

Fidelity National Financial, Inc.
Form 10-Q
November 10, 2014
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2014

OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission File Number 1-32630
FIDELITY NATIONAL FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Delaware 16-1725106
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

601 Riverside Avenue, Jacksonville, Florida 32204
(Address of principal executive offices) (Zip Code)
(904) 854-8100

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

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The number of shares outstanding of the Registrant's common stock as of October 31, 2014 were:

FNF Group Common Stock 277,907,550

FNFV Group Common Stock 92,944,570

FORM 10-Q
QUARTERLY REPORT
Quarter Ended September 30, 2014
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Part I: FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions, except share data)

	September 30, 2014	December 31, 2013
	(Unaudited)	
ASSETS		
Investments:		
Fixed maturity securities available for sale, at fair value, at September 30, 2014 and December 31, 2013 includes pledged fixed maturity securities of \$351 and \$261, respectively, related to secured trust deposits	\$ 3,022	\$ 2,959
Preferred stock available for sale, at fair value	194	151
Equity securities available for sale, at fair value	149	136
Investments in unconsolidated affiliates	297	357
Other long-term investments	175	162
Short-term investments	26	26
Total investments	3,863	3,791
Cash and cash equivalents, at September 30, 2014 and December 31, 2013 includes \$385 and \$339, respectively, of pledged cash related to secured trust deposits	1,195	1,969
Trade and notes receivables, net of allowance of \$21, at September 30, 2014 and December 31, 2013	749	482
Goodwill	4,957	1,901
Prepaid expenses and other assets	758	682
Capitalized software, net	588	39
Other intangible assets, net	1,495	619
Title plants	395	370
Property and equipment, net	775	645
Income taxes receivable	—	30
	\$ 14,775	\$ 10,528
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable and accrued liabilities, at December 31, 2013 includes accounts payable to related parties of \$3	\$ 1,568	\$ 1,302
Notes payable	3,240	1,323
Reserve for title claim losses	1,640	1,636
Secured trust deposits	722	588
Income taxes payable	9	—
Deferred tax liability	555	144
Total liabilities	7,734	4,993
Commitments and Contingencies:		
Redeemable non-controlling interest by 33% minority holder of Black Knight Financial Services, LLC and 35% minority holder of ServiceLink Holdings, LLC	698	—
Equity:	—	—

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FNF Class A common stock, \$0.0001 par value: authorized 600,000,000 as of December 31, 2013; issued 292,289,166 as of December 31, 2013		
FNF Group common stock, \$0.0001 par value; authorized 487,000,000 shares as of September 30, 2014; issued 277,876,023 as of September 30, 2014	—	—
FNFV Group common stock, \$0.0001 par value; authorized 113,000,000 shares as of September 30, 2014; issued 92,946,545 as of September 30, 2014	—	—
Preferred stock, \$0.0001 par value; authorized 50,000,000 shares; issued and outstanding, none	—	—
Additional paid-in capital	4,822	4,642
Retained earnings	1,130	1,089
Accumulated other comprehensive earnings	32	37
Less: treasury stock, 5,925 shares as of September 30, 2014 and 41,948,518 shares as of December 31, 2013, at cost	—	(707)
Total Fidelity National Financial, Inc. shareholders' equity	5,984	5,061
Non-controlling interests	359	474
Total equity	6,343	5,535
	\$ 14,775	\$ 10,528

See Notes to Condensed Consolidated Financial Statements

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CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(Dollars in millions)

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
	(Unaudited)		(Unaudited)	
Revenues:				
Direct title insurance premiums	\$465	\$472	\$1,249	\$1,377
Agency title insurance premiums	528	630	1,450	1,779
Escrow, title related and other fees	735	437	2,097	1,361
Restaurant revenue	343	336	1,055	1,037
Auto parts revenue	290	266	892	834
Interest and investment income	29	29	94	99
Realized gains and losses, net	(7)	4	(6)	7
Total revenues	2,383	2,174	6,831	6,494
Expenses:				
Personnel costs	645	546	1,950	1,611
Agent commissions	396	482	1,098	1,352
Other operating expenses	428	329	1,289	1,020
Cost of auto parts revenue, includes \$19 of depreciation and amortization for the three months ended September 30, 2014 and 2013, respectively, and \$51 and \$55 for the nine months ended September 30, 2014 and 2013, respectively	266	223	771	704
Cost of restaurant revenue	296	292	899	889
Depreciation and amortization	102	36	305	104
Provision for title claim losses	59	77	169	221
Interest expense	37	27	111	71
Total expenses	2,229	2,012	6,592	5,972
Earnings from continuing operations before income taxes and equity in losses of unconsolidated affiliates	154	162	239	522
Income tax expense	59	52	79	170
Earnings from continuing operations before equity in losses of unconsolidated affiliates	95	110	160	352
Equity in losses of unconsolidated affiliates	(7)	(14)	(43)	(20)
Net earnings from continuing operations	88	96	117	332
Net loss from discontinued operations, net of tax	—	—	(1)	(2)
Net earnings	88	96	116	330
Less: Net (loss) earnings attributable to non-controlling interests	(14)	2	(75)	8
Net earnings attributable to Fidelity National Financial, Inc. common shareholders	\$102	\$94	\$191	\$322
Amounts attributable to Fidelity National Financial, Inc. common shareholders				
Net earnings from continuing operations attributable to Old FNF common shareholders	\$—	\$94	\$88	\$320
Net loss from discontinued operations attributable to Old FNF common shareholders	\$—	\$—	\$(1)	\$(2)
Net earnings attributable to Old FNF common shareholders	\$—	\$94	\$89	\$322

