreement set forth in the Merger Agreement in a manner which would cause conditions to the Merger not to be satisfied, and such breach or failure to perform either cannot be cured or is not cured within a period of ten days after written notice; or
4. any legal restriction permanently restraining, enjoining or otherwise prohibiting completion of the merger has become final and non-appealable.

ANFI may also terminate the Merger at any time before the Merger is approved by the ANFI shareholders if its Board of Directors has determined that an alternative transaction with a third party is superior to the Merger and that ANFI should enter into an agreement relating to that transaction. However, ANFI must give FNF seven business days to match the third party's offer before ANFI can terminate the Merger Agreement.

FNF may terminate the Merger Agreement if ANFI's Board of Directors fails to make, withdraws or adversely modifies its recommendation of the Merger Agreement or if ANFI's Board of Directors recommends any other acquisition proposal to the shareholders of ANFI. FNF may also terminate the Merger at any time before the Merger is approved by the ANFI shareholders if the ANFI Board of Directors has determined that an alternative transaction with a third party is superior to the Merger and that ANFI should enter into an agreement relating to that transaction. FNF has seven business days to determine whether it will match the terms of such alternative transaction.

Termination Fee (Page 63)

ANFI shall pay to FNF a termination fee of \$2,780,000 if the Merger Agreement is terminated as follows:

the ANFI Board of Directors has authorized ANFI to enter into a binding agreement in connection with a superior proposal or has withdrawn or amended its recommendation of the Merger;

less than 50% of the outstanding common stock of ANFI is voted in favor of the Merger and there is a breach of the Voting Agreement or a member of the Board of Directors of ANFI fails to vote his or her shares in favor the Merger; or

FNF terminates the Merger Agreement because of ANFI's breach of its representations or warranties or failure to perform any of its obligations under the Merger Agreement and, within 12 months of termination, ANFI shall engage in any negotiations or discussions with any third party regarding an acquisition proposal.

Comparison of Rights of ANFI Shareholders and FNF Stockholders (Page 69)

The rights of ANFI's shareholders are currently governed by ANFI's Articles of Incorporation, ANFI's Bylaws and the General Corporation Law of the State of California, whereas the rights of FNF stockholders are governed by FNF's Certificate of Incorporation, FNF's Bylaws and the Delaware General Corporate Law. Upon the completion of the Merger, ANFI shareholders will become stockholders of FNF, and therefore their rights will be governed by FNF's Certificate of Incorporation, FNF's Bylaws and the Delaware General Corporate Law. There are a number of differences between the Certificate of Incorporation and Bylaws of FNF and the Articles of Incorporation and Bylaws of ANFI, and between the Delaware General Corporate Law and the General Corporation Law of the State of California. These differences are discussed under the section entitled Comparative Rights of FNF and ANFI Stockholders.

Recent Developments

In December, 2002, ANFI sold 322,318 shares of CKE Restaurant, Inc.'s common stock, which it had held for investment, and received \$1.2 million based upon an average price of \$3.78 per share, resulting in a pre-tax loss of \$1.8 million.

After FNF and ANFI announced the execution of the Merger Agreement, three putative class actions were filed in California against FNF and the directors of ANFI. These actions allege that the defendants have breached their fiduciary duties to ANFI's shareholders, by among other things, agreeing to inadequate and unfair merger terms whereby FNF will acquire the publicly held shares of ANFI. FNF and ANFI believe these lawsuits are without merit and intend to vigorously defend the cases. See The Merger Pending Litigation Shareholder Litigation beginning on page .

On January 29, 2003, FNF announced that it entered into a stock purchase agreement with ALLTEL Corporation, Inc., a Delaware corporation (ALLTEL), pursuant to which FNF will acquire from ALLTEL the financial services division of ALLTEL Information Services, Inc., an Arkansas corporation and wholly-owned subsidiary of ALLTEL (AIS). As a result of the acquisition, AIS will become a wholly owned subsidiary of FNF. The transaction is expected to close by the end of the first quarter of 2003. Under the terms of the stock purchase agreement, all of the issued and outstanding shares of AIS common stock, par value \$1.00 per share, will be purchased by FNF for \$775 million in cash and \$275 million in FNF common stock issued to ALLTEL, subject to a one-year lock-up agreement. Consummation of the acquisition is subject to customary closing conditions. In connection with the stock purchase agreement, prior to closing FNF and ALLTEL will enter into a stockholder's agreement, a non-competition agreement and certain other transition agreements. The stockholder's agreement will: (1) restrict the sale by ALLTEL of the FNF common stock received in the transaction for up to one year, (2) grant ALLTEL the right to designate one nominee to the FNF Board of Directors so long as ALLTEL continues to hold at least 50% of the shares of FNF common stock received in the acquisition, and (3) grant ALLTEL certain registration rights with respect to the FNF stock they receive in the areas of acquisition. The non-competition agreement will prohibit, with certain

exceptions, ALLTEL and its affiliates for a period of two years from engaging in the business relating to the assets acquired by FNF in the transition.

Also on January 29, 2003, FNF issued a press release announcing its fourth quarter and 2002 year end earnings information. The earnings information is preliminary and subject to adjustment. In the release, FNF announced:

fourth quarter revenue of \$1.6 billion, compared with \$1.1 billion for the fourth quarter of 2001;

fourth quarter net earnings of \$174.9 million compared with \$92.3 million for the fourth quarter of 2001;

fourth quarter earnings per share of \$1.77 per diluted share, compared with \$0.95 per diluted share for the fourth quarter of 2001;

2002 revenue of \$5.1 billion, compared with \$3.9 billion for 2001;

2002 net earnings of \$531.7 million, compared with \$305.5 million for 2001; and

2002 net earnings per share of \$5.38 per diluted share, compared with \$3.15 per diluted share for 2001.

Comparative Per Share Market Price Information

The following table sets forth the high, low and closing prices per share of FNF common stock and ANFI common stock on the NYSE and Nasdaq National Market, respectively, on December 13, 2002, and February 6, 2003. December 13, 2002 was the last trading day before FNF and ANFI announced that they had executed a letter of intent to consummate the merger. February 6, 2003 was the last practicable trading day for which information was available prior to the date of this proxy statement/prospectus.

	FNF Common Stock			ANFI Common Stock		
	High	Low	Close	High	Low	Close
	(Dollars per share)			(Dollars per share)		
December 13, 2002	\$32.79	\$31.46	\$32.40	\$13.40	\$13.02	\$13.27
February 6, 2003	\$32.26	\$31.25	\$31.36	\$14.47	\$13.93	\$14.05

The market price of both FNF and ANFI common stock will fluctuate prior to the merger. No assurance can be given as to the future prices or markets for FNF common stock or ANFI common stock. You should obtain current stock price quotations for both FNF and ANFI common stock. Additional market price information is contained on page 34 under the heading Market Price and Dividend Information.

Selected Consolidated Financial Data

(In thousands, except per share amounts)

Fidelity National Financial, Inc.

The selected consolidated financial data of FNF as of and for the years ended December 31, 2001, 2000 and 1999 has been derived from the consolidated financial statements of FNF incorporated by reference herein which have been audited by KPMG LLP, independent auditors. The selected consolidated financial data as of and for the nine months ended September 30, 2002 and 2001 has been derived from unaudited consolidated financial statements filed with the SEC and incorporated by reference herein and include all adjustments (consisting of normal recurring accruals) which FNF considers necessary for a fair presentation of the consolidated financial position and results of operations. Operating results for the nine months ended September 30, 2002 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2002. This information is qualified in its entirety by, and should be read in conjunction with, FNF's consolidated financial statements, and the notes thereto, and Management's Discussion and Analysis of Operations and Financial Condition which are included in reports filed by FNF with the SEC and are incorporated by reference in this proxy statement/prospectus. See Where You Can Find More Information. Share and per share data has been retroactively adjusted for stock dividends and splits since our inception, including the 10% stock dividend in May 2002. Certain reclassifications have been made to the prior year amounts to conform with the 2002 presentation.

	Year Ended December 31,			Nine Months Ended September 30,	
	2001(1)(2)	2000(3)	1999	2002	2001(2)
(In thousands, except per share and other data)					
Operating Data:					
Revenue:					
Title insurance premiums	\$2,694,479	\$1,946,159	\$ 939,452	\$2,408,416	\$1,901,980
Escrow and other title related fees	728,406	459,121	206,570	679,304	516,540
Real estate related services	287,063	166,718	67,844	308,183	195,598
Interest and investment income	93,105	87,392	28,695	59,023	72,096
Realized gains and (losses), net	6,349	(201)	3,350	9,195	8,024
Other income	64,705	82,805	109,943	28,550	47,792
	<u>3,874,107</u>	<u>2,741,994</u>	<u>1,355,854</u>	<u>3,492,671</u>	<u>2,742,030</u>
Expenses:					
Personnel costs	1,187,177	845,349	407,078	1,037,722	854,171
Other operating expenses	829,433	624,087	334,578	717,046	583,634
Agent commissions	1,098,328	884,498	423,675	1,020,936	766,605
Provision for claim losses	134,724	97,322	52,713	120,421	95,435
Amortization of cost in excess of net assets acquired	54,155	35,003	6,638		35,045
Interest expense	46,569	59,374	15,626	25,999	36,917
	<u>3,350,386</u>	<u>2,545,633</u>	<u>1,240,308</u>	<u>2,922,124</u>	<u>2,371,807</u>
Earnings before income taxes, minority interest and cumulative effect of a change in accounting principle	523,721	196,361	115,546	570,547	370,223
Income tax expense	209,488	86,624	46,065	205,397	148,088

	Year Ended December 31,			Nine Months Ended September 30,	
	2001(1)(2)	2000(3)	1999	2002	2001(2)
(In thousands, except per share and other data)					
Earnings before minority interest and cumulative effect of a change in accounting principle	314,233	109,737	69,481	365,150	222,135
Minority interest	3,048	1,422	(1,372)	8,368	3,230
Earnings before cumulative effect of a change in accounting principle	311,185	108,315	70,853	356,782	218,905
Cumulative effect of a change in accounting principle, net of income taxes	(5,709)				(5,709)
Net earnings	\$ 305,476	\$ 108,315	\$ 70,853	\$ 356,782	\$ 213,196
Per Share Data:					
Basic earnings per share before cumulative effect of a change in accounting principle	\$ 3.31	\$ 1.52	\$ 1.96	\$ 3.74	\$ 2.33
Cumulative effect of a change in accounting principle	(.06)				(.06)
Basic net earnings per share	\$ 3.25	\$ 1.52	\$ 1.96	\$ 3.74	\$ 2.27
Weighted average shares outstanding, basic basis	94,048	71,173	36,092	95,276	93,885
Diluted earnings per share before cumulative effect of a change in accounting principle	\$ 3.21	\$ 1.47	\$ 1.87	\$ 3.61	\$ 2.26
Cumulative effect of a change in accounting principle	(.06)				(.06)
Diluted net earnings per share	\$ 3.15	\$ 1.47	\$ 1.87	\$ 3.61	\$ 2.20
Weighted average shares outstanding, diluted basis	96,865	73,733	37,916	98,762	96,710
Dividends declared per share	\$.34	\$.32	\$.25	\$.31	\$.25
Balance Sheet Data:					
Investments(4)	\$ 1,823,312	\$ 1,685,331	\$ 506,916	\$ 2,452,580	\$ 1,850,388
Cash and cash equivalents(5)	542,620	262,955	38,569	549,753	476,773
Total assets	4,415,998	3,833,985	1,042,546	5,196,785	4,326,596
Notes payable	565,690	791,430	226,359	513,856	611,150
Reserve for claim losses	881,053	907,482	239,962	892,675	891,430
Minority interests and preferred stock of subsidiary	47,166	5,592	4,613	115,561	40,627
Stockholders equity	1,638,870	1,106,737	432,494	2,107,113	1,583,831

	Year Ended December 31,			Nine Months Ended September 30,	
	2001(1)(2)	2000(3)	1999	2002	2001(2)
(In thousands, except per share and other data)					
Other Data:					
Orders opened by direct operations	2,635,200	1,352,000	743,000	2,234,500	1,848,000
Orders closed by direct operations	1,770,600	971,000	551,000	1,537,800	1,236,100
Provision for claim losses to title insurance premiums	5.0%	5.0%	5.6%	5.0%	5.0%
Title related revenue(6):					
Percentage direct operations	59.0%	52.8%	53.6%	57.9%	59.4%
Percentage agency operations	41.0%	47.2%	46.4%	42.1%	40.6%

- (1) FNF's financial results for the year ended December 31, 2001 include the results of the former operations of Vista Information Solutions, Inc. (Vista) for the period from August 1, 2001, the acquisition date, through December 31, 2001
- (2) During 2001, FNF recorded a \$5.7 million, after-tax charge, reflected as a cumulative effect of a change in accounting principle, as a result of adopting Emerging Issues Task Force No. 99-20, Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets , (EITF 99-20).
- (3) FNF's financial results for the year ended December 31, 2000 include the operations of Chicago Title Corporation for the period from March 20, 2000, the merger date, through December 31, 2000.
- (4) Investments as of December 31, 2001 and 2000 and September 30, 2002 and 2001 include securities pledged to secure trust deposits of \$319.1 million, \$459.4 million, \$463.2 million and \$365.0 million, respectively.
- (5) Cash and cash equivalents as of December 31, 2001 and 2000 and September 30, 2002 and 2001 include cash pledged to secure trust deposits of \$367.9 million, \$132.1 million, \$395.0 million and \$322.5 million, respectively.
- (6) Includes title insurance premiums and escrow and other title related fees.

Selected Quarterly Financial Data

Selected quarterly financial data is as follows:

	Quarter Ended			
	March 31,	June 30,(3)	September 30,	December 31,
	(In thousands, except per share data) (Unaudited)			
2001(1)				
Revenue	\$ 777,864	\$ 961,548	\$ 1,002,618	\$ 1,132,077
Earnings before income taxes, minority interest and cumulative effect of a change in accounting principle	78,140	153,049	139,034	153,498
Net earnings	44,992	84,122	84,082	92,280
Basic earnings per share	.49	.89	.89	.98
Diluted earnings per share	.47	.87	.86	.95
Dividends paid per share	.08	.08	.08	.09
2000(2)				
Revenue	\$ 377,657	\$ 757,642	\$ 790,103	\$ 816,592
Earnings before income taxes and minority interest	7,190	60,716	64,058	64,397
Net earnings	1,869	31,371	37,570	37,505
Basic earnings per share	.05	.39	.46	.45
Diluted earnings per share	.05	.37	.45	.44
Dividends paid per share	.08	.08	.08	.08

- (1) FNF's financial results for the year ended December 31, 2001 include the results of the former operations of Vista for the period from August 1, 2001, the acquisition date, through December 31, 2001.
- (2) FNF's financial results for the year ended December 31, 2000 include the operations of Chicago Title Corporation for the period from March 20, 2000, the merger date, through December 31, 2000.
- (3) In the second quarter of 2001, FNF recorded a \$5.7 million, after-tax charge, reflected as a cumulative effect of a change in accounting principle, as a result of adopting EITF 99-20.

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets (SFAS No. 142). SFAS No. 142 requires that an intangible asset that is acquired shall be initially recognized and measured based on its fair value. The statement also provides that goodwill should not be amortized, but shall be tested for impairment annually, or more frequently if circumstances indicate potential impairment, through a comparison of fair value to its carrying amount. Existing goodwill was amortized through 2001, after which time amortization ceased. FNF completed the transitional goodwill impairment test as of the adoption date on its reporting units and has determined that each of its reporting units has a fair value in excess of its carrying amount. Accordingly, no goodwill impairment has been recorded.

Beginning on January 1, 2002, FNF ceased recording goodwill amortization in accordance with SFAS No. 142. The following table reconciles reported net earnings and net earnings per share to adjusted net earnings and net earnings per share.

	Year Ended December 31,			Nine Months Ended September 30,	
	2001	2000	1999	2002	2001
Reported net earnings	\$ 305,476	\$ 108,315	\$ 70,853	\$ 356,782	\$ 213,196
Add back: Amortization of cost in excess of net assets acquired	54,155	35,003	6,638		35,045
Add back: Tax effect of amortization of cost in excess of net assets acquired	(1,062)	(838)			(815)
Adjusted net earnings	\$ 358,569	\$ 142,480	\$ 77,491	\$ 356,782	\$ 247,426
Basic Earnings Per Share:					
Reported net earnings	\$ 3.25	\$ 1.52	\$ 1.96	\$ 3.74	\$ 2.27
Amortization of cost in excess of net assets acquired	0.57	0.49	0.19		0.37
Tax effect of amortization of cost in excess of net assets acquired	(0.01)	(0.01)			
Adjusted net earnings per share basic	\$ 3.81	\$ 2.00	\$ 2.15	\$ 3.74	\$ 2.64
Diluted Earnings Per Share:					
Reported net earnings	\$ 3.15	\$ 1.47	\$ 1.87	\$ 3.61	\$ 2.20
Amortization of cost in excess of net assets acquired	0.56	0.47	0.17		0.36
Tax effect of amortization of cost in excess of net assets acquired	(0.01)	(0.01)			
Adjusted net earnings per share diluted	\$ 3.70	\$ 1.93	\$ 2.04	\$ 3.61	\$ 2.56

ANFI, Inc.

The selected consolidated financial data of ANFI as of and for the years ended December 31, 2001, 2000 and 1999 has been derived from the consolidated financial statements of ANFI included in Appendix D to this proxy statement/ prospectus which have been audited by KPMG LLP, independent auditors. The selected consolidated financial data as of and for the nine months ended September 30, 2002 and 2001 has been derived from unaudited consolidated financial statements filed with the SEC and included in Appendix E to this proxy statement/ prospectus and include all adjustments (consisting of normal recurring accruals) which ANFI considers necessary for a fair presentation of the consolidated financial position and results of operations. Operating results for the nine months ended September 30, 2002 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2002. This information is qualified in its entirety by, and should be read in conjunction with, ANFI's consolidated financial statements, and the notes thereto, and Management's Discussion and Analysis of Results of Operations and Financial Condition which are included in Appendices D and E to this proxy statement/ prospectus. Certain reclassifications have been made to ANFI's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 to conform with the September 30, 2002 presentation. In addition, transitional disclosures required under Statement of Financial Accounting Standards No. 142,

Goodwill and Other Intangible Assets, paragraph 61, have been added and all data with respect to earnings per share, dividends per share and share information, including price per share where applicable, have been retroactively adjusted to reflect the effect of the five-for-four (25%) stock split declared by ANFI's Board of Directors on June 27, 2002, and effective July 18, 2002. See Where You Can Find More Information. Per and share data has been retroactively adjusted for stock dividends and splits since our inception. Certain reclassifications have been made to prior year amounts to conform with the 2002 presentation.

	Years Ended December 31,			Nine Months Ended September 30,	
	2001	2000	1999	2002	2001
(Amounts in thousands, other than earnings per share, order and fee per file data)					
Balance Sheet Data:					
Cash and short term investments	\$ 10,018	\$ 9,865	\$ 4,875	\$ 18,948	\$ 12,617
Investments	24,721	10,533	14,022	26,620	17,684
Total assets	66,653	53,341	47,324	83,456	62,038
Due to affiliate and capital leases with affiliates	3,536	3,230	1,642	3,521	3,131
Shareholders' equity	35,913	31,977	32,031	49,169	33,033
Statement of Operations Data:					
Net title service revenue - related party	\$ 76,435	\$ 44,144	\$ 51,899	\$ 75,320	\$ 54,062
Escrow fees	32,176	21,969	25,190	30,692	23,335
Underwriting premiums	8,890	3,461	452	13,763	5,698
Ancillary service fees	17,080	12,684	11,362	15,547	12,717
Gain (loss) on sale/exchange of equity security	1,001	(134)		2,461	1,003
Investment revenue	1,267	1,047	930	1,137	910
Total revenue	136,849	83,171	89,833	138,920	97,725
Personnel costs	73,909	51,189	54,277	70,338	53,238
Other operating expenses	35,233	23,245	19,759	35,259	24,247
Title plant rent and maintenance	7,946	5,322	6,264	6,457	5,748
Total expenses	117,088	79,756	80,300	112,054	83,233
Earnings before income taxes	19,761	3,415	9,533	26,866	14,492
Income taxes	8,497	1,400	3,908	11,015	5,991
Net earnings	\$ 11,264	\$ 2,015	\$ 5,625	\$ 15,851	\$ 8,501

	Years Ended December 31,			Nine Months Ended September 30,	
	2001	2000	1999	2002	2001
(Amounts in thousands, other than earnings per share, order and fee per file data)					
Per Share Data:					
Earnings per share:					
Basic	\$ 1.20	\$.20	\$.60	\$ 1.73	\$ 0.89
Diluted	1.09	.20	.59	1.50	0.82
Weighted average common shares outstanding:					
Basic	9,386	10,085	9,445	9,147	9,568
Diluted	10,295	10,085	9,485	10,584	10,399
Dividends declared per share	\$ 0.34	\$ 0.28	\$ 0.28	\$ 0.325	\$ 0.305
Other Operating Data:					
Gross title insurance premiums	\$ 88,391	\$ 51,113	\$ 58,370	\$ 98,344	\$ 66,430
Orders opened	210,000	111,000	119,000	189,600	146,600
Orders closed	127,000	73,200	88,900	123,300	90,450
Average fee per file(1)	\$ 848	\$ 1,109	\$ 940	\$ 971	\$ 919

- (1) Average fee per file information for American Title Company, Pioneer Land Title Corporation and National Title Insurance of New York, Inc. direct branches consists of gross title insurance premiums, escrow fees and other title-related fees divided by the number of closed files (not including revenue generated by ANFI's STAR Product, which are excluded due to the abbreviated characteristics of the policy). In addition, non title-related revenues and investment income are excluded as there are no associated closed files.

Quarterly Financial Data

Selected quarterly financial data is as follows:

	Quarter Ended			
	March 31,	June 30,	September 30,	December 31,
(In thousands, except share data) (Unaudited)				
2001				
Revenue	\$28,470	\$35,516	\$33,738	\$39,125
Earnings before income taxes	3,830	5,769	4,892	5,270
Net earnings, basic and diluted basis	2,260	3,404	2,837	2,763
Basic earnings per share	.22	.35	.32	.31
Diluted earnings per share	.21	.33	.29	.28
Dividends paid per share	.07	.07	.10	.10
2000				
Revenue	\$17,689	\$20,916	\$21,762	\$22,804
Earnings (loss) before income taxes	(563)	1,089	1,384	1,505
Net earnings (loss), basic and diluted basis	(332)	643	817	887
Basic earnings (loss) per share	(.03)	.06	.08	.09
Diluted earnings (loss) per share	(.03)	.06	.08	.09
Dividends paid per share	.07	.07	.07	.07

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets (SFAS No. 142). SFAS No. 142 requires that an intangible asset that is acquired shall be initially recognized and measured based on its fair value. The statement also provides that goodwill should not be amortized, but shall be tested for impairment annually, or more frequently if circumstances indicate potential impairment, through a comparison of fair value to its carrying amount. Existing goodwill was amortized through 2001, after which time amortization ceased. ANFI completed the transitional goodwill impairment test as of the adoption date and has determined that there has been no impairment of goodwill.

Beginning on January 1, 2002, ANFI ceased recording goodwill amortization in accordance with SFAS No. 142. The following table reconciles reported net earnings and net earnings per share to adjusted net earnings and net earnings per share.