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Net earnings attributable to FNF Group common shareholders	\$114	\$—	\$114	\$—
Net loss attributable to FNFV Group common shareholders	\$(12)	\$—	\$(12)	\$—
See Notes to Condensed Consolidated Financial Statements				

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CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS - Continued

(In millions, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
	(Unaudited)		(Unaudited)	
Earnings per share				
Basic				
Net earnings per share from continuing operations attributable to Old FNF common shareholders	\$—	\$0.41	\$0.33	\$1.43
Net loss per share from discontinued operations attributable to Old FNF common shareholders	—	—	—	(0.01)
Net earnings per share attributable to Old FNF common shareholders	\$—	\$0.41	\$0.33	\$1.42
Net earnings per share attributable to FNF Group common shareholders	\$0.41	\$—	\$0.41	\$—
Net loss per share attributable to FNFV Group common shareholders	\$(0.13)	\$—	\$(0.13)	\$—
Diluted				
Net earnings per share from continuing operations attributable to Old FNF common shareholders	\$—	\$0.41	\$0.32	\$1.40
Net loss per share from discontinued operations attributable to Old FNF common shareholders	—	—	—	(0.01)
Net earnings per share attributable to Old FNF common shareholders	\$—	\$0.41	\$0.32	\$1.39
Net earnings per share attributable to FNF Group common shareholders	\$0.40	\$—	\$0.40	\$—
Net loss per share attributable to FNFV Group common shareholders	\$(0.13)	\$—	\$(0.13)	\$—
Weighted average shares outstanding Old FNF common stock, basic basis	—	226	183	225
Weighted average shares outstanding Old FNF common stock, diluted basis	—	230	189	230
Cash dividends paid per share Old FNF common stock	\$—	\$0.16	\$0.36	\$0.48
Weighted average shares outstanding FNF Group common stock, basic basis	275	—	92	—
Weighted average shares outstanding FNF Group common stock, diluted basis	284	—	94	—
Cash dividends paid per share FNF Group common stock	\$0.18	\$—	\$0.18	\$—
Weighted average shares outstanding FNFV Group common stock, basic basis	92	—	31	—
Weighted average shares outstanding FNFV Group common stock, diluted basis	93	—	31	—
See Notes to Condensed Consolidated Financial Statements				

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(In millions)

	Three months ended September 30, 2014		September 30, 2013	
	(Unaudited)		(Unaudited)	
Net earnings	\$88	\$96	\$116	\$330
Other comprehensive earnings:				
Unrealized (loss) gain on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) (1)	(12)	1	9	(22)
Unrealized loss on investments in unconsolidated affiliates (2)	(7)	(7)	(8)	(18)
Unrealized (loss) gain on foreign currency translation and cash flow hedging (3)	(8)	6	(5)	(3)
Reclassification adjustments for change in unrealized gains and losses included in net earnings (4)	1	1	—	(4)
Minimum pension liability adjustment (5)	—	—	—	(1)
Other comprehensive (loss) earnings	(26)	1	(4)	(48)
Comprehensive earnings	62	97	112	282
Less: Comprehensive (loss) earnings attributable to non-controlling interests	(14)	2	(75)	8
Comprehensive earnings attributable to Fidelity National Financial, Inc. common shareholders	\$76	\$95	\$187	\$274
Comprehensive earnings attributable to Old FNF common shareholders	\$—	\$95	\$111	\$274
Comprehensive earnings attributable to FNF Group common shareholders	\$100	\$—	\$100	\$—
Comprehensive loss attributable to FNFV Group common shareholders	\$(24)	\$—	\$(24)	\$—

Net of income tax (benefit) expense of \$(7) million and \$1 million for the three-month periods ended (1) September 30, 2014 and 2013, respectively, and \$5 million and \$(13) million for the nine-month periods ended September 30, 2014 and 2013, respectively.

Net of income tax benefit of \$4 million and \$4 million for the three-month periods ended September 30, 2014 and (2) 2013, respectively, and \$5 million and \$11 million for the nine-month periods ended September 30, 2014 and 2013, respectively.

Net of income tax (benefit) expense of \$(5) million and \$4 million for the three-month periods ended (3) September 30, 2014 and 2013, respectively, and \$(3) million and \$(2) million for the nine-month periods ended September 30, 2014 and 2013, respectively.

(4) Net of income tax expense (benefit) of \$1 million for both the three-month periods ended September 30, 2014 and 2013, and \$(3) million for the nine-month period ended September 30, 2013.

(5) Net of income tax benefit of less than \$1 million for the nine-month period ended September 30, 2013.

See Notes to Condensed Consolidated Financial Statements

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CONDENSED CONSOLIDATED STATEMENT OF EQUITY

(In millions)

(Unaudited)

	Fidelity National Financial, Inc. Common Shareholders										
	FNF Class A Common Stock Shares	FNF Group Common Stock Shares	FNFV Group Common Stock Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Treasury Stock Shares	Non- controlling Interests	Total Equity	Redeemable Non- controlling Interests	
Balance, December 31, 2013	292	\$ —	\$ —	\$ 4,642	\$ 1,089	\$ 37	42	\$ (707)	\$ 474	\$ 5,535	\$ —
Acquisition of Lender Processing Services, Inc.	26	—	—	839	—	—	—	—	—	839	—
Exercise of stock options	1	— 1	—	22	—	—	—	—	—	22	—
Recapitalization of FNF stock	(277)	— 277	— 92	(6)	—	—	—	—	—	(6)	—
Tax benefit associated with the exercise of stock options	—	—	—	5	—	—	—	—	—	5	—
Other comprehensive earnings — unrealized gain on investments and other financial instruments (excluding investments in unconsolidated affiliates)	—	—	—	—	—	9	—	—	—	9	—
Other comprehensive earnings — unrealized loss on investments in unconsolidated affiliates	—	—	—	—	—	(8)	—	—	—	(8)	—
Other comprehensive earnings —	—	—	—	—	—	(5)	—	—	(2)	(7)	—

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unrealized loss on foreign currency translation and cash flow hedging Other comprehensive earnings —	—	—	—	—	—	(1)	—	—	—	(1)	—
minimum pension liability adjustment											
Stock-based compensation	—	—	—	26	—	—	—	2	28	11	
Retirement of treasury shares	(42)	—	—	(707)	—	—	(42)	707	—	—	—
Dividends declared	—	—	—	—	(150)	—	—	—	(150)	—	—
Issuance of restricted stock awards	—	—	1	—	—	—	—	—	—	—	—
Contribution by minority owner to acquire minority interest in Black Knight Financial Services, LLC and ServiceLink Holdings, LLC	—	—	—	1	—	—	—	—	(1)	—	687
Contributions to non-controlling interests	—	—	—	—	—	—	—	8	8	—	—
Subsidiary dividends declared to non-controlling interests	—	—	—	—	—	—	—	(47)	(47)	—	—
Net earnings (loss)	—	—	—	—	191	—	—	(75)	116	—	—
Balance, September 30, 2014	—	\$—278	\$—93	\$—4,822	\$1,130	\$ 32	—	\$—	\$ 359	\$6,343	\$ 698

See Notes to Condensed Consolidated Financial Statements

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

	For the nine months Ended September 30,	
	2014	2013
	(Unaudited)	
Cash flows from operating activities:		
Net earnings	\$ 116	\$ 330
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	356	159
Equity in losses of unconsolidated affiliates	43	20
Gain (loss) on sales of investments and other assets, net	6	(7)
Stock-based compensation cost	39	24
Tax benefit associated with the exercise of stock options	(5)	(3)
Changes in assets and liabilities, net of effects from acquisitions:		
Net decrease in pledged cash, pledged investments, and secured trust deposits	—	11
Net increase in trade receivables	(53)	(14)
Net increase in prepaid expenses and other assets	(56)	(47)
Net decrease in accounts payable, accrued liabilities, deferred revenue and other	(182)	(23)
Net decrease in reserve for title claim losses	(50)	(81)
Net change in income taxes	75	(25)
Net cash provided by operating activities	289	344
Cash flows from investing activities:		
Proceeds from sales of investment securities available for sale	581	495
Proceeds from calls and maturities of investment securities available for sale	321	230
Proceeds from sale of other assets	2	—
Additions to property and equipment and capitalized software	(144)	(116)
Purchases of investment securities available for sale	(841)	(681)
Net proceeds from short-term investment securities	—	16
Net purchases of other long-term investments	(57)	(81)
Distribution from (contributions to) investments in unconsolidated affiliates	33	(19)
Net other investing activities	(3)	17
Acquisition of Lender Processing Services, Inc., net of cash acquired	(2,253)	—
Acquisition of USA Industries, Inc., net of cash acquired	(40)	—
Other acquisitions/disposals of businesses, net of cash acquired	(45)	(19)
Net cash used in investing activities	(2,446)	(158)
Cash flows from financing activities:		
Borrowings	1,683	329
Debt service payments	(860)	(325)
Additional investment in non-controlling interest	—	(14)
Proceeds from sale of 4% ownership interest of Digital Insurance, Inc.	—	3
Proceeds from sale of 35% of Black Knight Financial Services, LLC and ServiceLink, LLC to minority interest holder	687	—
Dividends paid	(150)	(109)
Subsidiary dividends paid to non-controlling interest shareholders	(47)	(15)
Exercise of stock options	22	49

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Equity and debt issuance costs	(3)	(14)
Tax benefit associated with the exercise of stock options	5		3	
Purchases of treasury stock	—		(34)
Net cash provided by (used in) financing activities	1,337		(127)
Net (decrease) increase in cash and cash equivalents, excluding pledged cash related to secured trust deposits	(820	)	59	
Cash and cash equivalents, excluding pledged cash related to secured trust deposits at beginning of period	1,630		866	
Cash and cash equivalents, excluding pledged cash related to secured trust deposits at end of period	\$810		\$925	
Supplemental cash flow information:				
Income taxes paid, net	\$(7	)	\$183	
Interest paid	\$101		\$72	
See Notes to Condensed Consolidated Financial Statements				

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note A — Basis of Financial Statements

The unaudited financial information in this report includes the accounts of Fidelity National Financial, Inc. and its subsidiaries (collectively, “we,” “us,” “our,” or “FNF”) prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and the instructions to Form 10-Q and Article 10 of Regulation S-X. All adjustments considered necessary for a fair presentation have been included. This report should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2013.

Certain reclassifications have been made in the 2013 Condensed Consolidated Financial Statements to conform to classifications used in 2014. In addition, we have corrected an immaterial prior period error to accrued personnel cost which affected the Balance Sheet, the Statement of Earnings and the Statement of Equity. We reviewed the impact of this error on the prior period financial statements and determined that the error was not material to the financial statements.

A summary of the effects of the immaterial correction on our Condensed Consolidated Financial Statements for the three and nine month periods ended September 30, 2013 and as of December 31, 2013 is as follows: Personnel costs increased \$6 million in both the three and nine month periods ended September 30, 2013 and Income tax expense decreased by \$2 million, resulting in Net earnings attributable to common shareholders decreasing by \$4 million in each period, with a corresponding decrease to EPS of \$0.02 for each period. On the December 31, 2013 Balance Sheet, Income taxes payable decreased by \$4 million, Accounts payable and accrued expenses increased by \$12 million and Retained earnings decreased by \$8 million. There was no impact on our other Condensed Consolidated Financial Statements presented.