	Year Ended December 31,			Nine Months Ended September 30,	
	2001	2000	1999	2002	2001
Reported net earnings	\$ 11,264	\$ 2,015	\$ 5,625	\$ 15,851	\$ 8,501
Add back: Amortization of cost in excess of net assets acquired	551	512	201		420
Add back: Tax effect of amortization of cost in excess of net assets acquired					
Adjusted net earnings	\$ 11,815	\$ 2,527	\$ 5,826	\$ 15,851	\$ 8,921
Basic Earnings Per Share:					
Reported net earnings	\$ 1.20	\$ 0.20	\$ 0.60	\$ 1.73	\$ 0.89
Amortization of cost in excess of net assets acquired	0.06	0.05	0.02		0.04
Tax effect of amortization of cost in excess of net assets acquired					
Adjusted net earnings per share basic	\$ 1.26	\$ 0.25	\$ 0.62	\$ 1.73	\$ 0.93
Diluted Earnings Per Share:					
Reported net earnings	\$ 1.09	\$ 0.20	\$ 0.59	\$ 1.50	\$ 0.82
Amortization of cost in excess of net assets acquired	0.06	0.05	0.02		0.04
Tax effect of amortization of cost in excess of net assets acquired					
Adjusted net earnings per share diluted	\$ 1.15	\$ 0.25	\$ 0.61	\$ 1.50	\$ 0.86

Comparative Per Share Data

The following table sets forth certain information regarding FNF's and ANFI's earnings, dividends and book value per share on a historical basis, on a pro forma combined basis and on an equivalent pro forma basis. The information set forth below should be read in conjunction with the historical consolidated financial statements of FNF and ANFI, including the notes thereto, incorporated by reference or appearing elsewhere in this proxy statement/prospectus. See "Unaudited Pro Forma Condensed Combined Financial Information" and "Where You Can Find More Information." The unaudited pro forma combined data below is for illustrative purposes only. The financial results may have been different had the companies always been combined. You should not rely on this information as indicative of the historical results that would have been achieved had the companies always been combined or the future results that FNF will experience after the Merger.

Set forth below are net income, cash dividends and book value per common share amounts for FNF and ANFI on a historical basis, for FNF on a pro forma combined basis, and on a pro forma combined basis per ANFI-equivalent-common-share. The exchange ratio is 0.454 of one share of FNF common stock for each share of ANFI common stock.

The FNF pro forma combined data was derived by combining the adjusted historical consolidated financial information of FNF and ANFI using the purchase method of accounting for business combinations as described under Unaudited Pro Forma Combined Financial Statements.

The ANFI equivalent-common-share pro forma information shows the effect of the Merger from the perspective of an owner of ANFI common stock. The information was computed by multiplying the FNF pro forma information by the exchange ratio of 0.454.

	FNF Historical	ANFI Historical	Pro Forma Combined(1)	Equivalent Pro Forma Amount Per Share of ANFI(2)
As of and for the Nine Months Ended				
September 30, 2002				
Basic net income per share of common stock from continuing operations	\$ 3.74	\$ 1.73	\$ 3.78	\$ 1.72
Diluted net income per share of common stock from continuing operations	\$ 3.61	\$ 1.50	\$ 3.63	\$ 1.65
Book value per share of common stock	\$22.03	\$5.17	\$22.67	\$10.23
Cash dividends declared per share of common stock	\$ 0.31	\$0.33	\$ 0.31	\$ 0.14
As of and for the Year Ended				
December 31, 2001				
Basic net income per share of common stock from continuing operations	\$ 3.31	\$ 1.20	\$ 3.26	\$ 1.48
Diluted net income per share of common stock from continuing operations	\$ 3.21	\$ 1.09	\$ 3.14	\$ 1.43
Book value per share of common stock	\$17.39	\$4.05	N/A	N/A
Cash dividends declared per share of common stock	\$ 0.34	\$0.34	N/A	N/A

- (1) The Pro Forma combined Per Share Data assumes the issuance of approximately 3,181,380 shares of FNF common stock to effect the Merger based on the number of ANFI shares outstanding at January 9, 2003 (0.454 shares of FNF common stock for each share of ANFI common stock). See Note 1 of Notes to Unaudited Pro Forma Condensed Combined Financial Statements.
- (2) The Equivalent Pro Forma Amount per share of ANFI represents the equivalent amounts per share that a holder of ANFI common stock would receive, determined by multiplying the Pro Forma amounts by 0.454.

RISK FACTORS

You should carefully consider the following factors, in addition to the other information included elsewhere in this proxy statement/prospectus and the documents that FNF has filed with the SEC, in considering what action to take in connection with approval of the Merger. Unless the context requires otherwise, the use of the term **combined company** refers to the combined company of FNF and ANFI after giving effect to the Merger.

Risks Related to the Merger

Because the number of FNF shares of common stock that ANFI shareholders will receive in the Merger is fixed, the value of FNF common stock at the time the ANFI shareholders receive them could be less than their value at the time of ANFI special meeting.

In the Merger, each ANFI share will be converted into the right to receive 0.454 shares of FNF common stock. The Merger Agreement does not provide for an adjustment in the exchange ratio even if there is a decrease in the market price of FNF common stock between the date of this proxy statement/prospectus and the effective date of the Merger. At the time of the ANFI special meeting, ANFI shareholders will not know the exact value of the FNF common stock that they will receive when the Merger is completed. The market price of FNF common stock when the Merger takes place may vary from its price at the date of this document and at the date of the special meetings and thereafter. Such variations in the market price of FNF common stock may result from changes in the business, operations or prospects of ANFI, FNF or the combined company, market assessments of the likelihood that the Merger will be consummated and the timing thereof, regulatory considerations, general market and economic conditions and other factors.

We urge you to obtain current market quotations for FNF common stock and ANFI common stock.

The actual tax treatment of the Merger may differ from the tax treatment FNF and ANFI expect to receive.

The Merger Agreement provides that the obligations of the parties to complete the Merger are conditioned upon the receipt as of the time of the Merger by ANFI of an opinion of Stradling Yocca Carlson & Rauth, counsel to FNF, to the effect that, on the basis of facts, representations and reasonable assumptions set forth in the opinion and subject to the qualifications discussed below, for United States federal income tax purposes, the Merger will be treated as a **reorganization** within the meaning of Section 368 of the Internal Revenue Code.

The Merger Agreement provides that the obligations of the parties to complete the Merger are conditioned upon the receipt as of the time of the Merger by FNF of an opinion of Stradling Yocca Carlson & Rauth (or other counsel acceptable to FNF) to the effect that, on the basis of facts, representations and reasonable assumptions set forth in the opinion and subject to the qualifications discussed below, for United States federal income tax purposes, the Merger will be treated as a **reorganization** within the meaning of Section 368 of the Internal Revenue Code.

In rendering the tax opinion with respect to the matters described above and as to the accuracy of the discussion of certain United States federal income tax consequences of the Merger herein, counsel will rely upon, and will assume as accurate and correct (without any independent investigation) certain representations as to factual matters contained in certificates delivered by ANFI and FNF. If such representations as to factual matters are inaccurate, the opinion could be adversely affected. The tax opinion will represent tax counsel's best judgment as to the tax treatment of the Merger, but will not be binding on the IRS, and the companies cannot assure you that the IRS will not contest the conclusions expressed therein. If, contrary to the conclusions reached in the opinion of tax counsel, the Merger is not treated as a reorganization within the meaning of Section 368 of the Internal Revenue Code, the Merger will be fully taxable to ANFI and the ANFI shareholders.

Difficulties associated with integrating FNF and ANFI could affect the combined company's ability to realize cost savings.

FNF and ANFI expect the combined company to realize cost savings and other financial and operating benefits from the Merger, but there can be no assurance regarding when or the extent to which the combined

company will be able to realize these benefits. Difficulties associated with integrating FNF and ANFI would have an adverse effect on the combined company's ability to realize the expected financial and operational benefits of the Merger.

Insurance regulators may not approve FNF's plans to convert ANFI's title and escrow operations to Ticor operations.

One of FNF's reasons for seeking to acquire ANFI is its expectation that the Merger will result in synergies for the combined company's operations, including the decision to change the name of ANFI to Ticor, one of FNF's existing title insurance brands, following the Merger to enable FNF to further develop and expand the Ticor brand. Following the Merger, FNF intends to seek the approval of insurance regulatory authorities in New York and California for the conversion of ANFI's title and escrow operations to Ticor operations. While FNF has no reason to believe that it will not be granted regulatory approval for the conversion, FNF cannot assure you that such approval will be obtained.

The price of FNF's common stock may fluctuate rapidly and prevent stockholders from selling their stock at a profit.

The market price of FNF's common stock could fluctuate rapidly and affect the amount of profit, if any, which stockholders may realize from the sale of FNF common stock. Since January 1, 2002 and through January 21, 2003 the market price has ranged from a low of \$21.70 per share to a high of \$34.68 per share. Fluctuations may occur, among other reasons, in response to:

operating results;

announcements by FNF or its competitors;

regulatory changes;

economic changes;

general market conditions; and

other risk factors described in this proxy statement/prospectus.

The trading price of FNF's common stock could continue to be subject to wide fluctuations in response to the factors set forth above and other factors, many of which are beyond FNF's control. The stock market in recent years has experienced extreme price and trading volume fluctuations that often have been unrelated or disproportionate to the operating performance of individual companies. You should consider the likelihood of these market fluctuations before voting to approve the Merger pursuant to which you will receive FNF stock.

The sale of a substantial amount of FNF common stock after the Merger could adversely affect the market price of FNF common stock.

All of the shares of FNF common stock that ANFI shareholders receive in the Merger may be sold immediately, except possibly some of the shares received by affiliates of ANFI within the meaning of Rule 145 of the Securities Act of 1933. Substantially all of the outstanding shares of FNF common stock are freely tradable (subject to certain Rule 144 restrictions in the case of FNF affiliates). The sale of a substantial amount of FNF common stock after the Merger could adversely affect its market price. It could also impair FNF's ability to raise money through the sale of more stock or other forms of capital. In addition, the sale of authorized but unissued shares of FNF common stock by FNF after the Merger could adversely affect its market price. Based on assumptions set forth in the Unaudited Pro Forma Combined Financial Statements, it is expected that there will be approximately 99,379,000 shares of FNF common stock outstanding after the Merger, excluding FNF shares held as treasury stock and FNF shares issuable upon the exercise of outstanding options and warrants.

Risks Related to FNF

FNF's revenues may decline during periods when the demand for FNF's products and services decreases.

In the title insurance industry, revenues are directly affected by the level of real estate activity and the average price of real estate sales on both a national and local basis. Real estate sales are directly affected by changes in the cost of financing purchases of real estate i.e., mortgage interest rates. Other macroeconomic

factors affecting real estate activity include, but are not limited to, demand for housing, employment levels, family income levels and general economic conditions. Because these factors can change dramatically, revenue levels in the title insurance industry can also change dramatically. For example, beginning in late 1995 and into 1998, the level of real estate activity increased, including refinancing transactions, new home sales and resales, due in part to decreases in mortgage interest rates. Stable mortgage interest rates and strength in the real estate market, especially in California and throughout the West Coast, contributed to very positive conditions for the title insurance industry throughout 1997 and 1998. However, during the second half of 1999 and through 2000, steady interest rate increases caused by actions taken by the Federal Reserve Board resulted in a significant decline in refinancing transactions. As a result, the market shifted from a refinance-driven market in 1998 to a more traditional market driven by new home purchases and resales in 1999 and 2000. However, beginning in December 2000 and continuing through the fourth quarter of 2002, interest rates have been reduced by 525 basis points, bringing interest rates down to their lowest level in recent history, which again has significantly increased the volume of refinance activity.

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

FNF's revenues in future periods will continue to be subject to these and other factors which are beyond its control and, as a result, are likely to fluctuate.

As a holding company, FNF depends on distributions from its subsidiaries, and if distributions from its subsidiaries are materially impaired, FNF's ability to declare and pay dividends may be adversely affected.

FNF is a holding company whose primary assets are the securities of its operating subsidiaries. FNF's ability to pay dividends is dependent on the ability of its subsidiaries to pay dividends or repay funds to FNF. If FNF's operating subsidiaries are not able to pay dividends or repay funds to FNF, FNF may not be able to declare and pay dividends to you.

FNF's title insurance and home warranty subsidiaries must comply with state and federal laws which require them to maintain minimum amounts of working capital, surplus and reserves, and place restrictions on the amount of dividends that they can distribute to FNF. During 2001, approximately 91.4% of FNF's year-to-date revenues was derived from subsidiaries engaged in these regulated businesses. Compliance with these laws will limit the amounts FNF's regulated subsidiaries can dividend to FNF. During 2002, FNF's title insurance subsidiaries could pay dividends or make other distributions to FNF of \$114.3 million.

FNF's entering into new business lines subjects it to associated risks, such as the diversion of management attention, difficulty integrating operations and lack of experience in operating such businesses.

FNF has acquired, and may in the future acquire, businesses in industries with which management is less familiar than FNF is with the title insurance industry. For example, on January 28, 2003, FNF entered into a stock purchase agreement with ALLTEL Corporation whereby FNF will acquire from ALLTEL Corporation the financial services division, ALLTEL Information Services, Inc. Also, in the last three years, FNF has expanded the range and amount of real estate related services it provides, began underwriting home warranty policies, invested in restaurant businesses, expanded its commercial title insurance business and considered acquiring underwriters of other lines of insurance products. These activities involve risks that could adversely affect FNF's operating results, such as diversion of management's attention, integration of the operations, systems and personnel of the new businesses and lack of substantial experience in operating such businesses.

Difficulties FNF may encounter managing its growth could adversely affect its results of operations.

FNF has historically achieved growth through a combination of developing new products and services, increasing its market share for existing products, and acquisitions. Part of its strategy is to pursue opportunities

to diversify and expand its operations by acquiring or making investments in other companies. The success of each acquisition will depend upon:

FNF's ability to integrate the acquired business' operations, products and personnel;

FNF's ability to retain key personnel of the acquired businesses; and

FNF's ability to expand its financial and management controls and reporting systems and procedures.

FNF's subsidiaries that engage in insurance related businesses must comply with additional regulations. These regulations may impede, or impose burdensome conditions on, FNF's rate increases or other actions that FNF might want to take to increase the revenues of its subsidiaries.

FNF's title insurance business is subject to extensive regulation by state insurance authorities in each state in which it operates. These agencies have broad administrative and supervisory power relating to the following, among other matters:

licensing requirements;

trade and marketing practices;

accounting and financing practices;

capital and surplus requirements;

the amount of dividends and other payments made by insurance subsidiaries;

investment practices;

rate schedules;

deposits of securities for the benefit of policyholders;

establishing reserves; and

regulation of reinsurance.

Most states also regulate insurance holding companies like FNF with respect to acquisitions, changes of control and the terms of transactions with its affiliates. These regulations may impede or impose burdensome conditions on FNF's rate increases or other actions that FNF may want to take to enhance its operating results, and could affect its ability to pay dividends on its common stock. In addition, FNF may incur significant costs in the course of complying with regulatory requirements. FNF cannot assure you that future legislative or regulatory changes will not adversely affect its business operations.

FNF faces competition in its industry from traditional title insurers and from new entrants with alternative products.

The title insurance industry is highly competitive. According to Corporate Development Services, the top five title insurance companies accounted for 88% of net premiums collected in 2001. Over 40 independent title insurance companies accounted for the remaining 12% of the market. The number and size of competing companies varies in the different geographic areas in which FNF conducts its business. In FNF's principal markets, competitors include other major title underwriters such as First American Corporation, LandAmerica Financial Group, Inc., Old Republic International Corporation and Stewart Information Services Corporation, as well as numerous independent agency operations at the regional and local level. These smaller companies may expand into other markets in which FNF competes. Also, the removal of regulatory barriers might result in new competitors entering the title insurance business, and those new competitors may include diversified financial services companies that have greater financial resources than FNF does and possess other competitive advantages. Competition among the major title insurance companies, expansion by smaller regional companies and any new entrants with alternative products could affect FNF's business operations and financial condition.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

FNF and ANFI are providing the following Unaudited Pro Forma Condensed Combined Financial Information to give you a better picture of what the results of operations and financial position of FNF might have been had the Merger been completed at an earlier date. The Unaudited Pro Form Condensed Combined Statements of Earnings for the nine months ended September 30, 2002 and the year ended December 31, 2001 give effect to the Merger as if it had been completed on January 1, 2002 and 2001, respectively. The Unaudited Condensed Combined Balance Sheet as of September 30, 2002 gives effect to the Merger as if it had been completed on that date.

As of January 9, 2003, FNF owned approximately 28% of ANFI's outstanding common stock and accounts for ANFI under the equity method of accounting. Accordingly, FNF does not have a controlling financial interest in ANFI.

The acquisition of the noncontrolling equity interest (72%) of ANFI will be accounted for under the purchase method of accounting in accordance with Financial Accounting Standards Board Statement No. 141, *Business Combinations* (SFAS 141). Under the purchase method of accounting, assets acquired and liabilities assumed are recorded at their estimated fair values. Goodwill is created to the extent that the merger consideration, including certain acquisition and closing costs, exceeds the fair value of the net identifiable assets acquired. FNF has not yet completed its analysis of the fair value of the net identifiable assets to be acquired, which includes, among other things, estimating the fair value of ANFI's property and equipment, title plants, operating leases and backlog of open orders. Based on the information currently available, the Merger is expected to initially create approximately \$117.0 million in goodwill. The actual goodwill arising from the Merger will be based on the merger consideration, including certain acquisition and closing costs, the fair values of assets and liabilities on the date the Merger is consummated, and the fair value of FNF options exchanged for outstanding ANFI options in accordance with FASB Interpretation 44 (FIN 44). No assurance can be given that the actual goodwill amount arising from the Merger will not be more or less than the amount contemplated in the Unaudited Pro Forma Condensed Combined Financial Information. In accordance with Financial Accounting Standards Board Statement No. 142, *Goodwill and Other Intangible Assets* (SFAS 142), goodwill will be initially recognized and measured based on its fair value and will not be amortized, but tested for impairment annually, or more frequently if circumstances indicate potential impairment, through a comparison of fair value to its carrying amount.

FNF and ANFI have prepared the Unaudited Pro Forma Condensed Financial Information based on available information, using assumptions that their respective management believes are reasonable. The Unaudited Pro Forma Condensed Combined Financial Information is being provided for informational purposes only. It does not purport to represent FNF's actual financial position or results of operations had the Merger occurred on the dates specified nor does it project FNF's results of operations or financial position for any future period or date.

The Unaudited Pro Forma Condensed Combined Statements of Earnings do not reflect any adjustment for nonrecurring items or operating synergies arising as a result of the Merger. See Notes to Unaudited Pro Forma Condensed Combined Financial Information. In addition, pro forma adjustments are based on certain assumptions and other information that are subject to change as additional information becomes available. Accordingly, the adjustments included in our financial statements published after completion of the Merger will vary from the adjustments included in the Unaudited Pro Forma Condensed Combined Financial Information included herein. In accordance with FIN 44, unearned compensation cost is recorded upon consummation of the Merger for a portion of the intrinsic value of the unvested FNF options that will be exchanged for unvested ANFI options. The unearned compensation cost will be recognized over the remaining vesting period as a non-cash charge. Based on the FNF closing stock price on January 9, 2003 of \$34.44, the after tax unearned compensation cost is estimated to be \$2.4 million. The amount of the non-cash charge resulting from the exchange of unvested FNF options for unvested ANFI options will ultimately be determined based upon the number of unvested options outstanding as of the date the Merger is consummated and the stock price of FNF on that date.

The Unaudited Pro Forma Condensed Combined Financial Information should be read in conjunction with FNF's and ANFI's audited and unaudited historical financial information and related notes, as well as Management's Discussion and Analysis of Financial Condition and Results of Operations included herein and incorporated by reference herein. FNF and ANFI's share and per share data for the year ended December 31, 2001 has been retroactively adjusted for FNF's 10% stock dividend in May 2002 and ANFI's five-for-four (25%) stock split in July 2002. In addition, certain reclassifications have been made to both FNF and ANFI's prior year amounts to conform with their respective 2002 presentation. Additional reclassifications have been made to ANFI's financial information to conform with FNF's financial information presentation. See Where You Can Find More Information.

FIDELITY NATIONAL FINANCIAL, INC.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

September 30, 2002

	FNF Historical	ANFI Historical	Combined	Pro Forma Adjustments	Pro Forma
(In thousands)					
ASSETS					
Investments:					
Fixed maturities available for sale at fair value at September 30, 2002 includes \$186,260 of pledged FNF fixed maturity securities related to secured trust deposits	\$ 1,243,612	\$ 25,331	\$ 1,268,943		\$ 1,268,943
Equity securities, at fair value	88,779	1,289	90,068		90,068
Other long-term investments	34,456		34,456	(21,461)(2),(3)	12,995
Settlement of investments, at September 30, 2002 includes \$73,048 of pledged FNF investments related to secured trust deposits	215,921		215,921		215,921
Short-term investments, at September 30, 2002 includes \$394,973 of pledged FNF cash related to trust deposits	869,812	1,290	871,102		871,102
Total investments	2,452,580	27,910	2,480,490	(21,461)	2,459,029
Cash and cash equivalents, at September 30, 2002 includes \$394,973 of pledged FNF cash related to secured trust deposits	549,753	17,658	567,411		567,411
Leases and residual interests in securitizations	141,714		141,714		141,714
Trade receivables, net	181,208	4,174	185,382		185,382
Notes receivable, net (related party \$6,426 in 2002)	17,775		17,775		17,775
Cost in excess of net assets acquired, net	947,275	11,226	958,501	105,740(2),(4)	1,064,241
Prepaid expenses and other assets	365,996	2,844	368,840	(2,776)(2),(5)	366,064
Title plants	275,988	4,132	280,120	(1,100)(2),(6)	279,020
Property and equipment, net	165,376	10,315	175,691		175,691
Deferred tax asset	99,120	5,197	104,317		104,317
	<u>\$ 5,196,785</u>	<u>\$ 83,456</u>	<u>\$ 5,280,241</u>	<u>\$ 80,403</u>	<u>\$ 5,360,644</u>
LIABILITIES AND STOCKHOLDERS EQUITY					
Liabilities:					
Accounts payable and accrued liabilities	\$ 606,395	\$ 20,217	\$ 626,612		\$ 626,612
Notes payable	513,856	2,860	516,716	(745)(2),(6)	515,971
Reserve for claim losses	892,675	5,494	898,169		898,169
Secured trust deposits	855,876		855,876		855,876
Due to affiliate		2,776	2,776	(2,776)(2),(5)	
Income taxes payable	105,309	2,940	108,249		108,249

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	2,974,111	34,287	3,008,398	(3,521)	3,004,877
Minority interests and preferred stock of subsidiary	115,561		115,561		115,561
Stockholders' equity:					
Preferred stock					
Common stock	10		10		10
Additional paid-in capital	1,542,118	23,442	1,565,560	113,440(1)	1,679,000
Retained earnings	575,165	26,578	601,743	(26,578)(1)	575,165
Accumulated other comprehensive earnings	17,970	(851)	17,119	851(1)	17,970
Unearned compensation				(3,789)(1)	(3,789)
Treasury stock	(28,150)		(28,150)		(28,150)
	<u>2,107,113</u>	<u>49,169</u>	<u>2,156,282</u>	<u>83,924</u>	<u>2,240,206</u>
	<u>\$5,196,785</u>	<u>\$83,456</u>	<u>\$5,280,241</u>	<u>\$ 80,403</u>	<u>\$5,360,644</u>

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

FIDELITY NATIONAL FINANCIAL, INC.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF EARNINGS

For the Nine Months Ended September 30, 2002

	FNF Historical	ANFI Historical	Combined	Pro Forma Adjustments	Pro Forma
(In thousands, except per share data)					
Revenue:					
Title insurance premiums	\$2,408,416	\$ 13,763	\$2,422,179		\$2,422,179
Net title service revenues		75,320	75,320	(75,320)(5)	
Escrow and other title related fees	679,304	30,692	709,996		709,996
Real estate related services	308,183	15,547	323,730		323,730
Interest and investment income	59,023	1,137	60,160		60,160
Realized gains, net	9,195	2,461	11,656	(3,534)(7)	8,122
Other income	28,550		28,550		28,550
	<u>3,492,671</u>	<u>138,920</u>	<u>3,631,591</u>	<u>(78,854)</u>	<u>3,552,737</u>
Expenses:					
Personnel costs	1,037,722	70,338	1,108,060		1,108,060
Other operating expenses	717,046	33,213	750,259	2,790(8)	753,049
Agent commissions	1,020,936	7,333	1,028,269	(75,320)(5)	952,949
Provision for claim losses	120,421	931	121,352		121,352
Amortization of cost in excess of net assets acquired					
Interest expense	25,999	239	26,238		26,238
	<u>2,922,124</u>	<u>112,054</u>	<u>3,034,178</u>	<u>(72,530)</u>	<u>2,961,648</u>
Earnings before income taxes and minority interest	570,547	26,866	597,413	(6,324)	591,089
Income tax expense	205,397	11,015	216,412	(6,296)(9)	210,116
Earnings before minority interest	365,150	15,851	381,001	(28)	380,973
Minority interest	8,368		8,368		8,368
Earnings from continuing operations	<u>\$ 356,782</u>	<u>\$ 15,851</u>	<u>\$ 372,633</u>	<u>\$ (28)</u>	<u>\$ 372,605</u>
Basic earnings per share from continuing operations	<u>\$ 3.74</u>	<u>\$ 1.73</u>	N/A	N/A	<u>\$ 3.78(10)</u>
Weighted average shares outstanding, basic	<u>95,276</u>	<u>9,147</u>	N/A	N/A	<u>98,458(10)</u>
Diluted earnings per share from continuing operations	<u>\$ 3.61</u>	<u>\$ 1.50</u>	N/A	N/A	<u>\$ 3.63(10)</u>
Weighted average shares outstanding, diluted	<u>98,762</u>	<u>10,584</u>	N/A	N/A	<u>102,739(10)</u>

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

FIDELITY NATIONAL FINANCIAL, INC.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF EARNINGS

For the Year Ended December 31, 2001

	FNF Historical	ANFI Historical	Combined	Pro Forma Adjustments	Pro Forma
(In thousands, except per share data)					
Revenue:					
Title insurance premiums	\$2,694,479	\$ 8,890	\$2,703,369		\$2,703,369
Net title service revenues		76,435	76,435	(76,435)(5)	
Escrow and other title related fees	728,406	32,176	760,582		760,582
Real estate related services	287,063	17,080	304,143		304,143
Interest and investment income	93,105	1,267	94,372		94,372
Realized gains, net	6,349	1,001	7,350	(3,641)(7)	3,709
Other income	64,705		64,705		64,705
	<u>3,874,107</u>	<u>136,849</u>	<u>4,010,956</u>	<u>(80,076)</u>	<u>3,930,880</u>
Expenses:					
Personnel costs	1,187,177	73,909	1,261,086		1,261,086
Other operating expenses	829,433	36,443	865,876	3,111(8)	868,987
Agent commissions	1,098,328	4,659	1,102,987	(76,435)(5)	1,026,552
Provision for claim losses	134,724	1,104	135,828		135,828
Amortization of cost in excess of net assets acquired	54,155	551	54,706		54,706
Interest expense	46,569	422	46,991		46,991
	<u>3,350,386</u>	<u>117,088</u>	<u>3,467,474</u>	<u>(73,324)</u>	<u>3,394,150</u>
Earnings before income taxes and minority interest	523,721	19,761	543,482	(6,752)	536,730
Income tax expense	209,488	8,497	217,985	(6,523)(9)	211,462
Earnings before minority interest	314,233	11,264	325,497	(229)	325,268
Minority interest	3,048		3,048		3,048
Earnings from continuing operations	<u>\$ 311,185</u>	<u>\$ 11,264</u>	<u>\$ 322,449</u>	<u>\$ (229)</u>	<u>\$ 322,220</u>
Basic earnings per share from continuing operations	<u>\$ 3.31</u>	<u>\$ 1.20</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 3.31(10)</u>
Weighted average shares outstanding, basic	<u>94,048</u>	<u>9,386</u>	<u>N/A</u>	<u>N/A</u>	<u>97,229(10)</u>
Diluted earnings per share from continuing operations	<u>\$ 3.21</u>	<u>\$ 1.09</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 3.20(10)</u>
Weighted average shares outstanding, diluted	<u>96,865</u>	<u>10,295</u>	<u>N/A</u>	<u>N/A</u>	<u>100,723(10)</u>

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

FIDELITY NATIONAL FINANCIAL, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

(Amounts in thousands, except share and per share amounts)

1. As of January 9, 2003, FNF owned approximately 28% of ANFI's outstanding common stock. This pro forma adjustment reflects the purchase price for the remaining 72% of ANFI's outstanding common stock:

a.	In the Merger, each share of ANFI common stock will be exchanged for .454 shares of FNF common stock. This is a fixed exchange ratio. Based on ANFI's shares outstanding as of January 9, 2003, the date the Merger Agreement was signed, FNF anticipates issuing approximately 3,181,380 shares of FNF common stock in the Merger. For purpose of this analysis and in accordance with EITF 99-12, the assumed common stock price is \$32.35 per share, which represents the average closing price of FNF common stock on the NYSE for the two day period beginning two days prior through two days subsequent to December 16, 2002, the last trading day before the public announcement of the Merger (the Valuation Date)	\$ 102,911
b.	In the Merger, each vested and unvested option and warrant to purchase ANFI common stock will be exchanged for 0.454 vested and unvested options and warrants to purchase FNF common stock. This pro forma adjustment reflects the fair value of the vested and unvested options and warrants using FNF's common stock price on the Valuation Date	33,971
c.	In accordance with FIN 44, unearned compensation costs are recorded upon consummation of the Merger for the portion of the intrinsic value, at the consummation date, of the unvested FNF options that will be exchanged for unvested ANFI options. This pro forma adjustment reflects the establishment of unearned compensation cost on the pro forma September 30, 2002 balance sheet, in the amount of	(3,789)
	Total recorded purchase price	<u>\$ 133,093</u>

2. The preliminary purchase price allocation is as follows:

Tangible and amortizable intangible assets acquired at fair value	\$ 37,293
Cost in excess of net assets acquired, net	116,966
Liabilities assumed at fair value	<u>(21,166)</u>
Total recorded purchase price	<u>\$ 133,093</u>

3. This pro forma adjustment eliminates FNF's 28% investment in ANFI of \$21,461 as of September 30, 2002.
4. This pro forma adjustment eliminates ANFI's unamortized cost in excess of net assets acquired of \$11,226 as of September 30, 2002, and records cost in excess of net assets acquired of \$116,966.
5. This pro forma adjustment eliminates the intercompany transactions and balances between FNF and ANFI.
6. This pro forma adjustment eliminates ANFI's title plant under capital lease of \$1,100 and capital lease obligation of \$745 with FNF.

7. This pro forma adjustment eliminates the effect of the equity method of accounting of ANFI recorded by FNF of \$3,534 for the nine-month period ended September 30, 2002 and \$3,641 for the year ended December 31, 2001.

8. In accordance with FIN 44, unearned compensation costs are recorded upon consummation of the merger for the unearned portion of the intrinsic value of the unvested FNF options that will be exchanged for unvested ANFI options. The amortization of the unearned compensation cost over the remaining vesting period, results in a pre-tax charge of \$2,790 for the nine-month period ended September 30, 2002 and \$3,111 for the year ended December 31, 2001.
9. Income taxes are recorded at the estimated tax rate of 40%, multiplied by the pro forma adjustments to earnings before taxes and minority interest plus the benefit of 5% (state tax rate less federal benefit of state tax) multiplied by net title service revenue recorded by ANFI. ANFI's subsidiary was subject to state income taxes for this revenue; however, if the acquisition had occurred as of January 1, 2002 or 2001, this revenue would have been earned by an insurance subsidiary of FNF and as such would not have been subject to state income taxes.
10. The pro forma number of shares used in the per share computation - basic is the weighted average number of FNF common shares outstanding during the nine months ended September 30, 2002 and the year ended December 31, 2001 plus the issuance of approximately 3,181,380 shares of FNF common stock to effect the Merger. The pro forma number of shares used in the per share computation - diluted includes the impact of the assumed conversions of ANFI dilutive potential securities that will be exchanged for FNF dilutive securities.

MARKET PRICE AND DIVIDEND INFORMATION

FNF's common stock is listed on the NYSE under the symbol FNF. ANFI's common stock is listed on NASDAQ National Market under the symbol ANFI. As of February 6, 2003, there were approximately 1,740 holders of record of FNF common stock, and as of February 3, 2003 there were approximately 55 holders of record of ANFI common stock. The table below sets forth, for the fiscal quarters indicated, the high and low sales prices per share of FNF common stock and ANFI common stock, as reported on the NYSE Composite Tape and the NASDAQ National Market, as applicable. FNF has historically followed a policy of paying quarterly dividends. Since the first quarter of 1999, ANFI has paid cash dividends on a quarterly basis, which payments have been made at the discretion of its Board of Directors. ANFI's last dividend payment in the amount of \$0.125 per share was paid on January 6, 2003 to shareholders of record on December 23, 2002. Pursuant to the Merger Agreement, ANFI has agreed to refrain from paying any further dividends prior to the Merger, except that ANFI may pay declare and pay a cash dividend to its shareholders of up to \$0.125 per share during the first quarter of 2003.

	FNF Common Stock(1)			ANFI Common Stock(2)		
	High	Low	Dividends Declared	High	Low	Dividends Declared
2000						
First Quarter	\$ 15.08	\$ 9.60	\$0.08	\$ 2.86	\$ 2.18	\$ 0.07
Second Quarter	16.58	10.33	0.08	2.73	2.00	0.07
Third Quarter	20.61	13.95	0.08	2.28	1.95	0.07
Fourth Quarter	32.55	16.32	0.08	2.33	2.27	0.07
2001						
First Quarter	\$30.53	\$21.55	\$0.08	\$ 3.64	\$ 2.18	\$ 0.07
Second Quarter	23.14	16.61	0.08	4.11	2.91	0.07
Third Quarter	24.80	18.55	0.09	7.20	4.00	0.10
Fourth Quarter	25.06	20.19	0.09	6.89	5.24	0.10
2002						
First Quarter	\$25.44	\$21.70	\$0.09	\$ 6.88	\$ 5.00	\$ 0.10
Second Quarter	31.74	23.96	0.10	12.80	6.32	0.10
Third Quarter	32.32	24.55	0.12	14.80	10.55	0.125
Fourth Quarter	33.61	26.79	0.12	15.15	10.27	0.125
2003						
First Quarter (through January 21, 2003)	\$ 34.68	\$ 32.89	\$0.15	\$ 15.56	\$ 14.79	N/A

- (1) The FNF amounts for 2000, 2001 and 2002 have been adjusted to give retroactive effect to a 10% stock dividend in August 2001 and May 2002.
- (2) The ANFI amounts for 2000, 2001 and 2002 have been adjusted to give retroactive effect to a 10% stock dividend in May 2001 and the five-for-four (25%) stock split in July 2002.

Following the Merger, the holders of FNF common stock will be entitled to receive such dividends as may be declared by FNF's Board of Directors. FNF's current dividend policy anticipates the payment of quarterly dividends in the future. The declaration and payment of dividends will be in the discretion of FNF's Board of Directors and will be dependent upon FNF's future earning, financial condition and capital requirements. FNF's ability to declare dividends is also subject to its compliance with the financial covenants contained in its existing credit agreement. In addition, since FNF is a holding company, its ability to pay dividends depends largely on the ability of its subsidiaries to pay dividends to it, and the ability of its title insurance subsidiaries to do so is subject to, among other factors, their compliance with applicable insurance regulations.

THE ANFI SPECIAL MEETING

This proxy statement/prospectus is being mailed to the holders of ANFI common stock for use at the ANFI special meeting to be held on _____, 2003 at _____ local time, at The Irvine Marriott Hotel, located at 18000 Von Karman Avenue, Irvine, California 92612, and at any adjournments or postponements thereof.

At the ANFI special meeting, ANFI shareholders will be asked to consider and vote upon a proposal to approve and adopt the Merger Agreement between FNF and ANFI and the Merger.

How to Vote

Your vote is important. Shareholders of record can vote by telephone, on the Internet or by mail as described below. If you are a beneficial owner, please refer to our proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you.

Proxies

If you are an ANFI shareholder, you may use the accompanying proxy if you are unable to attend the ANFI special meeting in person or wish to have your shares voted by proxy even if you do attend the ANFI special meeting. All shares of ANFI common stock represented by valid proxies received pursuant to this solicitation, and not revoked before they are exercised, will be voted in the manner specified therein. Proxies that do not contain voting instructions will be voted in favor of approval and adoption of the Merger Agreement and the Merger.

Vote by Telephone

You can vote by calling the toll-free telephone number noted on your proxy card. Telephone voting is available 24 hours a day and will be accessible until 4:00 p.m. (EDT) on _____, 2003 [one day before that date on which the proxy cards must be received]. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. Our telephone voting procedures are designed to authenticate shareholders by using individual control numbers. **IF YOU VOTE BY TELEPHONE, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.**

Vote on the Internet

You also can choose to vote on the Internet. The web site for Internet voting is on your proxy card. Internet voting is available 24 hours a day and will be accessible until 4:00 p.m. (EDT) _____, 2003 [one day before that date on which the proxy card must be received]. As with telephone voting, you can confirm that your instructions have been properly recorded. Our Internet voting procedures are designed to authenticate shareholders by using individual control numbers. If you vote on the Internet, you also can request electronic delivery of future proxy materials. **IF YOU VOTE ON THE INTERNET, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.**

Vote by Mail

In order to be effective, completed proxy cards must be received by 8:30 a.m. (EDT) on _____. If you choose to vote by mail, simply mark your proxy, date and sign it, and return it to the following address: _____.

Voting at the Special Meeting

The method you use to vote will not limit your right to vote at the special meeting if you decide to attend in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the special meeting. All shares that have been properly voted and not revoked will be voted at the special meeting. If you sign and return your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors of ANFI.

Voting on Other Matters

If other matters are properly presented at the special meeting for consideration, the persons named on the proxy card will have the discretion to vote on those matters for you.

Revocation of Proxies

Proxies may be revoked at any time before they are voted by:

written notice addressed to ANFI, Inc., 1111 East Katella Avenue, Suite 220, Orange, California 92867, Attention: Jo Ann N. Bunton, Controller;

timely delivery of a valid, later-dated proxy; or

voting by ballot at the special meeting.

However, attendance at the special meeting will not, in itself, constitute revocation of a previously granted proxy.

Record Date; Vote Required

Only holders of record of shares of ANFI common stock at the close of business on _____, 2003 are entitled to notice of and to vote at the ANFI special meeting, with each share entitled to one vote. ANFI shareholders have limited dissenters' or appraisal rights in connection with the Merger.

Approval and adoption of the Merger Agreement requires the favorable vote of the holders of at least a majority of the shares of ANFI common stock voting in person or by proxy at the ANFI special meeting.

On _____, 2003, which is the record date for the special meeting, there were _____ shares of ANFI common stock issued and outstanding and entitled to vote. One vote may be cast with respect to the Merger Agreement and the Merger for each share of ANFI common stock that was owned on the record date.

As described above under the heading Summary The ANFI Special Meeting Share Ownership of FNF and Affiliates, it is expected that at least 6,122,983, or approximately 64.1% of the outstanding shares of ANFI common stock as of December 31, 2002, will vote in favor of the Merger, assuring ANFI shareholder approval of the Merger Agreement and Merger

Under NASDAQ rules, brokers and nominees are precluded from exercising their voting discretion on the proposal to approve and adopt the Merger and the Merger Agreement and, for this reason, absent specific instructions from the beneficial owner of shares, they are not permitted to vote such shares. In determining whether the Merger and the Merger Agreement are approved, a non-vote will have the same effect as a vote against the Merger Agreement and Merger. ACCORDINGLY, THE ANFI BOARD OF DIRECTORS URGES THE ANFI SHAREHOLDERS TO COMPLETE, DATE AND SIGN THE ACCOMPANYING PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED, POSTAGE-PAID ENVELOPE, OR OTHERWISE VOTE VIA THE INTERNET OR TELEPHONE AS DESCRIBED ABOVE.

Share Ownership of Management and Directors; Voting Agreement

As of February 3, 2003, directors and executive officers of ANFI and their affiliates held and were entitled to vote 3,156,802 shares of ANFI common stock, or approximately 32% of the shares of ANFI common stock outstanding on February 3, 2003. Pursuant to the terms of a voting agreement (the Voting Agreement) entered into concurrently with the execution of the Merger Agreement, four of the executive officers who are also directors of ANFI and who own in the aggregate 2,557,380 shares of ANFI common stock have agreed to vote all of their shares in favor of the Merger and not to sell any of their outstanding ANFI shares other than shares relating to or obtained as the result of the exercise of ANFI options until the Merger has occurred or the Merger Agreement is terminated. On January 14, 2003, FNF entered into a written waiver with the ANFI holders party to the Voting Agreement, whereby FNF waived any rights it may have to enforce the transfer prohibition as it relates to the exercise of ANFI stock options and any subsequent sale of any shares of ANFI common stock received upon exercise. In this regard, two of the interested

directors of ANFI on January 16 and 17, 2003 sold in the aggregate 170,700 shares of ANFI stock obtained as the result of their exercise of ANFI options in order to begin to reduce their outstanding options to acquire ANFI shares as required by the Merger Agreement and to diversify their own personal investment portfolios.

Quorum

Holders of a majority of the outstanding shares of ANFI common stock entitled to vote must be present, either in person or by proxy, at the ANFI special meeting to constitute a quorum. In general, abstentions and broker non-votes will not be counted as present or represented for the purposes of determining a quorum for the ANFI special meeting.

Expenses of Solicitation

The expenses of the solicitation of proxies with respect to the ANFI special meeting will be borne by ANFI. In addition to solicitation by mail, arrangements will be made with brokers and other custodians, nominees and fiduciaries to send proxy materials to their principals and ANFI will, upon request, reimburse them for reasonable expenses of so doing. Solicitation of proxies from some ANFI shareholders may be made by ANFI's officers, directors, consultants and employees by telephone, facsimile, or in person after the initial solicitation.

Recommendation of the ANFI Board of Directors

BY UNANIMOUS VOTE OF ITS DISINTERESTED DIRECTORS, THE ANFI BOARD OF DIRECTORS APPROVED THE MERGER AGREEMENT AND THE MERGER, DECLARED THAT THE MERGER AGREEMENT AND THE MERGER ARE ADVISABLE AND DETERMINED THAT THE MERGER IS FAIR TO, AND IN THE BEST INTERESTS OF, ANFI AND THE ANFI SHAREHOLDERS. ACCORDINGLY, BY UNANIMOUS VOTE OF ITS DISINTERESTED DIRECTORS, THE ANFI BOARD OF DIRECTORS RECOMMENDS THAT THE ANFI SHAREHOLDERS VOTE FOR APPROVAL AND ADOPTION OF THE MERGER AGREEMENT AND THE MERGER. See The Merger ANFI Reasons for the Merger; Recommendation of the ANFI Board of Directors.

Miscellaneous

It is not expected that any other matters will be brought before the ANFI special meeting. If any other matters are properly brought before the ANFI special meeting, including a motion to adjourn or postpone the ANFI special meeting to another time and/or place for the purpose of, among other things, permitting dissemination of information regarding material developments relating to the Merger Agreement and the Merger, or soliciting additional proxies in favor of the approval of the Merger Agreement and the Merger, the persons named on the accompanying proxy card will vote the shares represented by the proxy upon such matters in their discretion. However, if ANFI proposes to adjourn or postpone its special meeting for the purpose of soliciting additional votes in favor of the Merger agreement and the Merger, and seeks a vote of ANFI shareholders on such proposal, proxies that have been voted against the Merger Agreement and Merger (or on which an ANFI shareholder has elected to abstain) will not be voted in favor of any adjournment or postponement for the purpose of soliciting additional proxies. Any other proxy will be deemed to have voted FOR any such adjournment or postponement proposal. Should the ANFI special meeting be reconvened, all proxies will be voted in the same manner as such proxies would have been voted when the ANFI special meeting was originally convened, except for proxies effectively revoked or withdrawn prior to the time proxies are voted at the reconvened ANFI special meeting.

ANFI SHAREHOLDERS SHOULD NOT SEND IN ANY STOCK CERTIFICATES WITH THEIR PROXY CARDS. ANFI SHAREHOLDERS WILL BE SENT SEPARATE WRITTEN INSTRUCTIONS FOR EXCHANGING THEIR STOCK CERTIFICATES PROMPTLY AFTER THE EFFECTIVE TIME OF THE MERGER. FNF STOCKHOLDERS WILL NOT EXCHANGE THEIR STOCK CERTIFICATES IN CONNECTION WITH THE MERGER.

THE MERGER

The following describes certain aspects of the proposed Merger. Because this discussion is a summary, it may not contain all of the information that is important to you. To understand the Merger fully, and for a more complete description of the legal terms of the Merger, you are urged to read the Merger Agreement carefully. A copy of the Merger Agreement is attached as Appendix A to this document and is incorporated in this document by reference.

General

The Merger Agreement provides for the Merger of ANFI with and into a newly formed, wholly-owned subsidiary of FNF, with such wholly-owned subsidiary surviving the Merger as a wholly-owned subsidiary of FNF. The Merger will become effective with the filing of an agreement of merger with the Secretary of State of the State of California. It is anticipated that this filing will be made as soon as practicable after the last of the conditions to the Merger, as set forth in the Merger Agreement, has been satisfied or waived. When the Merger is completed:

the separate corporate existence of ANFI will cease;

the merger subsidiary will continue as the surviving corporation; and

the Articles of Incorporation and Bylaws of the merger subsidiary then in effect will be the Articles of Incorporation and Bylaws of the surviving corporation.

FNF and ANFI hope to complete this transaction by June 30, 2003.

Merger Consideration

In the Merger, each share of ANFI common stock outstanding immediately prior to the effective time of the Merger will be converted into the right to receive 0.454 shares of FNF common stock.

No fractional shares of FNF common stock will be issued in the Merger. Any fractional share of FNF common stock which would otherwise be payable to an ANFI shareholder will be settled in cash in an amount equal to the value of such fractional share, based upon the FNF share price at the effective time of the Merger.

When the Merger is completed, each unexercised stock option to buy ANFI common stock outstanding under ANFI's stock option plans and each warrant to purchase ANFI common stock will become an option or warrant to purchase FNF common stock, subject to certain limitations applicable to the senior executives of ANFI. The number of shares of FNF common stock subject to each new option or warrant, as well as the exercise price of each new option or warrant, will be adjusted to reflect the exchange ratio. There will be no change in the vesting schedule applicable to any of the ANFI stock options or warrants.

All ANFI employees shall be eligible to become participants in FNF's employee stock purchase plan with credit for time of service with ANFI and credit from time of participation in the ANFI employee stock purchase plan. At the effective time of the Merger, the ANFI employee stock purchase plan will be terminated in accordance with its provisions.

Background of the Merger

Beginning in mid-2001, ANFI's senior management commenced a strategic review of ANFI's status and market position and prospects, including the status of the real estate market and current interest rates. Then, as now, ANFI was engaged in a highly-cyclical industry, its revenue stream was not diversified and ANFI relied almost entirely on its underwritten title insurance business. At the end of June 2001, the stock of ANFI was trading for approximately \$4 a share, adjusted for the July 2002 stock split, which represented an approximate 33 1/3% decrease in the price per share of ANFI stock since the date of the initial public offering.

As management did not feel the reduction in the price per share of ANFI stock since the date of its initial public offering was reflective of the true value of ANFI, ANFI's senior management, with the concurrence of

its Board of Directors, retained Houlihan, Lokey, Howard & Zukin Capital (Houlihan Lokey) on October 30, 2001, to act as ANFI's financial advisor. The financial advisor was retained to evaluate ANFI's strategic alternatives and to provide financial advisory and investment banking services in connection with potential transactions such as acquisitions, financings, capital infusions, mergers, consolidations, tender exchange offers, leveraged buyouts, leveraged recapitalizations, sales of assets or equity interests or similar transactions involving all or a substantial part of ANFI's business.