Description of the Business

We have organized our business into two groups, FNF Core Operations and FNF Ventures, known as “FNFV.” Through our Core operations, FNF is a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. FNF is the nation’s largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title, Alamo Title and National Title of New York - that collectively issue more title insurance policies than any other title company in the United States. FNF also provides industry-leading mortgage technology solutions and transaction services, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiaries, Black Knight Financial Services, LLC (“BKFS”) and ServiceLink Holdings, LLC. In addition, in our FNFV group, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC (“ABRH”), J. Alexander’s, LLC (“J. Alexander’s”), Remy International, Inc. (“Remy”), Ceridian HCM, Inc. and Comdata Inc. (collectively “Ceridian”) and Digital Insurance, Inc. (“Digital Insurance”).

Recent Developments

On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. We did not repurchase any FNFV Group shares from November 6, 2014 through market close on November 7, 2014.

On September 9, 2014, we filed a draft registration statement with the Securities and Exchange Commission (“SEC”) relating to a proposed initial public offering of J. Alexander’s common stock. J. Alexander’s is currently presented as part of the Restaurant Group segment. The number of shares to be offered and the price range for the proposed offering have not yet been determined. The registration statement has not yet become effective. As a result shares to be registered may not be sold nor may offers to buy be accepted prior to the time when the registration statement becomes effective.

On September 7, 2014, we entered into an agreement with Remy for a transaction (the “Spin-off”). Under the Spin-off, FNFV will combine all of the 16,342,508 shares of Remy common stock that FNFV owns and a small company called

Fidelity National Technology Imaging, LLC ("Imaging") into a newly-formed subsidiary ("New Remy"). New Remy will then be distributed to FNFV shareholders. Immediately following the distribution of New Remy to FNFV shareholders, New Remy and Remy will engage in a series of stock-for-stock transactions ending with a new publicly-traded holding company, New Remy Holdco ("New Holdco"). In the Spin-off, FNFV shareholders will receive an estimated total of 16,615,359 shares of New Holdco common stock, or approximately 0.18117 shares for each share of FNFV tracking stock owned. The remaining shareholders of Remy (other than New Remy) will receive an estimated total of 15,652,824 shares, or one share of New Holdco for each share of Remy owned. Remy currently has approximately 32 million shares of common stock outstanding and at the conclusion of the Spin-off, New Holdco will have approximately 32 million shares of common stock outstanding. The Spin-off should be tax-free to all existing Remy and FNFV shareholders. This structure will result in New Holdco becoming the new public parent of Remy. Under the organizational documents of New Holdco, the rights of the holders of the common stock of New Holdco will be the same as the

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

rights of holders of Remy common stock. The Spin-off is subject to customary closing conditions, including Remy shareholder approval, which based on FNFV's ownership of Remy is assured. On October 6, 2014, New Holdco filed an initial Form S-4 registration statement with the SEC, which includes a preliminary proxy statement with respect to the foregoing shareholder vote. In addition, on October 10, 2014, New Remy filed a Form S-1 registration statement with the SEC with regard to the Spin-off. Both of these filings are subject to SEC review and comment before the Remy shareholder meeting can be set. The Spin-off is expected to close in December 2014 or in the first quarter of 2015.

On August 25, 2014, we acquired a 70% ownership interest in LandCastle Title ("LandCastle"), in exchange for our agreement to fund any escrow shortfalls in LandCastle's escrow accounts. At the time of the acquisition, LandCastle was a large third-party agent of FNF, operating primarily in the State of Georgia. To date, FNF's total cash contribution to LandCastle is approximately \$19 million and based on our current understanding of the business could increase by approximately \$0 - \$10 million.

On August 19, 2014, ABRH completed a recapitalization whereby they entered into a new credit agreement for \$210 million. As part of the recapitalization, ABRH's parent paid a special dividend to its members, totaling \$75 million. Of this special dividend, FNFV received \$41 million. ABRH's parent also distributed its 28% ownership interest in J. Alexander's to FNFV, resulting in FNFV now directly owning 87% of J. Alexander's. See Note F for further discussion of the new credit agreement.

On August 12, 2014, we announced that Ceridian reached an agreement to exchange its subsidiary Comdata Inc. ("Comdata") with FleetCor Technologies Inc. ("FleetCor") stock in a transaction valued at approximately \$3.5 billion. After repayment of existing Comdata indebtedness and transaction related expenses, total consideration received by Ceridian will be approximately \$950 million, which will be paid in approximately 7 million shares of FleetCor common stock. FNFV owns approximately 32% of Ceridian. Approximately \$250 million of the common stock of FleetCor will be placed in an escrow account to cover potential indemnity claims as set forth in the merger agreement. The escrowed shares will be released over a three-year period. The actual number of shares of FleetCor common stock received by Ceridian will be subject to adjustment based on the amounts of indebtedness and working capital outstanding at Comdata at the closing of the transaction as set forth in the merger agreement. The shares of FleetCor common stock that Ceridian will receive will be subject to a six-month lockup period after closing of the transaction. At the expiration of the six-month lockup period, Ceridian will be entitled to demand registration rights on all shares of FleetCor common stock, subject to customary limitations. At closing of the Comdata merger FNFV will indirectly own approximately 3% of the outstanding shares of FleetCor. The stock-for-stock transaction is expected to be tax-free for Ceridian and its shareholders. The transaction is subject to customary closing conditions and is expected to close in the fourth quarter of 2014.

On June 30, 2014, we completed the recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Each share of the previously outstanding FNF Class A common stock ("Old FNF common stock") was converted into one share of FNF Group common stock, which now trades on the New York Stock Exchange under the current trading symbol "FNF," and 0.3333 of a share of FNFV Group common stock, which now trades on the New York Stock Exchange under the trading symbol "FNFV." Both FNF and FNFV began regular trading on July 1, 2014.