Among other activities, Houlihan Lokey contacted 37 potential buyers. Of that group, three parties showed some level of interest in pursuing a transaction with ANFI. One of those interested parties was FNF, which at that time offered approximately \$10.40 per share, adjusted for the July 18, 2002 ANFI five for four stock split. Another party expressed interest in acquiring ANFI at a price of between \$8.20 to \$9.00 per share, adjusted for the July 2002 stock split. A third party expressed interest at between \$6.40 and \$8.00 per share, adjusted for the July 2002 stock split. During this period the price per share of ANFI stock was trading in the approximate range of \$10.95 per share to \$15.00 per share.

Due to a number of factors, including the fact that none of these offers was meaningfully in excess of the price per share at which ANFI stock was then trading, the fact that ANFI's stock price appreciated significantly over the period between June 2001 and the completion of the Houlihan Lokey initial solicitation of potential buyers in June 2002, and a determination by the ANFI Board of Directors that there was a general lack of interest by prospective buyers at values which would result in a purchase price at a premium to the then market price of ANFI stock, Houlihan Lokey's engagement as financial advisor was terminated by ANFI on or about June 30, 2002.

William P. Foley, II, Chairman of the Board and Chief Executive Officer of FNF, requested a meeting on December 10, 2002 with Michael C. Lowther, the Chairman of the Board and Chief Executive Officer of ANFI and Wayne D. Diaz, President of ANFI. Mr. Foley informed Messrs. Lowther and Diaz that FNF was interested in pursuing an acquisition of ANFI based upon the conversion of each common share of ANFI into 0.454 common shares of FNF. Based on the December 10, 2002 closing stock prices, this was an implied value of \$15.00 per ANFI share based on FNF's share price of \$33.04 and represented a 19% premium to ANFI's share price of \$12.63.

On December 11, 2002, at a regularly scheduled meeting of the ANFI Board of Directors, Mr. Lowther announced that he had received an offer from Mr. Foley on behalf of FNF to acquire ANFI. At that meeting, the Board appointed a special committee of the Board of Directors (the Special Committee) consisting of four independent directors to evaluate, negotiate and recommend to the ANFI Board of Directors the advantages and disadvantages of the FNF proposal on an independent basis.

Thereafter, negotiations were commenced between the Special Committee and representatives of FNF regarding the terms of a letter of intent. Immediately following the December 11, 2002, ANFI Board of Directors meeting, the Special Committee contacted Houlihan Lokey concerning their availability to act as financial advisor in connection with the Special Committee's negotiation of the proposed letter of intent with FNF and the possibility of its affiliate, HLHZFA, rendering an opinion on the fairness of the terms of the transaction.

On December 13, 2002 a non-binding letter of intent was executed between ANFI and FNF. The letter of intent contained several significant conditions to completion of the transaction including a due diligence review period, negotiation of a mutually satisfactory merger agreement, obtaining all necessary regulatory approvals, no material adverse change in ANFI's or FNF's businesses, receipt by ANFI of an acceptable fairness opinion, an opinion as to tax deferred treatment of the merger consideration, ANFI shareholder approval and other customary closing conditions.

On December 13, 2002, the Special Committee retained Houlihan Lokey to act as the Special Committee's exclusive financial advisor to provide financial advisory and investment banking services in connection with the possible acquisition of ANFI by FNF, or an acquisition of ANFI by a party other than FNF. HLHZFA was also engaged to render an opinion to the Special Committee as to the fairness, from a

financial point of view, to the unaffiliated shareholders of ANFI of the consideration to be received by them in connection with the proposal made by FNF or an alternative proposal from a party other than FNF.

Following the execution of the letter of intent on Friday, December 13, 2002, negotiations commenced concerning the terms of a definitive agreement relating to the proposed merger of ANFI and FNF. Pursuant to the letter of intent, ANFI and its representatives were permitted to solicit superior offers from parties other than FNF for a 14 day period commencing on December 13, 2002, subject to a termination fee if ANFI accepted a superior offer. Houlihan Lokey immediately commenced efforts to solicit other offers to acquire ANFI.

On Monday morning, December 16, 2002, prior to the beginning of trading on the New York Stock Exchange and NASDAQ, a press release was issued announcing that FNF and ANFI had entered into a letter of intent pursuant to which FNF would acquire ANFI.

On December 18, 2002, FNF delivered the initial draft of the proposed merger agreement to the Special Committee.

On December 20, 2002 at a meeting of the Special Committee, the law firm of Sheppard, Mullin, Richter & Hampton, LLP, (Sheppard Mullin) was retained by the Special Committee to act as its counsel in connection with the proposed acquisition by FNF. At this meeting the Special Committee reviewed the status of discussions with FNF and the nature of the material terms being negotiated. Discussion included a review of the terms of FNF's acquisition proposal as contained in the letter of intent, and an initial discussion was held concerning the terms of the initial draft of the merger agreement.

On December 24, 2002, the Special Committee met with representatives of Houlihan Lokey, HLHZFA and Sheppard Mullin. At that meeting the representatives of Houlihan Lokey reviewed the status of their search for prospective purchasers. The representatives of Houlihan Lokey stated at this meeting that they were actively testing the market to see what other interest might exist for a possible acquisition of ANFI. It was also noted that because of FNF's familiarity with ANFI through its part ownership of ANFI and its rendering of management services to ANFI, that the risk of not closing due to possible due diligence problems was reduced significantly. Representatives of Houlihan Lokey advised the Special Committee that the two parties that had expressed interest during the search previously conducted in mid-June, 2002, were no longer interested. In addition, representatives of HLHZFA reviewed the status of preparation of their fairness opinion relating to the FNF proposal and reviewed the terms of the FNF offer, including the consideration to be paid. At this meeting, Sheppard Mullin also discussed the fiduciary duties of the members of the Special Committee in conducting their deliberations.

On the afternoon of December 27, 2002 the Special Committee received via telefax a letter from the President of First American Title Insurance Company requesting information concerning ANFI and expressing its interest in pursuing an acquisition of ANFI. As a result of this expression of interest from First American Title Insurance Company (First American), a Special Committee meeting was held that afternoon at which it was decided to deliver any information reasonably requested by First American up to and including the last day of the fourteen-day non-exclusive period provided for in the letter of intent in which non-public information could be given to an interested third party prior to ANFI's receipt of an offer superior to the FNF offer. All documents which First American requested for review on December 27, 2002 were provided to it that same day.

On December 30, 2002 another meeting of the Special Committee was held with the participation of Sheppard Mullin and representatives of Houlihan Lokey to determine the results of the market search. Houlihan Lokey reported that, other than First American, no party expressed interest in pursuing a possible acquisition of ANFI. As a result of this meeting it was decided to contact the President of First American to inform him of the time parameters in which First American would have to make its offer in order to have it considered by the Special Committee prior to proceeding with the FNF offer. Representatives of HLHZFA, also present at the meeting, notified the Special Committee that on January 6, 2003 they would present to the Special Committee on a preliminary basis their findings regarding the fairness from a financial point of view of

the proposed consideration to be paid by FNF to the Unaffiliated Shareholders of ANFI in connection with the Merger.

On or about January 5, 2003, the President of First American notified the Special Committee that First American had decided not to pursue the acquisition of ANFI.

At the January 6, 2003 meeting of the Special Committee, representatives from Houlihan Lokey and HLHZFA were present together with counsel from Sheppard Mullin. Representatives of Houlihan Lokey reviewed the fact that they were unable to generate other offers to acquire ANFI. Representatives of HLHZFA also discussed the due diligence which they had undertaken in connection with the proposed fairness opinion, including meetings with members of the senior management of ANFI, reviewing 10-K and 10-Q filings for both ANFI and FNF, reviewing a budget of ANFI's financial performance for the fiscal year ending December 31, 2003, historical market prices and trading volumes for both ANFI and FNF, reviewing drafts of documents relating to the proposed merger, including the Merger Agreement, and reviewing other publicly available financial data related to the acquisition of certain companies comparable to ANFI. During the January 6, 2003 meeting, HLHZFA delivered its preliminary conclusion to the Special Committee that as of that date, based on the assumptions made, matters considered and limits of review as set forth in such opinion, the consideration to be received by the Unaffiliated Shareholders in connection with the Merger was fair to them from a financial point of view. At this meeting HLHZFA presented a draft of an analysis it had used to reach its preliminary conclusion, which it reviewed with the Special Committee and its counsel. At that meeting, counsel to the Special Committee, as well as counsel to ANFI, reviewed the terms and conditions of the Merger Agreement and updated the Special Committee as to how issues had been resolved. Sheppard Mullin again reviewed with the members of the Special Committee their fiduciary duties under California law. It was also brought to the attention of the Special Committee that First American had stated that it was not interested in pursuing a acquisition of ANFI. The Special Committee decided to hold another meeting to provide additional time to review in more detail the fairness analysis, and thereafter have another opportunity to further question HLHZFA regarding its findings and confer with counsel to the Special Committee at a follow-up meeting of the Special Committee.

On January 9, 2003 another meeting of the Special Committee was held. Also participating in the meeting were counsel to the Special Committee, Sheppard Mullin, and representatives of HLHZFA. At this meeting HLHZFA provided the Special Committee with its written fairness opinion with respect to the Merger and again reviewed its fairness analysis. At this meeting, HLHZFA again stated that it was of the opinion that the consideration to be received by the Unaffiliated Shareholders of ANFI in connection with the proposed Merger was fair from a financial point of view. Also at this meeting the final terms of the proposed Merger Agreement were reviewed and discussed. After further discussion with HLHZFA and Sheppard Mullin, the Special Committee voted unanimously to recommend to the Board of Directors of ANFI the approval of the terms of the proposed merger with FNF as fair and in the best interests the shareholders of ANFI, expressly including the Unaffiliated Shareholders.

On January 9, 2003, another meeting of the full ANFI Board of Directors was held, at which the terms of the final proposed merger agreement were reviewed and discussed, as well as the fairness opinion that had been rendered by HLHZFA. A review of the proposed transaction since the original receipt of the FNF proposal was conducted, as well as a review of the results of Houlihan Lokey's attempt to solicit interest from third parties in acquiring ANFI. Following further discussion, ANFI's Board, by the unanimous affirmative vote of the disinterested directors, approved the form of the Merger Agreement and the execution of the Merger Agreement and determined that the merger was fair to, and in the best interest of, ANFI and the Unaffiliated Shareholders of ANFI. ANFI and FNF then executed the Merger Agreement on January 9, 2003. FNF and ANFI issued a press release announcing the execution of the Merger Agreement on January 10, 2003, prior to the beginning of trading on the New York Stock Exchange and the NASDAQ. Concurrently with the execution of the Merger Agreement, four interested directors of ANFI executed the Voting Agreement with FNF wherein they agreed to vote all their shares in favor of the Merger at the special shareholders' meeting and not to sell any ANFI shares prior the Merger. On January 14, 2003, FNF agreed that, notwithstanding the terms of the Voting Agreement, shares relating to or acquired as the result of the

exercise of outstanding options as of the date of the Merger Agreement could be sold by the ANFI executives who were parties to the Voting Agreement.

On January 16 and 17, 2003, Carl A. Strunk and Barbara A. Ferguson, two of the interested directors, elected to exercise ANFI options and in the aggregate sold 170,700 shares of ANFI in order to begin to reduce their outstanding options to acquire ANFI shares as required by the Merger Agreement and to diversify their own personal investment portfolios. Subsequently, FNF agreed to permit ANFI to declare and pay a cash dividend during the first quarter not to exceed \$0.125 per share, subject to reaching an agreement on the timing of the dividend.

FNF Reasons for the Merger

The FNF Board of Directors, by unanimous vote of the disinterested members, has approved the Merger Agreement and the transactions contemplated thereby, has deemed the Merger advisable and has determined that the terms of the Merger and the Merger are fair and in the best interests of FNF and its stockholders. In reaching its determination to approve the Merger Agreement and the Merger, the FNF Board of Directors consulted with FNF management and its financial and other advisors, and considered a number of factors, including the following.

The current status of FNF's business, operations, financial condition, earnings and prospects, and current industry, economic and market conditions.

The expectation that the Merger would result in synergies for the combined company's operations, including changing the name of ANFI to Ticor following the Merger to enable FNF to further develop and expand its Ticor brand as a third major title brand along with Fidelity Title and Chicago Title.

The belief that the critical mass to be gained by combining ANFI with Ticor's existing operations will be sufficient to gain additional cost savings unavailable to either entity on its own.

The expectation that the direct title operations of ANFI would be a good complement to the existing mix of agency business and direct operations of Ticor.

The experienced management team at ANFI that FNF and its Ticor operations would gain as part of the acquisition.

The business, operations, financial condition, earnings and prospects of ANFI, and current industry, economic and market conditions. In making its determination, the FNF Board of Directors took into account the fact that senior management of FNF had performed a due diligence review of ANFI's business.

The anticipated financial impact of the proposed transaction on FNF's and ANFI's future financial performance, including the effect on earnings, FNF's stock price, and on FNF's stockholders in general.

The complementary nature of the two companies' businesses and the close relationship between the boards of directors of the two companies, including a shared director.

The structure of the transaction and the terms of the Merger Agreement, including the fact that the Merger is intended to qualify as a reorganization under Section 368 of the Internal Revenue Code.

The discussion above addresses the material factors considered by the FNF Board of Directors in its consideration of the Merger. In view of the variety of factors and the amount of information considered, the FNF Board of Directors did not find it practicable to, and did not, make specific assessments of, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination. The determination was made after consideration of all of the factors as a whole. In addition, individual members of the FNF Board of Directors may have given different weights to different factors.

THE FNF BOARD OF DIRECTORS, BY UNANIMOUS VOTE OF ITS DISINTERESTED MEMBERS, APPROVED THE MERGER AGREEMENT AND THE MERGER, DECLARED THAT

THE MERGER AGREEMENT AND THE MERGER ARE ADVISABLE AND DETERMINED THAT THE MERGER IS FAIR TO, AND IN THE BEST INTERESTS OF, FNF AND THE FNF STOCKHOLDERS.

ANFI Reasons for the Merger; Recommendation of the ANFI Board of Directors

In reaching its determination to recommend approval and adoption of the Merger Agreement and the Merger, the Special Committee of ANFI's Board of Directors consulted with ANFI management, as well as with its financial advisor, Houlihan, Lokey, and its own independent counsel, Sheppard, Mullin, Richter & Hampton, LLP, and considered a number of factors, including the following.

The terms and conditions of the proposed Merger, including the fact that each share of common stock of ANFI is to be converted into the right to receive 0.454 shares of common stock of FNF. This exchange ratio represented a premium of approximately 11% over the preceding day's closing price. Based upon the trailing 30 day average of the ANFI closing prices from December 16, 2002, the exchange ratio represented a premium of 23.7%; for the trailing three month period from the close of trading on December 6, 2002 a premium of 28.3%; for the trailing six month period from the close of trading on December 16, 2002, a premium of 23.1%; and for the trailing 12 month period from the close of trading on December 16, 2002, a premium of 53%.

The fact that ANFI had previously retained Houlihan Lokey from October 30, 2001 through June 30, 2002 to perform a market search for potential purchasers of ANFI, and the highest offer obtained during that period was from FNF at \$10.40 per share (as adjusted for the July 18, 2002 stock split).

The fact that during the previous sale process, Houlihan Lokey had contacted 37 potential buyers, of which only three parties showed interest in pursuing a transaction with ANFI.

The fact that during the non-exclusive period established under the December 13, 2002 letter of intent, ANFI, through Houlihan Lokey, had attempted to solicit superior proposals to the FNF proposal and no other offers were obtained in the market place during this period.

The fact that on July 5, 2002, senior management of ANFI sold 627,982 shares of their ANFI shares (on a pre-split basis) to FNF in a private transaction. Adjusted for the July 18, 2002 stock split, FNF acquired these shares at a price of \$12.00 per share.

The level of competition in the title insurance industry with companies of greater financial resources than ANFI.

The expectation that the exchange of ANFI shares for FNF shares would result in the ANFI shareholders receiving less volatile shares which would not be subject to as wide market fluctuations as the ANFI shares.

The fact that the structure of the transaction is expected to allow tax on the shares of FNF stock to be received by the ANFI shareholders to be deferred until the FNF shares are sold.

The fact that the Merger will allow ANFI shareholders to retain an equity interest in the combined company.

The anticipated benefits of the Merger for ANFI's core businesses as a result of the financial, marketing and distribution advantages that will result from a combination with FNF.

The ANFI Board of Director's assessment of the business, operations, financial condition, earnings and prospects of each of ANFI and FNF. In making its determination, the ANFI Board of Directors took into account the fact that senior management of both FNF and ANFI had a close business relationship due to FNF's beneficial ownership of approximately 28% of the outstanding shares of ANFI and FNF's continuing provision of certain administrative and support functions to ANFI.

The fact that the close business relationship between FNF and ANFI significantly reduced the risk that the transaction might not close due to due diligence concerns.

The likelihood of obtaining required regulatory approvals.

The terms and conditions of the Merger Agreement, including:

that ANFI may provide information to and negotiate with unsolicited bidders, if the ANFI Board determines a bid is, or could reasonably be expected to result in, a superior proposal;

that prior to obtaining the ANFI shareholder vote, ANFI may terminate the Merger Agreement to accept a superior proposal for a competing transaction;

that ANFI could be obligated to pay FNF a termination fee of \$2,780,000; and

that while the termination provisions of the Merger Agreement could obligate ANFI to pay FNF a termination fee equal to \$2,780,000, which could have the effect of discouraging alternative proposals for a business combination with ANFI, the Merger Agreement did not preclude bona fide alternative proposals and that the size of the termination fee was reasonable in light of the size and benefits of the transaction. See *The Merger Agreement Termination Fee* for a description of the termination fee provisions of the Merger Agreement.

The impact of the Merger on employees and customers served by ANFI following the Merger.

The non-financial terms of the transaction, including the fact that ANFI is expected to be operated separately within the FNF corporate group as part of TICOR.

The complementary nature of the two companies' businesses and the belief of senior management that ANFI and FNF possess complementary skills and assets.

The fact that ANFI's wholly-owned subsidiary, American Title Company (ATC), had entered into a contract with Chicago Title Insurance Company (CTIC), a wholly-owned subsidiary of FNF, on or about October 1, 2000, pursuant to which ATC agreed that, until June 30, 2007, ATC would act as an exclusive agent for CTIC with respect to the procurement of title insurance policies in 16 counties in California and Arizona, subject to certain exceptions.

That there are risks associated with obtaining the necessary regulatory approvals, and as a result of certain conditions to the completion of the Merger, it is possible that the Merger may not be completed even if approved by shareholders. See *The Merger Agreement Conditions to the Merger*.

The fact that following announcement of the Merger Agreement, ANFI's relationships with employees, agents and customers might be negatively affected because of uncertainty surrounding ANFI's future status and direction.

The fact that the executive officers and directors of ANFI may be deemed to have interests in the proposed Merger that are different from and in addition to the interests of ANFI shareholders generally. See *Interests of Certain Persons in the Merger* below.

That the opinion of HLHZFA, dated January 9, 2003, stated that as of the date of the opinion and subject to the assumptions, limitations and qualifications contained therein, the consideration to be received by the Unaffiliated Shareholders of ANFI common stock in connection with the Merger was fair to them from a financial point of view. See *Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc. to the Special Committee* below.

The fact that, based on the collective methodologies used by HLHZFA in support of its January 9, 2003 fairness opinion, that the consideration to be received by the Unaffiliated Shareholders of ANFI common stock in connection with the Merger was fair to them from a financial point of view.

The fact that there was no minimum price or collar in the price of FNF stock as a condition to the closing of the Merger.

The fact that the FNF shares to be received are much more actively traded and FNF is followed by many more analysts.

The discussion above addresses the material factors considered by the ANFI Board of Directors in its consideration of the Merger. In view of the variety of factors and the amount of information considered, the

ANFI Board of Directors did not find it practicable to, and did not, make specific assessments of, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination. The determination was made after consideration of all of the factors as a whole. In addition, individual members of the ANFI Board of Directors may have given different weights to different factors. For a discussion of the interests of certain members of ANFI's management and the ANFI Board of Directors in the Merger, including the election of certain interested directors to exercise options and sell ANFI shares on January 16 and 17, 2003. See [Interests of Certain Persons in the Merger](#) below.

BY UNANIMOUS VOTE OF THE DISINTERESTED DIRECTORS, THE ANFI BOARD OF DIRECTORS HAS APPROVED THE MERGER AGREEMENT AND THE MERGER, DECLARED THAT THE MERGER AGREEMENT AND THE MERGER ARE ADVISABLE AND DETERMINED THAT THE MERGER IS FAIR TO, AND IN THE BEST INTERESTS OF, ANFI AND THE ANFI SHAREHOLDERS. ACCORDINGLY, THE ANFI BOARD RECOMMENDS THAT THE ANFI SHAREHOLDERS VOTE FOR APPROVAL AND ADOPTION OF THE MERGER AGREEMENT AND THE MERGER.

Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc. to the Special Committee

On December 13, 2002, the Special Committee of the Board of Directors of ANFI retained Houlihan Lokey Howard & Zukin Financial Advisors, Inc. (HLHZFA) to render an opinion (the Opinion) to the Special Committee as to the fairness, from a financial point of view, of the consideration to be received by the Unaffiliated Shareholders of ANFI in connection with the Merger. The term Unaffiliated Shareholders means the shareholders of ANFI, other than FNF, affiliates of FNF, and the executive management of ANFI. The Special Committee utilized the Opinion in evaluating the Merger.

The Special Committee retained HLHZFA based upon its experience in the valuation of businesses and their securities in connection with mergers, acquisitions, recapitalizations and similar transactions, particularly with respect to insurance and financial services companies. HLHZFA is a nationally recognized investment banking firm that is continually engaged in providing financial advisory services and rendering fairness opinions in connection with mergers and acquisitions, leveraged buyouts, business valuations and securities valuations for a variety of regulatory and planning purposes, recapitalizations, financial restructurings and private placements of debt and equity securities.

On January 9, 2003, HLHZFA delivered the Opinion to the Special Committee to the effect that, as of the date of the Opinion, on the basis of its analysis summarized below and subject to the limitations described below, the consideration to be received by the Unaffiliated Shareholders of ANFI in connection with the Merger is fair to them from a financial point of view.

The full text of the Opinion, which describes, among other things, the assumptions made, general procedures followed, matters considered and limitations on the review undertaken by HLHZFA in rendering the Opinion is attached hereto and is incorporated herein by reference. The summary of the Opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the Opinion. You are urged to read HLHZFA's Opinion in its entirety.

The Opinion does not constitute a recommendation to the Special Committee or its shareholders on whether or not to support the Merger and does not constitute a recommendation to any shareholder on whether or not to vote in favor or against any matter set forth herein. The Opinion is furnished for the benefit of the Special Committee in evaluating the Merger, and, by its terms, may not be relied upon by any other person without the written consent of HLHZFA, except to the extent required by applicable law.

As compensation to HLHZFA for its services in connection with the rendering of its Opinion, ANFI agreed to pay HLHZFA an aggregate fee of \$450,000. Of this amount, \$270,000 of HLHZFA's aggregate fee is to be paid only upon the successful completion of the Merger. No portion of HLHZFA's aggregate fee is contingent upon the conclusions reached in the Opinion. The fact that ANFI structured HLHZFA's fees for services in connection with the rendering of its fairness opinion as contingent upon the successful completion of the Merger was disclosed to and discussed by the Special Committee at the time of HLHZFA's

engagement, in the presence of counsel to the Special Committee. In addition, ANFI agreed to indemnify HLHZFA and related persons against certain liabilities, including liabilities under federal securities laws that arise out of the engagement of HLHZFA, and to reimburse HLHZFA for its reasonable expenses.

Additionally, Houlihan Lokey, an affiliate of HLHZFA, received \$75,000 in fees, plus reimbursement of its reasonable expenses, from ANFI for financial advisory and investment banking services performed by Houlihan Lokey on behalf of ANFI from October 30, 2001 through June 30, 2002. ANFI engaged Houlihan Lokey during such period and again on December 13, 2002, to solicit indications of interest to sell ANFI both before and after FNF submitted its merger proposal to ANFI's board. Houlihan Lokey is also entitled to be paid an additional fee equal to five percent of the transaction value (equal to the market value of the equity in ANFI at the time of the Merger, plus interest bearing debt of ANFI outstanding as of the effective time of the Merger) in excess of \$168 million. This fee will be adjusted up or down depending on the ANFI stock price and debt outstanding as the time of the Merger.

The Opinion does not address ANFI's underlying business decisions to effect the Merger. HLHZFA did not, and was not requested by ANFI or any other person to make any recommendations as to the form or amount of consideration in connection with the Merger. Furthermore, at the request of ANFI, HLHZFA did not participate in the negotiation of the Merger or its terms or advise ANFI or the Special Committee with respect to alternatives to the Merger. Notwithstanding the foregoing, Houlihan Lokey, an affiliate of HLHZFA, did act as ANFI's financial advisor with respect to the Merger and, although it did not negotiate the terms of the Merger for any party, Houlihan Lokey solicited indications of interest to sell ANFI to parties other than FNF after ANFI had received FNF's merger proposal. At the time HLHZFA was engaged by the Special Committee, it discussed with the Special Committee facts relevant to the Special Committee's determination of HLHZFA's independence with respect to rendering a fairness opinion on the Merger, given HLHZFA's affiliation with Houlihan Lokey.

In arriving at the Opinion, among other things, HLHZFA undertook the following:

- 1) met with certain members of the senior management of ANFI to discuss the operations, financial condition, future prospects, projected operations and performance of ANFI and the pending Merger;
- 2) reviewed ANFI's Form 10-K for the fiscal year ended 2001, Form 10-Q for the three quarters ended September 30, 2002, and ANFI-prepared financial statements dated November 30, 2002, which ANFI's management has identified as the most current financial statements available;
- 3) reviewed a budget of ANFI's projected financial performance for the fiscal year ending December 31, 2003 prepared by ANFI's management;
- 4) reviewed the historical market prices and trading volume for ANFI's publicly traded securities and other publicly available information regarding ANFI;
- 5) reviewed FNF's Form 10-K for the fiscal year ended 2001 and Form 10-Q for the three quarters ended September 30, 2002;
- 6) reviewed the historical market prices and trading volume for FNF's publicly traded securities and other publicly available information regarding FNF;
- 7) reviewed drafts of certain documents relating to the Merger, including the draft dated January 8, 2003 of the Merger Agreement by and between FNF and ANFI (which acted as the basis for conclusions reached in the Opinion with respect to the Merger structure);
- 8) reviewed certain other publicly available financial data for certain companies that HLHZFA deemed comparable to ANFI, and publicly available prices and premiums paid in other transactions that HLHZFA considered similar to the Merger; and
- 9) conducted such other studies, analyses and inquiries as HLHZFA has deemed appropriate.

Analyses

The following is a summary of the material financial analyses used by HLHZFA in connection with providing the Opinion. This summary is qualified in its entirety by reference to the full text of the Opinion, which is attached as Appendix C to this proxy statement/prospectus. You are urged to read the full text of the HLHZFA Opinion carefully and in its entirety.

HLHZFA's analyses of the Merger contemplated by the Merger Agreement included the calculation and comparison of the following: (i) an analysis of ANFI's stock price as determined by the public market; and (ii) an analysis of ANFI's stock price as determined by HLHZFA. HLHZFA then performed the following analyses in order to determine the current price per share of ANFI.

As a preliminary matter, HLHZFA reviewed the historical market prices and trading volume for ANFI's publicly traded common stock and reviewed publicly-available analyst reports, news articles, and press releases relating to ANFI. HLHZFA reviewed ANFI's closing stock price on a five-day average, one-month average, three-month average, six-month average and one-year average basis as of December 16, 2002. The resulting per share indications from this approach, as reviewed by HLHZFA, ranged from \$9.99 to \$13.10. Thereafter, HLHZFA undertook the following methodologies:

Market Multiple Methodology: HLHZFA reviewed certain financial information of comparable publicly traded title insurance companies selected solely by HLHZFA. The comparable public companies included: Capital Title Group, Inc., First American Corp., Investors Title Company, LandAmerica Financial Group, Inc., Old Republic International Corp. and Stewart Information Services (collectively, the Comparables). HLHZFA calculated financial ratios of the Comparables based on the most recent publicly available information. HLHZFA calculated financial ratios, including the multiples of: (i) enterprise value (EV) to latest 12 months (LTM) revenues, (ii) market value of equity (MVE defined as) to LTM earnings, (iii) MVE to LTM book value, (iv) EV to projected fiscal year 2003 (NFY) revenues of the Comparables based on the most recent publicly available information, (v) MVE to NFY earnings of the Comparables based on the most recent publicly available information, (vi) EV to three-year average revenues and (vii) MVE to three-year average earnings. MVE is calculated by multiplying the per share price of an entity's common equity securities by the fully diluted shares of the entity. EV is calculated by adding an entity's MVE to the book value of its existing debt and preferred stock.

HLHZFA's analysis showed that the multiples exhibited by the Comparables was as follows:

Market Multiple Methodology

	<u>Low</u>	<u>High</u>	<u>Mean</u>	<u>Median</u>
EV as a multiple of:				
LTM revenues	0.26x	1.40x	0.72x	0.69x
NFY revenues	0.25x	1.40x	0.69x	0.59x
Three-year average revenues	0.32x	1.56x	0.88x	0.83x
MVE as a multiple of:				
LTM earnings	5.3x	9.1x	7.3x	7.8x
LTM book value	0.97x	2.28x	1.35x	1.16x
NFY earnings	7.8x	11.1x	9.3x	9.4x
Three-year average earnings	8.4x	12.0x	10.2x	10.3x

HLHZFA derived EV indications for ANFI by applying selected revenue, earnings and book value multiples to operating results for the 12 months ended December 31, 2002, projected revenues and earnings for the fiscal year ending approximately December 31, 2003, and three-year average revenues and earnings for the fiscal year ended December 31, 2002. Based on the above, the resulting indications of the EV of the operations of ANFI ranged from approximately \$130 million to \$150 million under this approach.

After determining the EV of the operations of ANFI, HLHZFA made certain adjustments to determine equity value, including adjustments to reflect (i) certain debt obligations of ANFI, (ii) an adjustment to reflect control of ANFI, (iii) an adjustment to reflect contingent liabilities of ANFI, and (iv) the dilutive effect of certain stock options outstanding. After consideration of these adjustments, HLHZFA estimated the MVE of ANFI using the market multiple methodology to be in the range of \$146.3 million to \$167.3 million, or \$12.18 per share to \$13.93 per share, respectively.

Comparable Transaction Methodology: HLHZFA reviewed the consideration paid in certain change of control acquisitions of selected publicly-traded title insurance companies that HLHZFA deemed relevant. This analysis produced the following multiples in change of control transactions:

Comparable Transaction Methodology

	<u>Low</u>	<u>High</u>	<u>Mean</u>	<u>Median</u>
EV as a multiple of:				
LTM revenues	0.46x	0.80x	0.63x	0.58x
MVE as a multiple of:				
LTM earnings	10.5x	12.6x	11.5x	11.5x
LTM book value	1.8x	5.8x	3.6x	3.3x

In performing its analysis under this approach, HLHZFA considered that the merger and acquisition transaction environment varies over time because of, among other things, interest rate and equity market fluctuations and industry results and growth expectations. No company or transaction used in the analysis described above was directly comparable to ANFI. However, HLHZFA reviewed the foregoing transactions to understand the range of multiples of revenue, earnings and book value paid for companies in the title insurance industry.

HLHZFA derived EV indications of ANFI by applying selected revenue, earnings and book value multiples to certain operating results for the 12 months ended December 31, 2002. Based on this approach, the resulting indications of the EV of the operations of ANFI ranged from approximately \$154.7 million to \$193.4 million.

After determining the EV of the operations of ANFI, HLHZFA made certain adjustments to determine equity value including adjustments to reflect (i) certain debt obligations of ANFI, (ii) contingent liabilities of ANFI, and (iii) the dilutive effect of certain stock options outstanding. After consideration of such adjustments, HLHZFA estimated the MVE of ANFI, using the comparable transaction methodology, to be in the range of \$151.9 million to \$188.6 million, or \$12.65 per share to \$15.71 per share, respectively.

Conclusion

The aforementioned market multiple and comparable transaction methodologies provided HLHZFA with indications of the MVE for ANFI which ranged from \$12.42 to \$14.82 per share, compared to \$15.64 per share in the Merger (if the shareholder had sold the FNF stock received in the Merger on January 9, 2003 at the close of market on such date). Based on the above analyses, HLHZFA determined that the consideration to be received by the Unaffiliated Shareholders of ANFI in connection with the Merger is fair to them from a financial point of view.

Assumptions

As a matter of course, ANFI does not publicly disclose forward-looking financial information. Nevertheless, in connection with its review, HLHZFA considered financial projections. These financial projections were prepared by the management of ANFI. The financial projections were prepared under market conditions as they existed as of approximately December 2002 and ANFI's management does not intend to provide HLHZFA with any updated or revised financial projections. The financial projections do not take into account any circumstances or events occurring after the date they were prepared. In addition, factors such as industry

performance, general business, economic, regulatory, market and financial conditions, as well as changes to the business, financial condition or results of operations of ANFI, may cause the financial projections or the underlying assumptions to be inaccurate. As a result, the financial projections may not be relied upon as necessarily indicative of future results.

In arriving at the Opinion, HLHZFA reviewed key economic and market indicators, including, but not limited to, growth in the U.S. Gross Domestic Product, inflation rates, interest rates, consumer spending levels, manufacturing productivity levels, unemployment rates and general stock market performance. The Opinion is based on the business, economic, market and other conditions as they existed as of January 9, 2003, and on the financial projections provided to HLHZFA as of such date. In rendering the Opinion, HLHZFA has relied upon and assumed, without independent verification that the accuracy and completeness of the financial and other information provided to HLHZFA by the management of ANFI, including the projections, was reasonably prepared and reflects the best currently available estimates of the financial results and condition of ANFI; and that no material changes have occurred in the information reviewed between the date the information was provided and the date of the Opinion. HLHZFA did not independently verify the accuracy or completeness of the information supplied to it with respect to ANFI and does not assume responsibility for it. HLHZFA did not make any independent appraisal of the specific properties or assets of ANFI.

The summary set forth above describes the material points of more detailed analyses performed by HLHZFA in arriving at the Opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and application of those methods to the particular circumstances and is therefore not readily susceptible to summary description. In arriving at the Opinion, HLHZFA made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, HLHZFA believes that its analyses and summary set forth herein must be considered as a whole and that selecting portions of its analyses, without considering all analyses and factors, or portions of this summary, could create an incomplete and/or inaccurate view of the processes underlying the conclusions set forth in the Opinion. In its analysis, HLHZFA made numerous assumptions with respect to ANFI, the merger, industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of the respective entities. The estimates contained in such analyses are not necessarily indicative of actual values or predictive of future results or values, which may be more or less favorable than suggested by such analyses. Additionally, analyses relating to the value of businesses or securities of ANFI are not appraisals. Accordingly, such analyses and estimates are inherently subject to substantial uncertainty.

Certain U.S. Federal Income Tax Consequences of the Merger

The following discussion describes the material U.S. federal income tax consequences of the Merger that are generally applicable to the holders of ANFI stock pursuant to their exchange of such stock for FNF stock in the Merger. The discussion below:

is based on current provisions of the Internal Revenue Code of 1986, as amended (sometimes referred to as, the Code), applicable Treasury Regulations, administrative rulings and pronouncements, and judicial decisions, all of which are subject to change, possibly with retroactive effect having a potential effect on the income tax consequences of the Merger;

does not purport to address all aspects of U.S. federal income taxation that may affect individual shareholders, optionholders or warrant holders in light of their particular circumstances; that are generally assumed to be known by investors; or that may affect shareholders or optionholders to which special provisions of the U.S. federal income tax may apply based on their particular circumstances or status (see Qualifications below);

assumes that the shares of ANFI common stock are held as capital assets; and

assumes that the Merger and related transactions will take place in accordance with all of the terms and conditions of the Merger Agreement and as described in this document without the waiver or modification of any of those terms or conditions.

In addition, no information is provided in this document with respect to the tax consequences of the Merger under foreign, state, or local laws, nor the tax consequences of other transactions effected prior or subsequent to, or concurrently with, the Merger, whether any such transactions are undertaken in connection with the Merger, including without limitation any transaction in which shares of ANFI stock are acquired or shares of FNF common stock are disposed of, or the tax consequences of the assumption by FNF of the ANFI options or the tax consequences of the receipt of rights to acquire FNF common stock.

ANFI SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING TAX RETURN REPORTING REQUIREMENTS, WHETHER GAIN, IF ANY, WILL BE TREATED AS CAPITAL GAIN OR A DIVIDEND, THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL, AND OTHER APPLICABLE TAX LAWS, AND THE EFFECT OF ANY CHANGES IN THE TAX LAW.

Neither ANFI nor FNF has requested, nor do they intend to request, a ruling from the IRS with regard to any of the tax consequences of the Merger. The opinion of counsel referred to below will not be binding on the IRS and there can be no assurance that the IRS or the courts will not take a contrary view.

FNF and ANFI expect that the Merger will be treated as a tax-free reorganization within the meaning of Section 368(a) of the Code and that for federal income tax purposes no gain or loss will be recognized by ANFI shareholders who exchange their shares of ANFI common stock solely for shares of FNF common stock pursuant to the Merger, except upon the receipt of cash by holders in lieu of fractional shares of FNF common stock. The Internal Revenue Service has not been and will not be asked to rule upon the tax consequences of the Merger. Instead, ANFI and FNF will rely upon the opinion of Stradling Yocca Carlson & Rauth to the effect that the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. The opinion of Stradling Yocca Carlson & Rauth will be based upon the facts described in this proxy statement/ prospectus, and will be subject to certain assumptions, covenants and qualifications, including but not limited to the truth and accuracy of certain representations and covenants made in the Merger Agreement and other representations contained in certificates of officers of ANFI, FNF and FNF's merger subsidiary. The opinion of Stradling Yocca Carlson & Rauth will also be based upon the Code, regulations now in effect thereunder, current administrative rulings and practice, and judicial authority, all of which are subject to change, possibly with retroactive effect. Unlike a ruling from the Service, an opinion of counsel is not binding on the Service and there can be no assurance, and none is hereby given, that the Service will not take a position contrary to one or more positions reflected herein or that the opinion will be upheld by the courts if challenged by the Service. If any of those representations, qualifications, covenants or assumptions is inaccurate, or if any change in fact or law occurs, then the tax consequences of the Merger could differ from those described in such opinion.

A successful Internal Revenue Service challenge to the reorganization status of the Merger would result in ANFI shareholder recognizing taxable gain or loss with respect to each share of stock of ANFI surrendered, in an amount equal to the difference between the shareholder's basis in that share and the fair market value of that share, as of the effective time, of the FNF common stock received in the exchange. In that event, a shareholder's aggregate basis in the ANFI common stock received would equal its fair market value, and the shareholder's holding period for that stock would begin the day after the Merger.

Subject to the limitations and qualifications referred to herein, qualification of the Merger as such a reorganization will result in the following federal income tax consequences:

no income, gain or loss will be recognized by ANFI, FNF nor FNF's merger subsidiary solely as a result of the consummation of the Merger;

subject to the last item below, no gain or loss will be recognized by the holders of ANFI common stock upon the exchange of ANFI common stock solely for FNF common stock pursuant to the Merger;

the aggregate tax basis of the FNF common stock received by an ANFI shareholder pursuant to the Merger, including any fractional shares deemed received as described in the last item below, will be the same as the aggregate tax basis of the ANFI common stock surrendered in exchange therefor;

the holding period of the FNF common stock received by a shareholder of ANFI pursuant to the Merger will include the period during which the ANFI common stock surrendered in exchange therefor was held by such ANFI shareholder, provided the ANFI common stock is a capital asset in the hands of the ANFI shareholder at the time of the Merger; and

cash received by an ANFI shareholder in lieu of a fractional share interest in FNF common stock will generally be treated as received in redemption of such fractional share interest, and an ANFI shareholder will generally recognize gain or loss, subject to the provisions and limitations of Section 302 of the Code, which gain or loss will be capital gain or loss provided the ANFI common stock was a capital asset in the hands of the ANFI shareholder at the time of the Merger. For United States federal income tax purposes, the gain or loss is measured by the difference between the amount of cash received and the portion of the tax basis of the share of ANFI common stock allocable to such fractional share interest.

Record Keeping Requirements. An ANFI shareholder who exchanges ANFI common stock for FNF common stock or who exchanges ANFI common stock for FNF common stock and cash (in lieu of a fractional share) in connection with the Merger will be required to retain records and file with that shareholder's federal income tax return for the taxable year in which the Merger takes place a statement setting forth all the relevant facts in respect of the non-recognition of gain or loss upon the exchange. The statement must include:

the shareholder's basis in the shares of ANFI common stock surrendered in the Merger;

the value of the shares of FNF common stock received, using the fair market value as of the effective time of the Merger; and

the amount of any cash received in the Merger.

Backup Withholding Tax. Under the Internal Revenue Code, an ANFI shareholder may be subject, under some circumstances, to backup withholding tax with respect to cash received in the Merger unless the shareholder complies with certain notification and identification requirements provided under the relevant provisions of the Internal Revenue Code. Any amounts withheld under the backup withholding rules generally will be allowed as a credit against the shareholder's U.S. federal income tax liability.

Qualifications. As noted above, the foregoing discussion does not address aspects of U.S. federal income taxation that may be relevant to ANFI shareholders, optionholders or warrant holders to which special provisions of the U.S. federal income tax law may apply based on their particular circumstances or status. For example, the discussion does not address aspects of U.S. federal income taxation that may be relevant to:

dealers in securities or currencies;

traders in securities;

financial institutions;

tax-exempt organizations;

insurance companies;

persons holding shares of ANFI common stock as part of a hedging, straddle, conversion, or other integrated transaction;

persons subject to the alternative minimum tax;

non-United States persons; or

shareholders that exercise dissenters' rights.

The preceding discussion sets forth the material U.S. federal income tax consequences of the Merger but does not purport to be a complete analysis or discussion of all potential tax effects relevant thereto. Thus, ANFI shareholders are urged to consult their own tax advisors as to the specific tax consequences to them of the Merger, including tax return reporting requirements, whether gain, if any, will be treated as capital gain or a dividend, the applicability and effect of U.S. federal, state, local, and other applicable tax laws, and the effect of any changes in the tax law.

Required Regulatory Filings and Approvals

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and the rules promulgated under the Hart-Scott-Rodino Act, FNF and ANFI cannot complete the Merger until they notify and furnish information to the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice and specified waiting period requirements are satisfied.

At any time before or after completion of the Merger, the Antitrust Division or the Federal Trade Commission could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the consummation of the Merger or seeking divestiture of substantial assets of FNF or ANFI. Private parties may also bring actions under the antitrust laws under certain circumstances. Although FNF and ANFI believe that the Merger is legal under the antitrust laws, there can be no assurance that a challenge to the Merger on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

Title insurance companies, including underwriters, underwritten title companies and independent agents, are subject to extensive regulation under applicable state laws. As an underwritten title company and an agent, ANFI is subject to regulation in California and Arizona. In California, ANFI is regulated by the Department of Insurance for the State of California and in Arizona it is regulated by the State Banking Department of the State of Arizona. National Title Insurance of New York, Inc., (National), a subsidiary of ANFI, is regulated by the Insurance Commissioner of the State of New York. National transacts business in a number of states.

FNF and ANFI do not believe that additional regulatory filings will be required for consummation of the Merger and are in the process of confirming the same with various authorities in the states of New York and California. Following the Merger, FNF believes preapproval regulatory filings will be necessary in connection with the conversion of ANFI's title and escrow operations to Ticor operations.

Resale of FNF Common Stock

All shares of FNF common stock received by ANFI shareholders in the Merger will be freely transferable, except that FNF common stock received by persons who are deemed to be affiliates (as such term is defined in Rule 145 under the Securities Act) of ANFI at the time of the ANFI special meeting may be resold by them only in transactions permitted by the resale provisions of Rule 145 under the Securities Act (or Rule 144 under the Securities Act in the case of such persons who become affiliates of FNF) or as otherwise permitted under the Securities Act. Persons who may be deemed to be affiliates of ANFI or FNF generally include individuals or entities that control, are controlled by, or are under common control with, such party and may include certain officers and directors of such party as well as principal stockholders of such party.

Pursuant to the terms of the Merger Agreement, ANFI agreed to deliver to FNF a list of names of those persons whom ANFI believes to be affiliates of ANFI within the meaning of Rule 145 under the Securities Act. ANFI has agreed to use its commercially reasonable best efforts to cause each person who is identified as an affiliate in the list referred to above to deliver to FNF, within 30 days of the date the Merger Agreement is signed, an affiliate letter acknowledging that such person may be deemed an affiliate of FNF following the Merger and thus may be subject to certain restrictions of their ability to resell their FNF common stock. Such affiliate letter shall provide that the ANFI affiliate will agree not to sell, transfer or otherwise dispose of any shares of FNF common stock to be received by such person in or pursuant to the Merger, except in compliance with applicable provisions of the Securities Act.

This proxy statement/ prospectus cannot be used in connection with resales of FNF common stock received in the Merger by any person who may be deemed to be an affiliate of ANFI under the Securities Act.

Management and Operations Following the Merger

Following the Merger, FNF will continue the operations of ANFI. Subject to any required regulatory approval and final business decisions to be made by FNF, FNF expects to convert the ANFI brand into FNF's Ticor brand, including by combining some of FNF's Ticor assets with the continuing ANFI operations. FNF expects the Board of Directors of the surviving corporation to be comprised of members of the Board of Directors of FNF. ANFI's shareholders will become stockholders of FNF, and their rights as stockholders will be governed by FNF's Certificate of Incorporation and Bylaws. See Comparison of Rights of ANFI Shareholders and FNF Stockholders.

Interests of Certain Persons in the Merger

Certain members of ANFI's management have interests in the Merger that are different from and in addition to their interests as ANFI shareholders generally. The ANFI Board of Directors was aware of these interests and considered them in approving the Merger Agreement and the Merger.

William P. Foley, II, is currently a member of ANFI's Board of Directors and is also the Chairman of the Board of Directors and Chief Executive Officer of FNF.

Michael C. Lowther, Wayne D. Diaz, Carl A. Strunk and Barbara A. Ferguson are all directors and senior officers of ANFI. Mr. Lowther is Chairman of the Board and Chief Executive Officer of ANFI. Mr. Diaz is President of ANFI. Mr. Strunk is Executive Vice President and Chief Financial Officer of ANFI. Barbara A. Ferguson is Executive Vice President of ANFI. On or about January 20, 2003, as required by the Merger Agreement Mr. Lowther, Mr. Diaz and Ms. Ferguson entered into modifications of their existing employment agreements with ANFI (which will only become effective upon consummation of the Merger Agreement). The resulting employment agreements as modified are substantially identical to their current employment agreements with ANFI except that (i) the annual bonus for each individual for each of calendar years 2003, 2004 and 2005 will include a minimum guarantee equal to the bonus each such individual received for calendar year 2001, and (ii) each of Mr. Lowther, Mr. Diaz and Ms. Ferguson has waived his or her right to receive severance pay and other benefits by reason of the change in control of ANFI which will occur upon consummation of the Merger Agreement.