Effective June 1, 2014, we completed an internal reorganization to contribute our subsidiary Property Insight, a company which provides information used by title insurance underwriters, title agents and closing attorneys to underwrite title insurance policies for real property sales and transfer, from our Title segment to BKFS. As a result of this transfer, our ownership percentage in BKFS increased to 67%. Our results for periods since June 1, 2014, reflect our now 67% ownership interest in BKFS.

On January 13, 2014, Remy acquired substantially all of the assets of United Starters and Alternators Industries, Inc. ("USA Industries"). USA Industries is a leading North American distributor of premium quality remanufactured and new alternators, starters, constant velocity axles and disc brake calipers for the light-duty aftermarket. Total

consideration paid was \$40 million, net of cash acquired.

On January 2, 2014, we completed the purchase of Lender Processing Services, Inc. ("LPS"). The purchase consideration paid was \$37.14 per share, of which \$28.10 per share was paid in cash and the remaining \$9.04 was paid in FNF common shares. The purchase consideration represented an exchange ratio of 0.28742 Old FNF common shares per share of LPS common stock. Total consideration paid for LPS was \$3.4 billion, which consisted of \$2,535 million in cash and \$839 million in Old FNF common stock. In order to pay the stock component of the consideration, we issued 25,920,078 Old FNF shares to the former LPS shareholders. See Note B for further discussion.

Discontinued Operations

In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. This ASU raises the threshold for a disposal to qualify as a discontinued operation and requires new disclosures of both discontinued operations and certain other disposals that do not meet

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the definition of a discontinued operation. This ASU is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning on or after December 15, 2015, with early adoption permitted. We have adopted this ASU for the interim period beginning July 1, 2014 and this update did not have a material impact on our financial statements.

The results from a small software company, which we acquired with LPS and which was sold during the second quarter of 2014, are included in the Condensed Consolidated Statements of Earnings as discontinued operations for all periods presented. Total revenues included in discontinued operations were \$2 million for the nine months ending September 30, 2014. Pre-tax earnings included in discontinued operations are \$1 million for the nine months ending September 30, 2014.

The results from two closed J. Alexander's locations and a settlement services company closed in the second quarter of 2013 are reflected in the Condensed Consolidated Statements of Earnings as discontinued operations for all periods presented. There were no revenues included in discontinued operations for the three months ending September 30, 2013, and \$8 million for the nine months ending September 30, 2013. Pre-tax loss included in discontinued operations was \$3 million for the nine months ending September 30, 2013. There was no pre-tax earnings or loss for the three months ending September 13, 2013

Transactions with Related Parties

As we no longer have any officers in common with Fidelity National Information Services, Inc. ("FIS"), effective January 1, 2014, we no longer consider FIS a related party.

Agreements with FIS

A summary of the agreements that were in effect with FIS through December 31, 2013 is as follows:

Information Technology ("IT") and data processing services from FIS. This agreement governs IT support services provided to us by FIS, primarily consisting of infrastructure support and data center management. Certain subsidiaries of FIS also provided technology consulting services to FNF during 2013.

Administrative aviation corporate support and cost-sharing services to FIS.

A detail of net revenues and expenses between us and FIS that were included in our results of operations for the periods presented is as follows:

	Three months ended September 30, 2013 (in millions)	Nine months ended September 30, 2013
Corporate services and cost-sharing revenue	\$1	\$4
Data processing expense	(9	) (25)
Net expense	\$(8	) \$(21)

We believe the amounts earned by us or charged to us under each of the foregoing arrangements are fair and reasonable. The IT infrastructure support and data center management services provided to us are priced within the range of prices that FIS offers to its unaffiliated third party customers for the same types of services. However, the amounts we earned or were charged under these arrangements were not negotiated at arm's-length, and may not represent the terms that we might have obtained from an unrelated third party. The net amount due to FIS as a result of these agreements was \$3 million as of December 31, 2013.

Included in equity securities available for sale at December 31, 2013, are 1,303,860 shares of FIS stock which were purchased during the fourth quarter of 2009 in connection with a merger between FIS and Metavante Technologies, Inc. The fair value of our investment was \$70 million as of December 31, 2013.

Also included in fixed maturities available for sale are FIS bonds with a fair value of \$42 million as of December 31, 2013.

Earnings Per Share

Basic earnings per share, as presented on the Condensed Consolidated Statement of Earnings, is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. In periods when earnings are positive, diluted earnings per share is calculated by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding plus the impact of assumed conversions of potentially dilutive securities. For periods when we recognize a net loss, diluted earnings per share is equal to basic earnings per share as the impact of assumed conversions of potentially dilutive securities is considered to be antidilutive. We have granted certain stock options, shares of restricted stock, convertible debt instruments and certain other convertible share based payments which have

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been treated as common share equivalents for purposes of calculating diluted earnings per share for periods in which positive earnings have been reported.

Options or other instruments which provide the ability to purchase shares of our common stock that are antidilutive are excluded from the computation of diluted earnings per share. There were no antidilutive options during the three and nine month periods ended September 30, 2014. There were one million shares related to antidilutive options excluded for the three and nine month periods ended September 30, 2013.

As of the close of business on June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. As a result of the recapitalization, the weighted average shares outstanding presented on the Condensed Consolidated Statements of Earnings includes shares of Old FNF common stock, FNF Group common stock and FNFV Group common stock. Earnings per share for all periods presented is attributed to the related class of common stock.

Note B — Acquisition of Lender Processing Services, Inc.

The results of operations and financial position of the entities acquired during any year are included in the Condensed Consolidated Financial Statements from and after the date of acquisition.