The existing employment agreement of Carl A. Strunk has not been modified. If Mr. Strunk terminates his employment with ANFI in connection with the Merger or if his employment is terminated after the Merger, or other change of control transaction other than for cause, then Mr. Strunk will be entitled to (i) his minimum base annual salary due to him through the date of termination of the employment agreement; (ii) severance in an amount equal to the product of (A) his annual base salary at the date of termination of employment plus any incentive compensation bonus and (B) the number of years (including partial years) remaining in the term of his employment pursuant to the employment agreement or one, whichever is greater; (iii) immediate vesting of all options not already vested; and (iv) the continuation of other employee benefits comparable to those to which Mr. Strunk was entitled at the time of determination. Mr. Strunk's employment agreement is for a term of three years beginning August 14, 2001. However, at the end of each year of the employment agreement, the employment agreement is automatically extended for an additional one year unless ANFI (or its successor in interest) or Mr. Strunk provides the other with prior written notice of the intent not to extend the term for an additional year. However, ANFI is entitled not to elect to extend Mr. Strunk's employment agreement only if ANFI or any of its subsidiaries fails to perform in accordance with the budgeted expectations for such entities in the employment agreement year in which the election not to renew occurs.

On January 14, 2003, FNF entered into a written waiver with the ANFI holders party to the Voting Agreement, whereby FNF waived any rights it may have to enforce the transfer prohibition included in the Voting Agreement as it relates to the exercise of ANFI stock options and any subsequent sale of any shares of

ANFI common stock received upon exercise. On January 16 and 17, 2003 Mr. Strunk and Ms. Ferguson elected to exercise ANFI options and collectively sold 170,700 shares of ANFI in order to begin to reduce their outstanding options to acquire ANFI shares as required by the Merger Agreement and to diversify their own personal investment portfolios.

Indemnification and Insurance

The Merger Agreement provides that FNF will maintain in effect in accordance with their terms all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Merger now existing in favor of the current or former directors or officers of ANFI and its subsidiaries as provided in their respective articles of incorporation or bylaws (or comparable organizational documents) and any indemnification agreements of ANFI. Directors and officers of ANFI who become directors or officers of FNF will be entitled to the same indemnity rights and protections as are afforded to other directors and officers of FNF. The Merger Agreement further provides that, immediately prior to the closing, ANFI shall purchase one or more single payment, run-off policies of directors and officers liability insurance covering acts or omissions occurring prior to the Merger with respect to those persons who are currently covered by the ANFI's directors and officers liability insurance policies on terms with respect to such coverage and amount no less favorable than the terms of the current policies of ANFI, such policy (or policies) to become effective at the Merger and to remain in effect for a period of six years after the completion of the Merger, provided, however, that prior to purchasing such insurance, ANFI shall have consulted with FNF to determine whether FNF can obtain such coverage on more favorable terms. If such coverage is unavailable, for six years after the Merger, FNF shall provide to ANFI's directors and officers liability insurance covering acts or omissions occurring prior to the Merger with respect to those persons who are currently covered by ANFI's directors and officers liability insurance policies on terms and in amounts no less favorable than those existing upon the Merger.

Expenses

The Merger Agreement provides that whether or not the merger is consummated, all fees and expenses incurred in connection with the Merger shall be paid by the party incurring such expenses, except that (i) each of FNF and ANFI shall bear and pay one-half of the costs and expenses incurred in connection with the printing of this proxy statement/ prospectus, as well as the SEC filing fees related thereto, and the HSR filings and (ii) if the Merger is consummated, the surviving corporation shall pay, or cause to be paid, all state, local, foreign or provincial sales, use, real property, transfer, stock transfer or similar taxes (including any interest or penalties with respect thereto) attributable to the Merger.

Pending Litigation

Jones v. American Title Company L-03904 Alameda County Superior Court.

Plaintiff, a former employee has sued American Title Company (a wholly-owned subsidiary of ANFI) claiming that he was wrongfully terminated. Plaintiff alleges that his termination was based on breach of employment contract and age discrimination. Plaintiff has not specified the amount of damages he is seeking. Some discovery has been undertaken. The parties have tentatively agreed to mediate the dispute.

Mara Escrow Company v. American Title L9051 Los Angeles County Superior Court.

Plaintiff sued American Title and four of its employees for conversion, unfair competition misappropriation of trade secrets, and breach of fiduciary duty. Plaintiff alleges that its former employees, prior to leaving and becoming employees of American Title, copied or took over 500 files without their authorization in violation of their fiduciary duties.

Lawlor v. National Title Ins. Co. of New York, Inc. L9127 Supreme Court of the State of New York, County of Nassau.

This is a class action. Plaintiff contends that National Title, a wholly owned subsidiary of ANFI, over charged filed rates on policies issued to owner s in conjunction with residential refinancing. The action was filed in July, and no response has yet been filed. ANFI management intends to vigorously defend this action.

Wage and Hour Claims

In mid-September ANFI was advised that counsel for an employee of ANFI was considering bringing an action for his client (and all parties similarly situated) for alleged violations by the Company of Labor Code provisions pertaining to overtime pay. No action has been filed. Counsels for the parties are discussing the dispute, and the possibility of resolving it through alternative dispute resolution.

Insurance Department Examination

In June 2001, auditors from the State of California, Department of Insurance commenced a market conduct examination of American Title Company a wholly-owned subsidiary of ANFI. Similar examinations have been or are being conducted for virtually all companies in the title insurance business. The examination is not yet complete. ANFI is unable to determine if an unfavorable outcome is either probable or remote; however, the management of ANFI does not believe that any outcome will have a materially adverse effect on its consolidated financial statements.

Shareholder Litigation

Beginning on January 17, 2003 and continuing thereafter, three lawsuits have been filed in the Superior Court of the State of California County of Orange on behalf of a purported class of public shareholders of ANFI relating to FNF s and ANFI s announcement that they had entered into the Merger Agreement to effect the Merger described in this proxy statement/prospectus. The California actions are captioned Gary Schneider v. Fidelity National Financial, Inc., et al., Case No. 03CC00017; Caron Rossi v. Michael C. Lowther, et al., Case No. 03CC00021; and Peter Miller v. Michael C. Lowther, et al., Case No. 03CC00018. The actions generally name as defendants FNF and the members of the ANFI Board of Directors, and generally allege that the consideration FNF is offering to ANFI s public shareholders in the Merger is inadequate and unfair, that the individual defendants breached their fiduciary duties to ANFI s public shareholders in the formulating and agreeing to the terms of the Merger and that FNF aided and abetted such breach of fiduciary duties by the individual defendants. The actions seek to proceed on behalf of a class of ANFI shareholders other than the defendants, seek preliminary and permanent injunctive relief against the consummation of the Merger, seek monetary damages in an unspecified amount and seek recovery of plaintiffs costs and attorneys fees. These actions are in their earliest stages. FNF and ANFI believe that the allegations are without merit and intend to defend against them vigorously.

The description of these shareholder actions is qualified in its entirety by reference to the allegations in the complaints, which FNF has filed with the SEC as exhibits to the registration statement of which this proxy statement/ prospectus is a part and which are incorporated by reference into this proxy statement/ prospectus.

Accounting Treatment

The Merger will be accounted for using the purchase method in accordance with Statement of Financial Accounting Standards No. 141 Business Combinations . Accordingly, the assets and liabilities of ANFI not already owned by FNF will be recorded on the books of FNF at their respective fair values at the effective time of the Merger, with the excess of the purchase price, if any, allocated to goodwill.

THE MERGER AGREEMENT

The following describes certain aspects of the proposed Merger, including material provisions of the Merger Agreement. Because this discussion is a summary, it may not contain all of the information that is important to you. To understand the Merger fully, and for a more complete description of the legal terms of

the Merger, you are urged to read the Merger Agreement carefully. A copy of the Merger Agreement is attached as Appendix A to this document and is incorporated by reference.

General

In the Merger, shares of ANFI common stock will be converted into the right to receive Merger consideration consisting of shares of FNF. See The Merger Merger Consideration.

Distributions with Respect to Unexchanged Shares; Transfers

All shares of FNF common stock to be issued pursuant to the Merger will be deemed issued and outstanding as of the effective time of the Merger. If a dividend or other distribution is declared by FNF in respect of the FNF common stock, the record date for which is at or after the effective time of the Merger, that declaration will include dividends or other distributions in respect of all shares issuable in the Merger agreement. No dividends or other distributions in respect of the FNF common stock will be paid to any holder of any unsurrendered ANFI stock certificate until such ANFI stock certificate is surrendered for exchange in accordance with the Merger Agreement. Subject to applicable law, following surrender of any such ANFI stock certificate, there will be issued and/or paid to the holder of the certificates representing whole shares of FNF common stock issued in exchange therefor, without interest, (1) at the time of such surrender, the dividends or other distributions with a record date after the effective time of the Merger theretofore payable with respect to such shares of FNF common stock and not paid, and (2) at the appropriate payment date, the dividends or other distributions payable with respect to such whole shares of FNF common stock with a record date after the effective time of the Merger but with a payment date subsequent to surrender. Neither ANFI, FNF nor the exchange agent or any other person will be liable to any former holder of shares of ANFI common stock for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar laws.

Corporate Governance

The Merger Agreement provides that the Articles of Incorporation and Bylaws of the wholly-owned subsidiary of FNF into which ANFI will merge as in effect immediately prior to the Merger will continue to be the Articles of Incorporation and Bylaws of the surviving corporation after the Merger.

Representations and Warranties

The Merger Agreement contains customary reciprocal representations and warranties of FNF, ANFI and FNF's wholly-owned subsidiary into which ANFI will merge as to, among other things:

due organization and good standing;

corporate authority to enter into the Merger Agreement and related matters;

absence of conflicts with organizational documents and material agreements;

capitalization;

necessary regulatory approvals;

subsidiaries;

reports filed with the SEC;

financial statements;

undisclosed liabilities;

information to be supplied;

absence of certain changes;

transactions with affiliates;

litigation;

tax matters;

employee benefit matters;

compliance with laws; and

environmental matters.

None of the representations and warranties contained in the Merger Agreement will survive the Merger.

Concept of Material Adverse Effect

Many of the representations and warranties included in the Merger Agreement are qualified by the concept of material adverse effect. The concept of material adverse effect also applies to some of the covenants and conditions to the Merger described under Certain Covenants and Conditions to the Merger below. For purposes of the Merger Agreement, the concept of material adverse effect means a material adverse effect on the financial condition, business or results of operations of FNF or ANFI, as the case may be, taken as a whole, other than effects caused by:

changes in general economic or securities markets conditions;

changes in interest rate levels;

in the case of ANFI, the identity of FNF as the acquiring company or FNF's conduct with respect to the transactions contemplated by the Merger Agreement prior to the Merger;

in the case of FNF, the identity of ANFI as the acquired company or ANFI's conduct with respect to the transactions contemplated by the Merger Agreement prior to the Merger; or

the public announcement of the transactions contemplated by the Merger Agreement.

Certain Covenants

Conduct of ANFI's Business Prior to the Merger ANFI has agreed that after the date of the Merger Agreement and prior to the Merger it will conduct its businesses in all material respects in the ordinary course consistent with past practice and will use commercially reasonable efforts to preserve intact its business organization, maintain in effect all material licenses, approvals and authorizations, and preserve existing relationships with its key employees, key agents, material customers, lenders, suppliers and others having material business relationships with ANFI.

Specifically, ANFI has agreed that, without the prior written consent of FNF (which consent cannot be unreasonably withheld or delayed), and except as otherwise expressly contemplated by the Merger Agreement, it will not, and will not permit its subsidiaries to:

amend or modify their charter documents or bylaws;

take any action that would prevent or materially impair the ability of ANFI to consummate the Merger;

split, combine or reclassify any shares of capital stock or declare, set aside or pay any dividend (except that FNF has agreed to permit ANFI to declare and pay a cash dividend during the first quarter not to exceed \$0.125 per share, subject to reaching an agreement on the timing of the dividend) or other distribution in respect of its capital stock or the capital stock of any of its subsidiaries which are not wholly-owned, or redeem, repurchase or otherwise acquire any of its securities or the securities of any of its subsidiaries which are not wholly-owned;

issue, deliver or sell any shares of its capital stock or any securities convertible into or exercisable for any such capital stock other than upon the exercise of stock options or warrants, pursuant to existing employee plans in accordance with their present terms; provided that in no event shall the aggregate of

any and all issuances be in excess of 654,000 shares of ANFI capital stock or securities convertible into or exercisable for capital stock of ANFI;

other than expenses incurred in connection with the Merger such as reasonable legal and accounting expenses and investment banking expenses, incur any capital expenditures or any obligations or liabilities in respect thereof, except for those (a) contemplated by the capital expenditure budgets for ANFI and its subsidiaries, (b) incurred in the ordinary course of business, or (c) which are not otherwise described in clause (a) or (b) and which are not in excess of \$100,000;

except for acquisitions in the ordinary course of the investment activities of ANFI and its subsidiaries consistent with past practice, acquire any assets of, or equity interests in, any person or entity having a fair market value in excess of \$100,000;

sell, lease, encumber or otherwise dispose of any assets, other than (a) in the ordinary course of business consistent with past practice, (b) equipment and property no longer used in the operation of ANFI's business and (c) sales or other dispositions of assets related to discontinued operations;

incur any indebtedness for borrowed money or guarantee any such indebtedness or issue or sell any debt securities or rights to acquire any debt securities, or guarantee any debt securities of others or request any advances in respect of, or make any drawdowns on, any existing indebtedness which advance or drawdown exceeds \$100,000 individually or \$250,000 in the aggregate;

amend, modify or terminate material agreements or arrangements or otherwise waive, release or assign any of their material rights, claims or benefits thereunder;

other than in the ordinary course of business consistent with past practice, or as required by law or by an agreement existing on the date of the Merger Agreement, or as otherwise contemplated by the Merger Agreement, (a) increase the amount of compensation of any director or executive officer or make any increase in or commitment to increase any employee benefits, (b) adopt any severance program or grant any material severance or termination pay to any director, officer or employee of ANFI or any of its subsidiaries, (c) adopt or implement any employee retention program or other incentive arrangement not in existence on the date of the Merger Agreement, (d) adopt any additional employee benefit plan, or, other than in the ordinary course of business, make any material contribution to any existing employee benefit plan or (e) amend in any material respect any existing ANFI employee plan;

change ANFI's methods of accounting in effect at December 31, 2001, except as required by changes in GAAP or by Regulation S-X of the SEC, as concurred in by its independent public accountants, or change ANFI's fiscal year;

other than in the ordinary course of business consistent with past practice, make any tax election or enter into any settlement or compromise of any tax liability that in either case is material to the business of ANFI and its subsidiaries, taken as a whole;

pay, discharge, settle or satisfy any claim, liability or obligation other than (a) for an amount of \$100,000 or less, and (b) ordinary course repayment of indebtedness or payment of contractual obligations when due;

take any action that would cause any of ANFI's representations and warranties in the Merger Agreement to become untrue in any material respect; or

agree or otherwise commit to do any of the foregoing.

Covenants of FNF. FNF has agreed to maintain in effect currently existing rights to indemnification from liabilities for acts or omissions occurring at or prior to the effective time of the Merger. FNF has also agreed to use commercially reasonable efforts to cause the shares FNF common stock to be issued in connection with the Merger or upon exercise of FNF options to be listed on the NYSE, subject to official notice of issuance.

No Solicitation of Transactions. ANFI has agreed that it shall not, nor shall it permit any of its subsidiaries to, nor shall it authorize or knowingly permit any officer, director, employee, investment banker, attorney, accountant, agent or other advisor or representative of ANFI or any of its Subsidiaries, directly or indirectly, to:

(1) take any action to solicit, initiate or facilitate or encourage the submission of any acquisition proposal (as defined below);

(2) engage in any negotiations regarding, or furnish to any person or entity any non-public information with respect to, or take any other action knowingly to facilitate any inquiries or the making of any proposal that constitutes, or may be reasonably expected to lead to, any acquisition proposal;

(3) grant any waiver or release under any standstill or similar agreement with respect to any class of ANFI's equity securities; or

(4) other than in the manner described below, enter into any agreement with respect to any acquisition proposal.

However, ANFI may take any actions described in clauses (1) through (4) above in respect of any person or entity who makes an acquisition proposal if:

ANFI's Board of Directors, by majority vote, determines in its good faith judgment that either (x) such acquisition proposal constitutes a superior proposal (as defined below), and ANFI provides written notice of termination of the merger agreement between FNF and ANFI in the manner described below, or (y) such acquisition proposal could reasonably be expected to result in a superior proposal; and

prior to furnishing any non-public information to any person or entity who makes an acquisition proposal, such person or entity shall have entered into a confidentiality agreement with ANFI.

The merger agreement defines an acquisition proposal as any offer or proposal for, or indication of interest in, a merger, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving, or any purchase or acquisition of, 25% or more of:

any class of equity securities of ANFI; or

all or substantially all of the consolidated assets of ANFI and its subsidiaries;

other than the transactions contemplated by the merger agreement between FNF and ANFI.

The merger agreement defines a superior proposal as a written acquisition proposal on terms which ANFI's Board of Directors by majority vote determines in good faith, after consultation with its investment advisors and outside legal counsel, would result in a transaction, if consummated, that is more favorable to ANFI shareholders from a financial point of view than the transaction contemplated by the merger agreement between FNF and ANFI. In making such determination, the ANFI Board of Directors is required to take into account all legal, financial, regulatory and other aspects of the proposal, including conditions to consummation (which shall not include a financing condition).

Unless ANFI's Board of Directors has previously withdrawn, or is concurrently therewith withdrawing, its recommendation herein that ANFI shareholders vote to approve the merger, neither ANFI's Board of Directors nor any committee of the Board of Directors may recommend any acquisition proposal to ANFI shareholders. Notwithstanding the foregoing, nothing contained in the merger agreement will prevent ANFI's Board of Directors from complying with Rule 14e-2 under the Securities Exchange Act with respect to any acquisition proposal or making any disclosure required by applicable law. ANFI will notify FNF promptly, but in no event later than 48 hours, after receipt by ANFI or any of its subsidiaries (or any of their respective directors, officers, agents or advisors) of any acquisition proposal. Similarly, ANFI will notify FNF of any contacts concerning, or any request for non-public information or for access to the properties, books or records of, ANFI or any ANFI subsidiary, or any request for a waiver or release under any standstill or similar

agreement, by any person that has made an acquisition proposal or indicates that it is considering making an acquisition proposal. This notice to FNF will state the identity of the offeror and, if an acquisition proposal is made, the material terms of the acquisition proposal. ANFI will keep FNF reasonably informed of the status and material terms of any such acquisition proposal.

ANFI may terminate the Merger Agreement at any time before the Merger Agreement has been approved by a majority of the shares of ANFI common stock outstanding if:

ANFI's Board of Directors shall have authorized ANFI, subject to the terms and conditions of the Merger Agreement, to enter into a binding agreement concerning a transaction that constitutes a superior proposal; and

ANFI notifies FNF that it intends to enter into such an agreement, specifying the material terms and conditions of such agreement.

In connection with the foregoing, ANFI has agreed that it will not terminate the Merger Agreement if, within seven business days of receiving notice that ANFI intends to enter into an agreement for a superior proposal, FNF makes an offer such that the ANFI Board of Directors determines in its good faith judgement that the superior proposal is no longer a superior proposal. ANFI is not permitted to enter into another agreement during such seven business day period.

Shareholder Meeting

ANFI has agreed to cause a meeting of its shareholders to be duly called and held for the purpose of obtaining the required ANFI shareholder approval (including the payment of any severance payments subject to the application of Section 280G of the Internal Revenue Code, if any) as soon as reasonably practicable after the registration statement which is part of this proxy statement/prospectus is declared effective. Except for certain instances relating to acquisition proposals and superior proposals discussed above, ANFI's Board of Directors has agreed to recommend approval and adoption by its shareholders of the Merger Agreement and the Merger, and ANFI has agreed to use its commercially reasonable efforts to solicit the required ANFI shareholder approval.

Conditions to the Merger

Mutual Conditions.

The obligations of FNF, ANFI and the merger subsidiary to effect the Merger are subject to the satisfaction or waiver of the following conditions:

approval of the Merger by the holders of more than 50% of the shares of ANFI common stock voting by person or by proxy and the ANFI special meeting;

the shares of FNF common stock to be issued in the Merger shall have been authorized for listing on the NYSE, subject to official notice of issuance;

the registration statement filed with the SEC under the Securities Act to register shares of FNF common stock to be issued in the Merger, of which this proxy statement/prospectus is a part, has been declared effective, and no stop order suspending the effectiveness of the registration statement has been issued, and no proceedings for that purpose having been initiated by the SEC and not concluded or withdrawn, and all state securities or blue sky authorizations necessary to carry out the transactions contemplated by the Merger Agreement having been obtained;

the expiration or termination of the waiting period applicable to the consummation of the Merger under the Hart-Scott Rodino Act without the imposition of any condition that either FNF or ANFI sell, divest or otherwise dispose of any assets or conduct its business in a manner which would reasonably be expected to have a material adverse effect on the combined company, taken as a whole, after giving effect to the Merger;

on the proposed date of the Merger, no governmental entity has issued any order, injunction or decree, or taken any other action that is in effect and restrains, enjoins or otherwise prohibits the consummation of the Merger, nor is there pending any action that seeks to restrain, enjoin or otherwise prohibit the consummation of the Merger; and

the parties have obtained or made all governmental consents, approvals, actions, orders, authorizations, registrations, declarations, announcements and filings contemplated by the Merger Agreement which, if not obtained or made, would render consummation of the Merger illegal or would be reasonably likely to have a material adverse effect on the combined company, taken as a whole, after giving effect to the Merger.

Additional Conditions to the Obligations of ANFI. In addition, the obligation of ANFI to consummate the Merger are subject to the satisfaction or waiver of the following conditions:

FNF and the merger subsidiary shall have performed in all material respects all of the obligations required to be performed by them at or prior to the time of the Merger, the representations and warranties of FNF and the merger subsidiary contained in the Merger Agreement shall have been true and correct when made and as of the time of the filing of the agreement of merger as if made as of such time (except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case it shall be true and correct as of such date), except for such inaccuracies as would not be reasonably likely, individually or in the aggregate, to have a material adverse effect on FNF; and ANFI having received certificates signed by the Chief Executive Officer or Chief Financial Officer of FNF and Merger Sub to the foregoing effect;

ANFI shall have received an opinion from counsel acceptable to ANFI, which may include Stradling Yocca Carlson & Rauth (counsel to FNF and the merger subsidiary), to the effect that the Merger will be treated for federal income tax purposes as a tax free reorganization under Section 368(a)(2)(D) of the Internal Revenue Code; and

since the date of the FNF balance sheet included in the FNF 10-Q for the quarter ended September 30, 2002, there shall not have occurred any change in the financial condition, business or operations of FNF and its subsidiaries, taken as a whole, that would be reasonably likely to have a material adverse effect on FNF.