On January 2, 2014, we completed the purchase of LPS. The purchase consideration paid was \$37.14 per share, of which \$28.10 per share was paid in cash and the remaining \$9.04 was paid in Old FNF common shares. The purchase consideration represented an exchange ratio of 0.28742 Old FNF common shares per share of LPS common stock. Total consideration paid for LPS was \$3.4 billion, which consisted of \$2,535 million in cash and \$839 million in Old FNF common stock. In order to pay the stock component of the consideration, we issued 25,920,078 Old FNF shares to the former LPS shareholders. Goodwill has been recorded based on the amount that the purchase price exceeded the fair value of the net assets acquired.

The initial purchase price is as follows (in millions):

Cash paid for LPS outstanding shares	\$2,535
Less: cash acquired from LPS	(282)
Net cash paid for LPS	2,253
FNF common stock issued (25,920,078 shares)	839
Total net consideration paid	\$3,092

The purchase price has been initially allocated to the LPS assets acquired and liabilities assumed based on our best estimates of their fair values as of the acquisition date. Goodwill has been recorded based on the amount that the purchase price exceeds the fair value of the net assets acquired. This estimate is preliminary and subject to adjustments as we complete our valuation process with respect to certain intangible assets, legal contingencies, taxes and goodwill, which we expect to have complete by December 2014.

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The initial purchase price allocation is as follows (in millions):

Trade and notes receivable	\$184
Investments	77
Prepaid expenses and other assets	59
Property and equipment	149
Capitalized software	552
Intangible assets including title plants	1,010
Income tax receivable	60
Goodwill	3,012
Total assets	5,103
Notes payable	1,091
Reserve for title claims	54
Deferred tax liabilities	435
Other liabilities assumed	431
Total liabilities	2,011
Net assets acquired	\$3,092

In connection with the LPS acquisition, we formed a wholly-owned subsidiary, Black Knight Holdings, Inc. ("Black Knight"). Black Knight is the mortgage and finance industries' leading provider of integrated technology, data and analytics solutions, and transaction services. Black Knight has two operating businesses, ServiceLink and BKFS. After acquiring LPS, we retained a 65% ownership interest in each of the subsidiaries and the subsidiaries each issued 35% minority ownership interest to funds affiliated with Thomas H. Lee Partners and certain related entities on January 3, 2014. BKFS and ServiceLink now own and operate the former LPS businesses and our legacy ServiceLink business.

The following table summarizes the intangible assets acquired (in millions, except for useful life):

	Fair Value as of Consolidation	Weighted Average Useful Life in Years as of Consolidation	Residual Value as of September 30, 2014
Amortizing intangible assets:			
Developed technology	\$530	8	\$483
Purchased technology	22	3	17
Trade names	13	10	11
Customer relationships	910	10	842
Non-compete agreements	5	3	3
Other intangibles	4	8	3
Non-amortizing intangible assets:			
Developed technology	54		54
Title plants	24		24
Total intangible assets and capitalized software	\$1,562		\$1,437

Pro-forma Financial Results

For comparative purposes, selected unaudited pro-forma consolidated results of operations of FNF for the three and nine months ending September 30, 2014 and 2013 are presented below. Pro-forma results presented assume the consolidation of Black Knight occurred as of the beginning of the 2013 period. Amounts reflect our 65% ownership interest in BKFS and our 65%

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ownership interest in ServiceLink and were adjusted to exclude costs directly attributable to the acquisition of LPS including transaction costs, severance costs and costs related to our synergy bonus program associated with the acquisition (in millions).

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Total revenues	\$2,383	\$2,593	\$6,831	\$7,854
Net earnings attributable to Fidelity National Financial, Inc. common shareholders	129	129	304	430

Effective June 1, 2014, we completed an internal reorganization to contribute our subsidiary Property Insight, a company which provides information used by title insurance underwriters, title agents and closing attorneys to underwrite title insurance policies for real property sales and transfer, from our Title segment to BKFS. As a result of this transfer, our ownership percentage in BKFS increased to 67%. Our results for periods since June 1, 2014, reflect our now 67% ownership interest in BKFS.

As a result of our acquisition of LPS, the following additions were made to our significant accounting policies during the first quarter of 2014:

BKFS Revenue Recognition

Within our BKFS segment, we recognize revenues in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 605, Revenue Recognition (“ASC 605”). Recording revenues requires judgment, including determining whether an arrangement includes multiple elements, whether any of the elements are essential to the functionality of any other elements, and the allocation of the consideration based on each element’s relative selling price. Customers receive certain contract elements over time and changes to the elements in an arrangement, or in our determination of the relative selling price for these elements, could materially impact the amount of earned and unearned revenue reflected in our financial statements.

The primary judgments relating to our revenue recognition are determining when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the seller’s price to the buyer is fixed or determinable; and (4) collectability is reasonably assured. Judgment is also required to determine whether an arrangement involving more than one deliverable contains more than one unit of accounting and how the arrangement consideration should be measured and allocated to the separate units of accounting.

If the deliverables under a contract are software related, we determine the appropriate units of accounting and how the arrangement consideration should be measured and allocated to the separate units. This determination, as well as management’s ability to establish vendor specific objective evidence (“VSOE”) for the individual deliverables, can impact both the amount and the timing of revenue recognition under these agreements. The inability to establish VSOE for each contract deliverable results in having to record deferred revenues and/or applying the residual method. For arrangements where we determine VSOE for software maintenance using a stated renewal rate within the contract, we use judgment to determine whether the renewal rate represents fair value for that element as if it had been sold on a stand-alone basis. For a small percentage of revenues, we use contract accounting when the arrangement with the customer includes significant customization, modification, or production of software. For elements accounted for under contract accounting, revenue is recognized using the percentage-of-completion method since reasonably dependable estimates of revenues and contract hours applicable to various elements of a contract can be made. We are often party to multiple concurrent contracts with the same customer. These situations require judgment to determine whether the individual contracts should be aggregated or evaluated separately for purposes of revenue recognition. In making this determination we consider the timing of negotiating and executing the contracts, whether the different elements of the contracts are interdependent and whether any of the payment terms of the contracts are interrelated.