Additional Conditions to the Obligations of FNF and the Merger Subsidiary. In addition, the obligations of FNF and the merger subsidiary to consummate the Merger are subject to the satisfaction or waiver of the following further conditions:

ANFI shall have performed in all material respects all of its obligations under the Merger Agreement, the representations and warranties of ANFI contained in the Merger Agreement shall be true and correct when made and as of the time of the filing of the agreement of merger as if made as of such time (except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case it shall be true and correct as of such date), except for such inaccuracies as would not be reasonably likely, individually or in the aggregate, to have a material adverse effect on ANFI, and FNF shall have received a certificate signed by the Chief Executive Officer or Chief Financial Officer of ANFI to the foregoing effect;

since the date of the ANFI balance sheet included in the ANFI 10-Q for the quarter ended September 30, 2002, there shall not have occurred any change in the financial condition, business or operations of ANFI and its subsidiaries, taken as a whole, that would be reasonably likely to have a material adverse effect on ANFI;

in the event the ANFI shareholders have any appraisal, dissenters or similar rights under applicable law, no more than three percent of the outstanding shares of ANFI common stock, determined as of the record date for the ANFI special meeting, shall have made an effective demand for exercise of their appraisal, dissenters or similar rights under applicable law;

each of the ANFI senior executives shall have outstanding options to acquire ANFI common stock that, upon assumption by FNF in the Merger, shall be exercisable into no more than 50,000 shares of FNF common stock;

FNF having received a written opinion from Stradling Yocca Carlson & Rauth (or other counsel reasonably acceptable to FNF), to the effect that the Merger will be treated for federal income tax purposes as a tax free reorganization under Section 368(a)(2)(D) of the Internal Revenue Code; and

FNF having received any consents, approvals, actions, orders, or authorizations from the Department of Insurance necessary to consummate the transactions contemplated in the Merger Agreement, including the conversion of ANFI to Ticor Title after the effective time of the Merger.

Termination

The Merger Agreement may be terminated at any time prior to the effective time of the Merger, whether before or after approval of the Merger Agreement by the ANFI shareholders:

by mutual written agreement of FNF and ANFI;

by either FNF or ANFI, if the Merger shall not have been consummated by June 30, 2003 (which date may be extended by either party for a maximum of 60 days if on that date all regulatory approvals have not been obtained or the waiting period under the Hart-Scott-Rodino Act has not expired or been terminated); provided, however, this right to terminate the Merger Agreement will not be available to a party whose breach of any obligations under the Merger Agreement has been the cause of the failure of obtaining such regulatory approvals prior June 30, 2003, or the extended date, as the case may be;

by either FNF or ANFI, if there is any law or regulation that makes consummation of the Merger illegal or otherwise prohibited, or any judgment, injunction, order or decree of any governmental entity having competent jurisdiction has issued a nonappealable final order enjoining ANFI or FNF from consummating the Merger; provided, however, this right to terminate the Merger Agreement will not be available to a party whose breach of any obligations under the Merger Agreement has been the cause of such law, regulation, judgment, injunction, order or decree; or

at the ANFI special meeting, the approval of the Merger Agreement and the Merger by at least 50% of the outstanding shares of ANFI common stock is not obtained.

The Merger Agreement may be terminated by ANFI if:

at any time prior to the approval of the Merger Agreement by the ANFI shareholders, ANFI's Board of Directors has determined to enter into an agreement for a superior proposal (see Certain Covenants No Solicitation of Transactions above); or

at any time prior to the effective time of the Merger, whether before or after the approval of the Merger Agreement by the ANFI shareholders a breach or failure to perform any representation, warranty, covenant or agreement on the part of FNF set forth in the Merger Agreement shall have occurred which would cause the conditions to ANFI's obligations to complete the Merger not to be satisfied, and either these conditions are incapable of being satisfied by the June 30, 2003 (or, if the termination date has been extended as described above, such extended date) or such breach or failure to perform has not been cured within ten days after notice of such breach or failure to perform has been given by ANFI to FNF.

The Merger Agreement may be terminated by FNF if:

the ANFI Board of Directors shall have amended, modified, withdrawn, conditioned or qualified its recommendation for approval of the Merger by the ANFI shareholders in a manner materially adverse to FNF; or

at any time prior to the effective time of the Merger, whether before or after the approval of the Merger Agreement by the ANFI shareholders: (1) the ANFI Board of Directors shall have recommended any

acquisition proposal to the ANFI shareholders, or failed to recommend that the ANFI shareholders vote to approve the Merger; (3) a breach of or failure to perform any representation, warranty, covenant or agreement on the part of ANFI set forth in the Merger Agreement has occurred which would cause the conditions to FNF's obligations to complete the Merger not to be satisfied, and either these conditions are incapable of being satisfied by June 30, 2003 (or, if the termination date has been extended as described above, such extended date) or such breach or failure to perform has not been cured within ten days after notice of such breach or failure to perform has been given by FNF to ANFI.

Termination Fee

ANFI shall pay to FNF a termination fee in the amount of \$2,780,000 if the Merger Agreement is terminated solely as follows:

if ANFI terminates the Merger Agreement in order to accept another acquisition proposal;

if FNF terminates the Merger Agreement because the ANFI Board of Directors recommends another acquisition proposal to the ANFI shareholders, or fails to recommend the Merger with FNF to the ANFI shareholders;

if either party shall terminate Merger Agreement due to a failure to obtain the approval of the ANFI shareholders and one or more of the ANFI executives party to the Voting Agreement has breached that agreement or otherwise failed to vote all shares of their ANFI stock in favor of the Merger Agreement and Merger; or

if FNF shall terminate the Merger Agreement due to an uncured breach thereof by ANFI and within 12 months of such termination, ANFI shall engage in any negotiations or discussions with any third party regarding an acquisition proposal.

Amendment and Waiver

Any provision of the Merger Agreement may be amended or waived prior to the Merger by an amendment executed by ANFI and FNF or a waiver granted by the party against whom the waiver is to be effective. However, no amendment or waiver that would require shareholder approval under applicable law shall be made after ANFI's shareholders approve the Merger Agreement and the Merger without the further approval of ANFI's shareholders.

RELATED PARTY TRANSACTIONS AND MATERIAL CONTACTS

ANFI and FNF share a common director, William P. Foley, II, who is currently a member of ANFI's Board of Directors and the Chairman of the Board of Directors and Chief Executive Officer of FNF.

On July 12, 2002, pursuant to Purchase and Sale Agreements, each dated July 5, 2002, by and among FNF and certain ANFI officers and directors, FNF purchased in privately negotiated transactions an aggregate of 784,978 shares of ANFI common stock for an aggregate purchase price of \$9,419,730, or \$12.00 per share. The amounts purchased from each officer and/or director of ANFI and the identity and title of each such officer and/or director are as follows:

Seller	Title	Shares of ANFI Common Stock Purchased
Michael C. Lowther	Chairman of the Board and Chief Executive Officer	287,500
Wayne D. Diaz	President	287,500
Carl A. Strunk	Executive Vice President and Chief Financial Officer	105,415
Barbara A. Ferguson	Executive Vice President	104,563

Michael C. Lowther, Wayne D. Diaz, Carl A. Strunk and Barbara A. Ferguson are all directors and senior officers of ANFI. Mr. Lowther is Chairman of the Board and Chief Executive Officer of ANFI.

Mr. Diaz is President of ANFI; Mr. Strunk is Executive Vice President and Chief Financial Officer of ANFI. Ms. Ferguson is Executive Vice President of ANFI. On or about January 20, 2003, as required by the Merger Agreement Mr. Lowther, Mr. Diaz and Ms. Ferguson entered into modifications of their existing employment agreements with ANFI (which will only become effective upon consummation of the Merger Agreement). The resulting employment agreements as modified are substantially identical to their current employment agreements with ANFI except that (1) the annual bonus for each individual for each of calendar years 2003, 2004 and 2005 will include a minimum guarantee equal to the bonus each such individual received for calendar year 2001, and (2) each of Mr. Lowther, Mr. Diaz and Ms. Ferguson has waived his or her right to receive severance pay and other benefits by reason of the change in control of ANFI which will occur upon the effectiveness of the Merger.

The existing employment agreement of Carl A. Strunk has not been modified. If Mr. Strunk terminates his employment with ANFI in connection with the Merger or if his employment is terminated after the Merger, or other change of control transaction other than for cause, then Mr. Strunk will be entitled to (i) his minimum base annual salary due to him through the date of termination of the employment agreement; (ii) severance in an amount equal to the product of (A) his annual base salary at the date of termination of employment plus any incentive compensation bonus and (B) the number of years (including partial years) remaining in the term of his employment pursuant to the employment agreement or one, whichever is greater; (iii) immediate vesting of all options not already vested. Mr. Strunk's employment agreement is for a term of three years beginning August 14, 2001; and (iv) the continuation of other employee benefits comparable to those to which Mr. Strunk was entitled at the time of termination. However, at the end of each year of the employment agreement, the employment agreement is automatically extended for an additional one year unless ANFI (or its successor in interest) or Mr. Strunk provides the other with prior written notice of the intent not to extend the term for an additional year. However, ANFI is entitled not to elect to extend Mr. Strunk's employment agreement only if ANFI or any of its subsidiaries fails to perform in accordance with the budgeted expectations for such entities in the employment agreement year in which the election not to renew occurs.

Chicago Title Insurance Company (CTIC), a wholly-owned subsidiary of FNF, entered into an agency agreement with ANFI's wholly-owned subsidiary, American Title Company (ATC), whereby ATC agreed that, until June 30, 2007, it would act as an agent for CTIC with respect to the procurement of title insurance policies in 16 counties in California and Arizona subject to certain exceptions. This exclusive arrangement with CTIC does not apply to other counties into which ANFI may expand in the future. Under the agency agreement, ATC pays Fidelity National Title Insurance Company (FNTIC), a wholly-owned subsidiary of FNF, an administration fee of one percent of gross premiums for administrative services including accounting, legal and human resources. This administrative service agreement can be terminated by ATC upon ninety (90) days notice to FNTIC. The unexpected loss of CTIC underwriting or FNTIC's administrative services, for any reason, could result in an interruption to ANFI's operations until such services are secured elsewhere.

Additionally, ANFI leases title plants from FNTIC in Kern, San Mateo and Santa Clara counties and Chicago Title Insurance Company in Tucson. At the expiration of the leases, ANFI has an option to acquire these title plants for a nominal consideration. ANFI has also entered into a real property lease with Title Records, Inc., an affiliate of FNF.

George J. Wall, a director of ANFI, is a partner in the law firm of Palmieri, Tyler, Wiener, Wilhelm & Waldron, LLP. That law firm performed legal services for ANFI in 2002 and 2003 and it is expected this firm will continue to provide legal services to ANFI until the Merger is complete including the representation of ANFI in this transaction. The management of ANFI is of the opinion that the fees paid to Mr. Wall's law firm are comparable to those fees that would have been paid for comparable legal services from a law firm not affiliated with ANFI. Mr. Wall served during 2002 and 2003 as head of the Special Committee of the ANFI Board of Directors which reviewed and negotiated the terms of the proposed Merger with FNF. In that capacity, Mr. Wall received fees as did the other members of the Special Committee. The management of ANFI is of the opinion that the Special Committee fees paid Mr. Wall are comparable to committee fees that would be paid by other similarly situated companies for similar services.

Matthew K. Fong, a director of ANFI, is of counsel to the law firm of Sheppard, Mullin, Richter and Hampton, LLP (Sheppard Mullin). That law firm acted as counsel to the Special Committee of the ANFI Board of Directors. The management of ANFI is of the opinion that the fees paid to Sheppard Mullin are comparable to those fees that would have been paid for comparable legal services from a law firm not affiliated with ANFI. Mr. Fong is not receiving any portion of the legal fees received by Sheppard Mullin relating to Sheppard Mullin 's services rendered to the Special Committee. Mr. Fong served during 2002 and 2003 as a member of the Special Committee of the ANFI Board of Directors which reviewed and negotiated the terms of the proposed Merger with FNF. In that capacity, Mr. Fong received fees as did other members of the Special Committee. Management of ANFI is of the opinion that the Special Committee fees paid to Mr. Fong are comparable to Special Committee fees that would be paid by other similarly situated companies for similar services.

Mr. Fong is a member of the audit committee of the ANFI Board of Directors. The ANFI audit committee charter provides that the committee members must be independent and otherwise qualified to serve on the audit committee under NASDAQ rules, and be free from any relationship that would interfere with the exercise of the director 's independent judgment. Among the criteria for determining such independence is a maximum limit on the payments that may be made to an employer of the audit committee member equal to the lesser of \$200,000 per year or 5% of the employer 's total annual revenue. Mr. Fong 's employer, Sheppard Mullin, has served as independent legal counsel to the ANFI Special Committee. Sheppard Mullin has not to date received, and ANFI does not expect to pay, compensation for Sheppard Mullin 's services in an amount that would exceed the foregoing maximum limit.

DESCRIPTION OF FNF CAPITAL STOCK

The following description does not purport to be complete and is qualified in its entirety by reference to FNF 's Certificate of Incorporation and Bylaws and to the Delaware General Corporation Law.

General

The authorized capital stock of FNF consists of 150,000,000 shares of FNF common stock, par value \$0.0001 per share, and 3,000,000 shares of preferred stock, par value \$0.0001 per share. As of February 4, 2003, there were approximately 96,158,000 shares of FNF common stock outstanding, and no shares of FNF preferred stock outstanding.

FNF Common Stock

The holders of FNF common stock are entitled to receive dividends as and when declared by FNF 's Board of Directors out of funds legally available therefor, and may be paid in cash, stock or other property. In certain cases, holders of FNF common stock may not receive dividends until obligations to the holders of any outstanding shares of FNF preferred stock have been satisfied. In addition, FNF 's ability to pay dividends may be restricted by loan agreements, regulatory restrictions, or other transactions that FNF enters into from time to time. In the event of the dissolution of FNF, holders of FNF common stock will share ratably in all assets remaining after payment of liabilities and after providing for any liquidation preference for any outstanding shares of preferred stock. Each holder of FNF common stock is entitled to one vote for each share held of record on all matters presented for a vote at a stockholders meeting, including the election of directors. Holders of FNF common stock have no cumulative voting rights or preemptive rights to purchase or subscribe for any stock or other securities, and there are no conversion rights or redemption or sinking fund provisions with respect to such stock. Additional authorized shares of FNF common stock may be issued without stockholder approval.

FNF Preferred Stock

The authorized but unissued shares of FNF preferred stock are available for issuance from time to time at the discretion of FNF 's Board of Directors without stockholder approval. The FNF Board of Directors has the authority to determine, for each series of FNF preferred stock it establishes, the number, designation, preferences, limitations, and relative rights of the shares of such series, subject to applicable law and the

provisions of any then-outstanding series of FNF preferred stock. The terms of any series of FNF preferred stock, including the dividend rate, redemption price, liquidation rights, sinking fund provisions, conversion rights and voting rights, and any corresponding effect on other FNF stockholders, will be dependent largely on factors existing at the time of issuance. Such terms and effects could include restrictions on the payment of dividends on the FNF common stock if dividends on the FNF preferred stock are in arrears, dilution of the voting power of other FNF stockholders to the extent a series of FNF preferred stock has voting rights, and reduction of amounts available for liquidation as a result of any liquidation preference granted to any series of FNF preferred stock.

Anti-Takeover Provisions

Certain provisions of FNF's Certificate of Incorporation and Bylaws may make it less likely that FNF's management would be changed, or someone would acquire voting control of FNF, without the consent of the FNF Board of Directors. These provisions may delay, deter or prevent tender offers or takeover attempts that FNF's stockholders may believe are in their best interests, including tender offers or takeover attempts that might allow FNF stockholders to receive a premium over the market price of FNF common stock.

Fair Price Provision, Transactions and Interested Stockholders. FNF's Certificate of Incorporation prohibits certain business combinations between FNF and interested stockholders, which include direct and indirect owners of ten percent or more of the voting stock of FNF and their affiliates, unless those transactions are approved by holders of at least 66 2/3% of the outstanding voting stock not owned by any interested stockholders, voting together as a single class. This 66 2/3% approval is in addition to any approval required by law. Business combinations requiring the 66 2/3% approval include:

any merger or consolidation with an interested stockholder or a corporation affiliated with an interested stockholder;

any sale, lease, pledge, exchange, mortgage or other transfer or disposition of FNF assets valued at ten percent or more of the fair market value of FNF's consolidated assets to an interested stockholder or person or entity affiliated with an interested stockholder, other than in the ordinary course of business;

the issuance, pledge or transfer by FNF of any FNF securities, or the securities of one or more of its subsidiaries, to an interested stockholder in exchange for consideration with a value of ten percent or more of the fair market value of FNF's consolidated assets, unless such person is acting as an underwriter for such securities;

any sale, lease, pledge, exchange, mortgage or other transfer or disposition of the assets of any interested stockholder or any person or entity affiliated with an interested stockholder with a value of ten percent or more of the fair market value of the consolidated assets of FNF to FNF or one or more of its subsidiaries, other than in the ordinary course of business;

the adoption of any plan proposed by or on behalf of an interested stockholder or a person or entity affiliated with an interested stockholder to liquidate or dissolve FNF; and

any transaction that increases the voting power or proportionate share of any class of equity or convertible securities of FNF owned directly or indirectly by an interested stockholder or a person or entity affiliated with an interested stockholder.

However, if 66 2/3% of the continuing directors approve the business combination, the 66 2/3% stockholder approval requirement does not apply. Continuing directors are those FNF directors, excluding directors who are the interested stockholder or a representative or affiliate of the interested stockholder, (1) who were members of the Board of Directors before the interested stockholder involved in the business combination became an interested stockholder, or (2) whose election or nomination was approved by a majority of the directors holding office at the time the interested stockholder involved in the business combination became an interested stockholder.

This special stockholder approval requirement also does not apply to any business combination that meets certain conditions specified in the FNF Certificate of Incorporation. These conditions include:

that each stockholder receives for each of his or her shares a purchase price at least equal to the greater of (1) the highest price per share paid by the interested stockholder either in the course of becoming an interested stockholder or in the two years before the business combination is announced, (2) the fair market value of FNF shares when the interested stockholder became an interested stockholder, and (3) the fair market value of FNF shares when the business combination was announced;

that if, during the period after the interested stockholder became an interested stockholder and prior to completion of the business combination, FNF has failed to declare and pay any regular quarterly dividend, unless such failure was approved by 66 2/3% of the continuing directors;

the interested stockholder has not acquired any additional shares of FNF stock after becoming an interested stockholder;

after the interested stockholder became an interested stockholder, such person has not directly or indirectly received the benefit of any loans, advances, guarantees, pledges or other financial assistance provided by FNF; and

a proxy or information statement describing the proposed business combination is mailed to all holders of FNF common stock at least 30 days before the business combination is completed.

Holders of at least 66 2/3% of the outstanding voting stock of FNF not owned by any interested stockholders, voting together as one class, must approve a proposal to amend, repeal, or adopt provisions inconsistent with the provisions of the FNF Certificate of Incorporation described above, unless such proposal is approved by 66 2/3% of the continuing directors, in which case holders of at least a majority of the outstanding voting stock entitled to vote may approve such a proposal.

Transactions with Directors and Executive Officers. FNF's Bylaws provide that, the approval of directors representing at least 75% of the FNF Board of Directors is required for any transaction, or series of related transactions, to which FNF or any of its subsidiaries is to be a party, in which any member of the FNF Board of Directors or any executive officer of FNF has an interest, if such transaction would be required to be disclosed pursuant to Item 404 of Regulation S-K under the Securities Act, in a proxy statement of FNF for a meeting of its stockholders.

Preferred Stock May be Issued Without Stockholder Approval. FNF's Certificate of Incorporation permits its Board of Directors, at any time and without stockholder approval, to issue one or more new series of preferred stock. In some cases, the issuance of preferred stock without stockholder approval could discourage or make more difficult attempts to take control of FNF through a merger, tender offer, proxy contest or otherwise. Preferred stock with special voting rights or other features issued to persons favoring FNF's then existing management could stop a takeover by preventing the person trying to take control of FNF from acquiring the voting shares necessary to take control.

Classified Board of Directors. Members of the FNF Board of Directors are divided into three classes and serve staggered three-year terms. This means that only approximately one-third of the directors are elected at each annual meeting of stockholders, and that it would take two years to replace a majority of the directors by means of such elections. Under FNF's Certificate of Incorporation, directors can be removed from office during their terms only if holders of at least 50% of the outstanding voting stock, voting together as one class, approve the removal. Holders of at least 80% of the outstanding voting stock, voting together as a single class, must approve any proposal to amend, repeal or adopt any provisions inconsistent with this provision unless such proposal is approved by 66 2/3% of the continuing directors, in which case holders of at least a majority of the outstanding voting stock entitled to vote may approve such a proposal.

Restriction on Stockholder Actions by Written Consent. FNF's Certificate of Incorporation provides that any action required or permitted to be taken by FNF's stockholders must be effected at a duly called annual or special meeting of stockholders and not by written consent. Special meetings of stockholders may be called only by the Board of Directors. Holders of at least 80% of FNF's outstanding voting stock, voting together as one class, must approve any proposal to amend, repeal or adopt any provision inconsistent with

these provisions, unless such proposal is approved by 66 2/3% of the continuing directors, in which case holders of at least a majority of the outstanding voting stock entitled to vote may approve such proposal.

Advance Notice of Requirements for Director Nominations and Stockholder Proposals. FNF's stockholders can nominate candidates for the FNF Board of Directors. However, stockholders must follow the advance notice procedures described in FNF's Bylaws. In general, a stockholder must submit a written notice of the nomination to the Secretary of FNF, which must be received at least 120 days prior to the anniversary of the mailing of the preceding year's proxy statement for the annual meeting of stockholders. In the event that the date of the annual meeting of stockholders is advanced by more than 30 days or delayed by more than 60 days from such anniversary, to be timely notice by the stockholder must be received by the Secretary of FNF not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of (1) the 60th day prior to such annual meeting or (2) the tenth day following the day on which notice of the date of the annual meeting was mailed or public disclosure thereof was made by FNF, whichever first occurs. The notice must set forth specific information about (1) the nominee for the Board of Directors, (2) the stockholder making the nomination, (3) a representation that the stockholder is a holder of record of stock of FNF entitled to vote at such meeting and intends to appear in person or by proxy at a meeting to nominate the person or persons specified in the notice, (4) a description of all arrangements or understandings between the stockholder or any person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such stockholder and each nominee and any other person or persons relating to the nomination or nominations; (5) the class and number of shares of FNF that are beneficially owned by the stockholder and the person to be nominated as of the date of the stockholder's notice and by any other stockholders known by the stockholder to be supporting such nominees; (6) other information regarding each nominee proposed by the stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC; and (7) the written consent of each nominee to serve as a director of FNF if so elected.

Stockholders can make proposals relating to other business of FNF to be considered at an annual meeting only pursuant to the advance notice procedures described in the FNF Bylaws. In general, a stockholder must submit a written notice of the proposal and the stockholder's interest in the proposal and such notice must be received by the Secretary of FNF at least business 120 days prior to the anniversary of the mailing of the preceding year's proxy statement for the annual meeting of stockholders. However, in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary, to be timely notice by the stockholder must be received not earlier than the 90th day prior to such annual meeting of stockholders and not later than the close of business on the later of (i) the 60th day prior to such annual meeting or (ii) the 10th day following the date on which notice of the date of the annual meeting was mailed or public disclosure thereof was made, whichever first occurs. The notice must set forth as to each matter the stockholder proposes to bring before the annual meeting of stockholders: (1) a brief description of the business desired to be brought before the annual meeting of stockholders and the reasons for conducting such business at the meeting, (2) the name and address, as they appear on FNF's books, of the stockholder proposing the business, (3) the class, series, and number of shares of FNF that are beneficially owned by the stockholder, and (4) any material interest of the stockholder or any affiliate of the stockholder in such business.

Directors' Ability to Amend Bylaws Under the FNF Bylaws, FNF's Board of Directors can adopt, amend or repeal bylaws subject to limitations imposed by Delaware law. However, pursuant to FNF's Certificate of Incorporation, the Board of Directors may not amend or repeal bylaw provisions relating to (1) the calling of special meetings of stockholders, (2) actions by stockholders without a meeting, (3) the agenda for matters to be presented at stockholders meetings, (4) the election of directors and (5) the indemnification of officers and directors, without the vote of at least 66 2/3% of the continuing directors or at least 80% of FNF's outstanding voting stock, voting together as one class. Holders of at least 80% of FNF's outstanding voting stock, voting together as one class, must approve any proposal to amend, repeal or adopt any provision inconsistent with these provisions, unless such proposal is approved by 66 2/3% of the continuing directors, in which case holders of at least a majority of the outstanding voting stock entitled to vote may approve such proposal. FNF stockholders also have the power to change or repeal provisions of the FNF

Bylaws, other than those enumerated above requiring a special vote, by majority vote at an annual or special meeting of stockholders.