Due to the large number, broad nature and average size of individual contracts we are a party to, the impact of judgments and assumptions that we apply in recognizing revenue for any single contract is not likely to have a material effect on our consolidated operations. However, the broader accounting policy assumptions that we apply across similar arrangements or classes of customers could significantly influence the timing and amount of revenue recognized in our result of operations.

Capitalized Software

Capitalized software includes the fair value of software acquired in business combinations, purchased software and capitalized software development costs. Purchased software is recorded at cost and amortized using the straight-line method over its estimated useful life. Software acquired in business combinations is recorded at its fair value and amortized using straight-line or accelerated

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methods over its estimated useful life, ranging from 5 to 10 years. In our BKFS segment we have significant internally developed software. These costs are amortized using the straight-line method over the estimated useful life. Useful lives of computer software range from 3 to 10 years. Capitalized software development costs are accounted for in accordance with either ASC Topic 985, Software, Subtopic 20, Costs of Software to Be Sold, Leased, or Marketed (“ASC 985-20”), or ASC 350, Subtopic 40, Internal-Use Software (“ASC 350-40”). For software products to be sold, leased, or otherwise marketed (ASC 985-20 software), all costs incurred to establish the technological feasibility are research and development costs, and are expensed as they are incurred. Costs incurred subsequent to establishing technological feasibility, such as programmers' salaries and related payroll costs and costs of independent contractors, are capitalized and amortized on a product by product basis commencing on the date of general release to customers. We do not capitalize any costs once the product is available for general release to customers. For internal-use computer software products (ASC 350-40 software), internal and external costs incurred during the preliminary project stage are expensed as they are incurred. Internal and external costs incurred during the application development stage are capitalized and amortized on a product by product basis commencing on the date the software is ready for its intended use. We do not capitalize any costs once the software is ready for its intended use. We also assess the recorded value of computer software for impairment on a regular basis by comparing the carrying value to the estimated future cash flows to be generated by the underlying software asset. There is an inherent uncertainty in determining the expected useful life of or cash flows to be generated from computer software. We have not historically experienced material changes in these estimates but could be subject to them in the future.

Redeemable Non-controlling Interest

As discussed above, subsequent to the acquisition of LPS we issued 35% ownership interests in each of BKFS and ServiceLink to funds affiliated with Thomas H. Lee Partners (“THL” or “the minority interest holder”). As part of the Unit Purchase Agreement with THL, THL has an option to put their ownership interests of either or both of BKFS and ServiceLink to us if no public offering of the corresponding business has been consummated after four years from the date of FNF's purchase of LPS. The units owned by THL (“redeemable noncontrolling interests”) may be settled in cash or common stock of FNF or a combination of both at our election. The redeemable noncontrolling interests will be settled at the current fair value at the time we receive notice of THL's put election as determined by the parties or by a third party appraisal under the terms of the Unit Purchase Agreement. As of September 30, 2014, we do not believe the exercise of this put right to be probable.

As these redeemable noncontrolling interests provide for redemption features not solely within our control, we classify the redeemable noncontrolling interests outside of permanent equity in accordance with ASC 480-10, “Distinguishing Liabilities from Equity.” Redeemable noncontrolling interests held by third parties in subsidiaries owned or controlled by FNF is reported on the Condensed Consolidated Balance Sheet outside permanent equity; and the Condensed Consolidated Statement of Earnings reflects the respective redeemable noncontrolling interests in Net earnings (loss) attributable to non-controlling interests, the effect of which is removed from the net earnings attributable to Fidelity National Financial, Inc. common shareholders.

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Note C — Fair Value Measurements

The following table presents the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of September 30, 2014 and December 31, 2013, respectively:

	September 30, 2014			Total
	Level 1	Level 2	Level 3	
	(In millions)			
Assets:				
Fixed maturity securities available for sale:				
U.S. government and agencies	\$—	\$126	\$—	\$126
State and political subdivisions	—	1,020	—	1,020
Corporate debt securities	—	1,744	—	1,744
Mortgage-backed/asset-backed securities	—	96	—	96
Foreign government bonds	—	36	—	36
Preferred stock available for sale	50	144	—	194
Equity securities available for sale	149	—	—	149
Foreign currency contracts	—	2	—	2
Total assets	\$199	\$3,168	\$—	\$3,367
Liabilities:				
Interest rate swap contracts	\$—	\$2	\$—	\$2
Commodity contracts	—	2	—	2
Foreign currency contracts	—	1	—	1
Total liabilities	\$—	\$5	\$—	\$5
	December 31, 2013			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Fixed maturity securities available for sale:				
U.S. government and agencies	\$—	\$126	\$—	\$126
State and political subdivisions	—	1,075	—	1,075
Corporate debt securities	—	1,606	—	1,606
Mortgage-backed/asset-backed securities	—	109	—	109
Foreign government bonds	—	43	—	43
Preferred stock available for sale	73	78	—	151
Equity securities available for sale	136	—	—	136
Other long-term investments	—	—	38	38
Foreign currency contracts	—	4	—	4
Interest rate swap contracts	—	2	—	2
Total assets	\$209	\$3,043	\$38	\$3,290
Liabilities:				
Interest rate swap contracts	\$—	\$1	\$—	\$1
Commodity contracts	—	2	—	2
Total liabilities	\$—	\$3	\$—	\$3

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Our Level 2 fair value measures for fixed-maturities available for sale are provided by third-party pricing services. We utilize one firm for our taxable bond and preferred stock portfolio and another for our tax-exempt bond portfolio.