Additional Authorized Shares of Capital Stock. FNF's Board of Directors may issue additional shares of authorized FNF common stock available for issuance, in addition to their ability to issue preferred stock as discussed above, at such times, under such circumstances and with such terms and conditions as the Board of Directors may determine to impede a change in control of FNF.

COMPARISON OF RIGHTS OF ANFI SHAREHOLDERS

AND FNF STOCKHOLDERS

The rights of holders of FNF's Common Stock are governed by the Delaware General Corporation Law and FNF's Certificate of Incorporation and Bylaws, while the rights of the shareholders of ANFI are governed by the California General Corporation Law and ANFI's Articles of Incorporation and Bylaws. In most respects, the rights of ANFI's shareholders are similar to those of FNF's stockholders. The following discussion summarizes the significant differences between the companies' charter documents. This summary is not a complete discussion of, and is qualified by reference to, FNF's Certificate of Incorporation, FNF's Bylaws, ANFI's Articles of Incorporation, ANFI's Bylaws, the Delaware General Corporation Law and the California General Corporation Law.

Capital Stock. The shareholders of ANFI are entitled to one vote for each share held on all matters submitted to a shareholder vote. In the event of a liquidation, dissolution or winding up of ANFI, the holders of ANFI's Common Stock are entitled to share ratably in all assets remaining after payment of liabilities. Holders of ANFI's Common Stock have no preemptive rights, redemption rights, sinking fund provisions or rights to convert their shares of Common Stock into any other securities. All outstanding shares of ANFI's capital stock are fully paid and non-assessable.

See Description of FNF Capital Stock immediately prior to this Comparison of Rights regarding FNF capital stock.

Directors. FNF's Bylaws provide for FNF's Board of Directors to consist of no less than three nor more than fifteen members, currently fixed at thirteen. Board vacancies may be filled by the affirmative vote of a majority of the remaining directors. FNF's stockholders may use cumulative voting to elect directors. ANFI's Bylaws provide for the Board of Directors of ANFI to consist of no less than three nor more than twelve members.

Stockholder Proposals. FNF's Bylaws provide that in order to properly bring nominations for the election of directors or other business before a stockholder meeting, a stockholder must give timely notice in writing to the secretary of FNF. To be timely, the stockholder's notice must be delivered at the principal executive offices of FNF not less than 120 calendar days in advance of the estimated mailing date for the proxy statement relating to FNF's next annual meeting. However, if the date of the annual meeting has been changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, notice must be received at a reasonable time before the solicitation is made. Such stockholder's notice to the secretary must set forth:

a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the annual meeting;

the name and address of the stockholder proposing such business and the class and number of shares of FNF's capital stock which are beneficially owned by such stockholder;

any material interest of the stockholder in such business; and

such information that is required to be provided by the stockholder pursuant to the proxy rules of the SEC.

ANFI's Bylaws provide that, in order to properly bring nominations for the election of directors or other business before a shareholder meeting, a shareholder must give timely notice in writing to the secretary of

ANFI. To be timely, the shareholder's notice must be received by the secretary not less than one hundred 120 calendar days prior to the anniversary of the mailing of the preceding year's proxy statement for the annual meeting of shareholders. However, if the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary, to be timely, notice by the shareholder must be received by the secretary not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the tenth day following the day on which notice of the date of the annual meeting was mailed or public disclosure thereof was made by ANFI, whichever occurs first. The notice must set forth as to each matter the shareholder proposes to bring before the annual meeting of shareholders:

a brief description of the business desired to be brought before the annual meeting of shareholders and the reasons for conducting such business at such meeting;

the name and address of the shareholder proposing such business and the class, series, and number of shares of ANFI beneficially owned by the shareholder;

any material interest of the shareholder or an affiliate in such business; and

Such information that is required to be provided by the shareholder pursuant to the proxy rules of the SEC.

Additionally, for shareholder nomination of directors, such notice must also set forth:

name and address of the person or persons to be nominated;

a representation that the shareholder is a holder of record of stock of ANFI entitled to vote at such meeting and intends to appear in person or by proxy at a meeting to nominate the person or persons specified in the notice;

the class and number of shares of ANFI that are beneficially owned by the person to be nominated as of the date of such shareholder's notice and by other shareholders known by such shareholder to be supporting such nominees as of the date of such shareholder's notice; and

the written consent of each nominee to serve as a director of ANFI if so elected.

A description of all arrangements or understandings between the shareholder or any person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such shareholder and each nominee and any other person or persons relating to the nomination or nominations;

Right to Call Special Meetings of Stockholders. FNF's Bylaws provide that special meetings of FNF's stockholders may be called by its Board of Directors, the chairman, the chief executive officer or one or more stockholders holding shares entitled to cast not less than ten percent of the votes at that meeting. A stockholder entitled to call a special meeting must give notice in writing to the chairman of the board, president, chief executive officer or secretary of FNF. Such stockholder's notice must set forth the time of such meeting and the general nature of the business proposed to be transacted. The officer receiving the request shall cause notice to be given to the stockholders entitled to vote at that meeting that a meeting will be held at the time requested by the person(s) who called the meeting no less than 35 nor more than 60 days after the receipt of the request. If the notice is not given within 20 days after the receipt of the request, the person(s) requesting the meeting may give the notice. No action of the stockholders shall be taken by written consent.

ANFI's Bylaws provide that special meetings of shareholders may be called by its Board of Directors, the chairman, the president or one or more shareholders holding not less than ten percent of the votes entitled to vote at the meeting. Any person other than the Board of Directors entitled to call a special meeting must submit a written request to the chairman, president, vice president or secretary. The officer receiving the request shall cause notice to be given to the shareholders entitled to vote at that meeting that a meeting will be held at the time requested by the person(s) who called the meeting no less than 35 nor more than 60 days

after the receipt of the request. If the notice is not given within 20 days after the receipt of the request, the person(s) requesting the meeting may give the notice.

Significant Differences between the Corporate Laws of California and Delaware

The corporate laws of California and Delaware differ in many respects. It is not practical to describe all such differences in this proxy statement/prospectus, but the principal differences which could materially affect the rights of shareholders are discussed below.

Size of the Board of Directors. Under California law, although changes in the number of directors must in general be approved by a majority of the outstanding shares, the board of directors may fix the exact number of directors within a stated range set forth in the articles of incorporation or bylaws, if that stated range has been approved by the shareholders. Delaware law permits the board of directors alone to change the authorized number or the range of directors by amendment to the bylaws, unless the directors are not authorized to amend the bylaws or the number of directors is fixed in the certificate of incorporation (in which case a change in the number of directors may be made only by amendment to the certificate of incorporation following approval of such change by the stockholders). The ability of the board of directors to alter the size of the board without stockholder approval enables a company to respond quickly to a potential opportunity to attract the services of a qualified director or to eliminate a vacancy for which a suitable candidate is not available.

Cumulative Voting. California law generally provides that if any shareholder has given notice of his or her intention to cumulate votes for the election of directors, any other shareholder of the corporation is also entitled to cumulate his or her votes at such election. Under Delaware law, cumulative voting is not mandatory, and cumulative voting rights must be provided in a corporation's certificate of incorporation if shareholders are to be entitled to cumulative voting rights. FNF's Certificate of Incorporation does provide for cumulative voting.

Cumulative voting entitles each shareholder to cast a number of votes that is equal to the number of voting shares held by such shareholder multiplied by the total number of directors to be elected, and to cast all such votes for one nominee or distribute the votes among up to as many candidates as there are positions to be filled. Without cumulative voting, a shareholder or group of shareholders must hold a majority of the voting shares to cause the election of one or more nominees. Cumulative voting enables a minority shareholder or group of shareholders holding a relatively small number of shares to elect a representative or representatives to the board of directors.

Most California corporations are required by the California General Corporation Law to give shareholders the option to cumulate such shareholder's votes for the election of directors. California corporations whose stock is listed on a national stock exchange or whose stock is held by at least 800 shareholders of record and included in the Nasdaq National Market, the New York Stock Exchange, or the American Stock Exchange (a Listed Company) can eliminate cumulative voting with shareholder approval to adopt amendments to the corporation's articles of incorporation or bylaws.

Classified Board of Directors. A classified board is one in which a certain number, but not all, of the directors are elected on a rotating basis each year. California law generally requires that directors must be elected annually, but does permit California corporations meeting certain qualifications to amend their articles of incorporation or bylaws to provide for a classified board. Delaware law permits, but does not require, a classified board of directors, with staggered terms under which one-half or one-third of the directors are elected for terms of two or three years, respectively. This method of electing directors makes changes in the composition of the board of directors, and thus a potential change in control of a corporation, a lengthier and more difficult process. Classification of directors is also likely to provide the Board of Directors with greater continuity and experience. FNF has a classified board of directors.

Power to Call Special Shareholder Meetings. Under California law, a special meeting of shareholders may be called by the board of directors, the chairman of the board, the president, the holders of shares entitled to cast not less than ten percent of the votes at such meeting and such additional persons as are authorized by

the articles of incorporation or the bylaws. Under Delaware law, a special meeting may be called by the board of directors or by any other person authorized to do so in the certificate of incorporation or the bylaws and those provisions may not necessarily include a right for a ten percent or greater vote of stockholders to call a special meeting. FNF's Bylaws authorize its stockholders to call a special meeting. Such action on the part of stockholders could include removal of a director, election of a director or the implementation of a rule requiring stockholder ratification of specific defensive strategies.

Elimination of Actions by Written Consent of Stockholders. Under California and Delaware law, stockholders may execute an action by written consent in lieu of a stockholder meeting. Delaware law permits a corporation to eliminate such actions by written consent in its charter. Elimination of written consents of stockholders could lengthen the amount of time required to take stockholder actions since certain actions by written consent are not subject to the minimum notice requirement of a stockholders' meeting. The elimination of stockholders' written consents may deter hostile takeover attempts. FNF's stockholders may not act by written consent. Without the stockholder's written consent, a holder or group of holders controlling a majority in interest of FNF's capital stock would not be able to amend FNF's Bylaws or remove directors pursuant to a stockholder's written consent. Any such holder or group of holders would have to call a stockholders' meeting and wait the notice periods set forth in FNF's Bylaws prior to taking any such action.

Shareholder Approval of Certain Business Combinations. In the last several years, a number of states (but not California) have adopted special laws designed to make certain kinds of unfriendly corporate takeovers, or other transactions involving a corporation and one or more of its significant stockholders, more difficult. Under Section 203 of the Delaware General Corporation Law, certain business combinations by Delaware corporations with interested stockholders are subject to a three-year moratorium unless specified conditions are met. Under Section 1203 of the California Corporations Law, certain business combinations with a majority shareholder are subject to specified conditions, but there is no equivalent provision to Section 203, which addresses business combinations with a significant but not majority shareholder.

Section 203 prohibits a Delaware corporation from engaging in a business combination with an interested stockholder for three years following the date that such person becomes an interested stockholder. With certain exceptions, an interested stockholder is a person or group who owns 15% or more of the corporation's outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of 15% or more of such voting stock at any time within the previous three years. For purposes of Section 203, the term business combination is defined broadly to include mergers with or caused by the interested stockholder, sales or other dispositions to the interested stockholder (except proportionately with the other stockholders) of assets of the corporation or a subsidiary equal to ten percent or more of the aggregate market value of the corporation's consolidated assets or its outstanding stock, the issuance or transfer by the corporation or a subsidiary of stock of the corporation or such subsidiary to the interested stockholder (except for transfers which do not increase the interested stockholder's proportionate ownership of any class or series of the corporation's or such subsidiary's stock), or receipt by the interested stockholder (except proportionately as a stockholder), directly or indirectly, of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation or a subsidiary.

The three-year moratorium imposed on business combinations by Section 203 does not apply if: (i) prior to the date on which such stockholder becomes an interested stockholder the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested stockholder; (ii) the interested stockholder owns 85% of the corporation's voting stock upon consummation of the transaction which made him or her an interested stockholder (excluding from the 85% calculation shares owned by directors who are also officers of the target corporation and shares held by employee stock plans which do not permit employees to decide confidentially whether to accept a tender or exchange offer); or (iii) on or after the date such person becomes an interested stockholder, the board approves the business combination and it is also approved at a stockholder meeting by 66 2/3% of the voting stock not owned by the interested stockholder.

Section 203 only applies to Delaware corporations which have a class of voting stock listed on a national securities exchange, quoted on an interdealer quotation system such as the Nasdaq National Market or held of record by more than 2,000 stockholders. In addition, a Delaware corporation may elect not to be governed by Section 203 by a provision in its original certificate of incorporation or an amendment thereto or its bylaws, which amendment must be approved by majority stockholder vote and may not be further amended by the board of directors. FNF opted out of, and is not governed by the provisions of, Section 203.

Removal of Directors. Under California law, any director or the entire board of directors may be removed, with or without cause, by the affirmative vote of a majority of the outstanding shares entitled to vote; however, no individual director may be removed (unless the entire board is removed) if the number of votes cast against such removal, or not consenting in writing to removal, would be sufficient to elect the director under cumulative voting. Under Delaware law, a director of a corporation that does not have a classified board of directors or cumulative voting may be removed with or without cause with the approval of a majority of the outstanding shares entitled to vote. In the case of a Delaware corporation having cumulative voting, if less than the entire board of directors is to be removed, a director may not be removed without cause if the number of shares voted against such removal would be sufficient to elect the director if then cumulatively voted at an election of the entire board of directors. A director of a corporation with a classified board of directors may be removed only for cause, unless the certificate of incorporation otherwise provides. A limitation on the ability of stockholders to remove members of the board of directors without cause may make a potential change in control of a company a lengthier and more difficult process.

Filling Vacancies on the Board of Directors. Under California law, any vacancy on the board of directors other than one created by removal of a director may be filled by the board of directors. If the number of directors is less than a quorum, a vacancy may be filled by the unanimous written consent of the directors then in office, by the affirmative vote of a majority of the directors at a meeting held pursuant to notice or waivers of notice or by a sole remaining director. A vacancy created by removal of a director may be filled by the board of directors only if the board of directors is so authorized by a corporation's articles of incorporation or by a bylaw approved by the corporation's shareholders. ANFI's Bylaws do not permit directors to fill vacancies created by removal of a director; if the vacancy was created by the removal of a director by the vote or written consent of the shareholders or by court order, the vacancy may be filled only by the affirmative vote of a majority of shares represented and voting at a duly held meeting at which a quorum is present, or by the written consent of the holders of at least a majority of the outstanding shares. Under Delaware law, vacancies and newly created directorships may be filled by a majority of the directors then in office (even though less than a quorum) unless otherwise provided in the certificate of incorporation or bylaws (and unless the certificate of incorporation directs that a particular class is to elect such director, in which case any other directors elected by such class, or a sole remaining director, will fill such vacancy). FNF's Bylaws authorize the majority of directors then in office (even less than a quorum), or a sole remaining director, to fill any vacancy occurring on its Board of Directors for any cause.

Loans to Officers and Employees. Under California law, any loan or guaranty to or for the benefit of a director or officer of a corporation or its parent requires approval of the shareholders unless such loan or guaranty is provided under a plan approved by the shareholders. In addition, under California law, shareholders of any corporation with 100 or more shareholders of record may approve a bylaw authorizing the board of directors alone to approve loans or guaranties to or on behalf of officers (whether or not such officers are directors) if the board determines that any such loan or guaranty may reasonably be expected to benefit the corporation. Under Delaware law, a corporation may make loans to, guarantee the obligations of or otherwise assist its officers or other employees and those of its subsidiaries (including directors who are also officers or employees) when such action, in the judgment of the directors, may reasonably be expected to benefit the corporation. Notwithstanding the foregoing, pursuant to the Sarbanes-Oxley Act of 2002, a Listed Company, regardless of its state of incorporation, is prohibited from making or materially modifying existing personal loans to its executive officers and directors.

Indemnification and Limitation of Liability. California and Delaware have similar laws respecting indemnification by a corporation of its officers, directors, employees and other agents. The laws of both states also permit corporations to adopt a provision in their charters eliminating the liability of a director to the

corporation or its shareholders for monetary damages for breach of the director's fiduciary duty. There are nonetheless certain differences between the laws of the two states with respect to indemnification and limitation of liability.

ANFI's Articles of Incorporation, as amended, eliminate the liability of directors to the fullest extent permissible under California law. California law does not permit the elimination of monetary liability where such liability is based upon: (a) intentional misconduct or knowing and culpable violation of law; (b) acts or omissions that a director believes to be contrary to the best interests of the corporation or its shareholders, or that involve the absence of good faith on the part of the director; (c) receipt of an improper personal benefit; (d) acts or omissions that show reckless disregard for the director's duty to the corporation or its shareholders, where the director in the ordinary course of performing a director's duties should be aware of a risk of serious injury to the corporation or its shareholders; (e) acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the director's duty to the corporation and its shareholders; (f) interested transactions between the corporation and a director in which a director has a material financial interest; and (g) liability for improper distributions, loans or guarantees.

The Certificate of Incorporation of FNF likewise eliminates the liability of directors to the fullest extent permissible under Delaware law, as such law exists currently or as it may be amended in the future. Under Delaware law, such provision may not eliminate or limit director monetary liability for: (a) breaches of the director's duty of loyalty to the corporation or its stockholders; (b) acts or omissions not in good faith or involving intentional misconduct or knowing violations of law; (c) the payment of unlawful dividends or unlawful stock repurchases or redemptions; or (d) transactions in which the director received an improper personal benefit.

The limitation of liability provisions permissible under California and Delaware law also may not limit a director's liability for violation of, or otherwise relieve directors from the necessity of complying with, federal or state securities laws, or affect the availability of non-monetary remedies such as injunctive relief or rescission.

California law permits indemnification of expenses incurred in derivative or third-party actions, except that with respect to the former (a) no indemnification may be made without court approval when a person is adjudged liable to the corporation in the performance of that person's duty to the corporation and its shareholders, unless a court determines such person is entitled to indemnity for expenses, and then such indemnification may be made only to the extent that such court shall determine, and (b) no indemnification may be made without court approval in respect of amounts paid or expenses incurred in settling or otherwise disposing of a threatened or pending action or amounts incurred in defending a pending action which is settled or otherwise disposed of without court approval. Indemnification is permitted by California law only for acts taken in good faith and believed to be in the best interests of the corporation and its shareholders, as determined by a majority vote of a disinterested quorum of the directors, independent legal counsel (if a quorum of independent directors is not obtainable), a majority vote of a quorum of the shareholders (excluding shares owned by the indemnified party) or the court handling the action.

California law requires indemnification when the individual has successfully defended the action on the merits (as opposed to Delaware law which requires indemnification relating to a successful defense on the merits or otherwise). Delaware law generally permits indemnification of expenses incurred in the defense or settlement of a derivative or third-party action, provided there is a determination by a disinterested quorum of the directors, by independent legal counsel or by a majority vote of a quorum of the stockholders that the person seeking indemnification acted in good faith and in a manner reasonably believed to be in or (in contrast to California law) not opposed to the best interests of the corporation. Without court approval, however, no indemnification may be made in respect of any derivative action in which such person is adjudged liable for negligence or misconduct in the performance of his or her duty to the corporation.

California and Delaware corporations may include in their charters a provision, which extends the scope of indemnification through agreements, bylaws or other corporate action beyond that specifically authorized by statute.

Inspection of Shareholder List. Both California and Delaware law allow any shareholder to inspect and copy the shareholder list for a purpose reasonably related to such person's interest as a shareholder. California law provides, in addition, for an absolute right to inspect and copy the shareholder list by persons holding an aggregate of five percent or more of a corporation's voting shares, or shareholders holding an aggregate of one percent or more of such shares who have filed a Schedule 14B with the SEC relating to the solicitation of proxies for the election of directors. The latter provision has not been amended in response to the elimination of Schedule 14B under the revised proxy rules. Under California law, such absolute inspection rights also apply to a corporation formed under the laws of any other state if the corporation's principal executive offices are in California or if it customarily holds meetings of its board in California. Delaware law also provides for inspection rights as to a list of stockholders entitled to vote at a meeting within a ten day period preceding a stockholders' meeting for any purpose germane to the meeting. However, Delaware law contains no provisions comparable to the absolute right of inspection provided by California law to certain shareholders.

Dividends and Repurchases of Shares. California law dispenses with the concepts of par value of shares as well as statutory definitions of capital, surplus and the like. The concepts of par value, capital and surplus are retained under Delaware law.

Under California law, a corporation may not make any distribution (including dividends, whether in cash or other property, and repurchases of its shares) unless either the corporation's retained earnings immediately prior to the proposed distribution equal or exceed the amount of the proposed distribution or, immediately after giving effect to such distribution, the corporation's assets (exclusive of goodwill, capitalized research and development expenses and deferred charges) would be at least equal to 1.25 times its liabilities (not including deferred taxes, deferred income and other deferred credits), and the corporation's current assets would be at least equal to its current liabilities (or 1.25 times its current liabilities if the average pre-tax and pre-interest expense earnings for the preceding two fiscal years were less than the average interest expense for such years). Such tests are applied on a consolidated basis.

Delaware law permits a corporation to declare and pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and/or for the preceding fiscal year as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets. In addition, Delaware law generally provides that a corporation may redeem or repurchase its shares only if such redemption or repurchase would not impair the capital of the corporation.

Shareholder Voting. Both California and Delaware law generally require that a majority of the holders of voting shares of the acquiring and target corporations approve statutory mergers. Delaware law does not require a stockholder vote of the surviving corporation in a merger (unless the corporation provides otherwise in its certificate of incorporation) if (a) the merger agreement does not amend the existing certificate of incorporation, (b) each share of the surviving corporation outstanding before the merger is an identical outstanding or treasury share after the merger, and (c) the number of shares to be issued by the surviving corporation in the merger does not exceed 20% of the shares outstanding immediately prior to the merger. California law contains a similar exception to its voting requirements for reorganizations where shareholders or the corporation itself, or both, immediately prior to the reorganization will own immediately after the reorganization equity securities constituting more than five-sixths of the voting power of the surviving or acquiring corporation or its parent entity. Both California and Delaware law also require that a sale of all or substantially all of the assets of a corporation be approved by a majority of the voting shares of the corporation transferring such assets.

With certain exceptions, California law also requires that mergers, reorganizations, certain sales of assets and similar transactions be approved by a majority vote of each class of shares outstanding. By contrast, Delaware law generally does not require class voting, except in certain transactions involving an amendment to the certificate of incorporation which adversely affects a specific class of shares.

Interested Director Transactions. Under both California and Delaware law, certain contracts or transactions in which one or more of a corporation's directors has an interest are not void or voidable because

of such interest provided that certain conditions, such as obtaining the required approval and fulfilling the requirements of good faith and full disclosure, are met. With certain exceptions, the conditions are similar under California and Delaware law. Under California and Delaware law, (a) either the shareholders or the board of directors must approve any such contract or transaction after full disclosure of the material facts, and in the case of board approval the contract or transaction must also be just and reasonable (in California) or fair (in Delaware) to the corporation, or (b) the contract or transaction must have been just and reasonable or fair as to the corporation at the time it was approved. In the latter case, California law explicitly places the burden of proof on the interested director. Under California law, if shareholder approval is sought, the interested director is not entitled to vote his or her shares at a shareholder meeting with respect to any action regarding such contract or transaction. If board approval is sought, the contract or transaction must be approved by a majority vote of a quorum of the directors, without counting the vote of any interested directors, except that interested directors may be counted for purposes of establishing a quorum.

Under Delaware law, if board approval is sought, the contract or transaction must be approved by a majority of the disinterested directors (even though less than a majority of a quorum). Therefore, certain transactions that the Board of Directors of the Company would lack the authority to approve, because of the number of interested directors, could be approved by a majority of the disinterested directors of FNF rep