These pricing services are leading global providers of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are as follows:

• U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.

• State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.

• Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, and any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.

• Mortgage-backed/asset-backed securities: These securities are comprised of agency mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities. They are valued based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.

• Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.

• Preferred stocks: Preferred stocks are valued by calculating the appropriate spread over a comparable U.S. Treasury security. Inputs include benchmark quotes and other relevant market data.

Our Level 2 fair value measures for our interest rate swap, foreign currency contracts, and commodity contracts are valued using the income approach. This approach uses techniques to convert future amounts to a single present value amount based upon market expectations (including present value techniques, option-pricing and excess earnings models).

Our Level 3 investments consist of structured notes that were purchased in 2009. During the third quarter of 2014, all of our outstanding structured notes matured and we received \$39 million in cash upon maturity, resulting in a net realized (loss) gain of \$(2) million and \$1 million for the three and nine months ending September 30, 2014. We recorded no gain or loss relating to the structured notes during the three months ended September 30, 2013, and recorded a net loss of \$2 million in the nine months ended September 30, 2013. We held no structured notes at September 30, 2014 and the structured notes had a par value and a fair value of \$38 million at December 31, 2013.

The structured notes were held for general investment purposes and represented approximately one percent of our total investment portfolio. The structured notes were classified as other long-term investments and were measured in their entirety at fair value with changes in fair value recognized in earnings. The fair value of these instruments represented exit prices obtained from a broker-dealer. These exit prices were the product of a proprietary valuation model utilized by the trading desk of the broker-dealer and contain assumptions relating to volatility, the level of interest rates, and the value of the underlying commodity indices. We reviewed the pricing methodologies for our Level 3 investments to ensure that they are reasonable and we believe they represented an exit price for the securities at December 31, 2013.

The following table presents the changes in our investments that are classified as Level 3 for the period ended September 30, 2014 (in millions):

Balance, December 31, 2013	\$38
Net realized gain	1

Proceeds received upon maturity	(39)
Balance, September 30, 2014	\$—	

The carrying amounts of short-term investments, accounts receivable and notes receivable approximate fair value due to their short-term nature. Additional information regarding the fair value of our investment portfolio is included in Note D.

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

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Note D — Investments

The carrying amounts and fair values of our available for sale securities at September 30, 2014 and December 31, 2013 are as follows:

	September 30, 2014				
	Carrying Value (In millions)	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
Fixed maturity securities available for sale:					
U.S. government and agencies	\$ 126	\$ 122	\$ 4	\$—	\$ 126
State and political subdivisions	1,020	984	36	—	1,020
Corporate debt securities	1,744	1,711	43	(10)	1,744
Foreign government bonds	36	38	—	(2)	36
Mortgage-backed/asset-backed securities	96	92	4	—	96
Preferred stock available for sale	194	194	3	(3)	194
Equity securities available for sale	149	73	76	—	149
Total	\$3,365	\$3,214	\$ 166	\$(15)	\$3,365
	December 31, 2013				
	Carrying Value (In millions)	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
Fixed maturity securities available for sale:					
U.S. government and agencies	\$ 126	\$ 121	\$ 5	\$—	\$ 126
State and political subdivisions	1,075	1,042	36	(3)	1,075
Corporate debt securities	1,606	1,565	47	(6)	1,606
Foreign government bonds	43	44	1	(2)	43
Mortgage-backed/asset-backed securities	109	105	4	—	109
Preferred stock available for sale	151	158	3	(10)	151
Equity securities available for sale	136	71	65	—	136
Total	\$3,246	\$3,106	\$ 161	\$(21)	\$3,246

The cost basis of fixed maturity securities available for sale includes an adjustment for amortized premium or discount since the date of purchase.

The following table presents certain information regarding contractual maturities of our fixed maturity securities at September 30, 2014:

Maturity	September 30, 2014		Fair Value	% of Total	
	Amortized Cost	% of Total			
	(Dollars in millions)				
One year or less	\$ 346	12	% \$ 349	12	%
After one year through five years	2,006	68	2,059	68	
After five years through ten years	494	17	509	17	
After ten years	9	—	9	—	
Mortgage-backed/asset-backed securities	92	3	96	3	
Total	\$2,947	100	% \$3,022	100	%
Subject to call	\$1,702	58	% \$1,732	57	%

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Expected maturities may differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Included above in amounts subject to call are \$1,393 million and \$1,417 million in amortized cost and fair value, respectively, of fixed maturity securities with make-whole call provisions as of September 30, 2014.

Included in our other long-term investments at December 31, 2013, are fixed maturity structured notes purchased in 2009 and various cost-method investments. The structured notes matured during the third quarter of 2014. The structured notes were carried at fair value (see Note C) and changes in the fair value of these structured notes were recorded as Realized gains and losses in the Condensed Consolidated Statements of Earnings.

Net unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2014 and December 31, 2013, were as follows (in millions):

September 30, 2014

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	\$536	\$(8)	\$25	\$(2)	\$561	\$(10)
Foreign government bonds	24	(1)	12	(1)	36	(2)
Preferred stock available for sale	62	(1)	19	(2)	81	(3)
Total temporarily impaired securities	\$622	\$(10)	\$56	\$(5)	\$678	\$(15)

December 31, 2013

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
States and political subdivisions	\$123	\$(3)	\$—	\$—	\$123	\$(3)
Corporate debt securities	367	(4)	39	(2)	406	(6)
Foreign government bonds	17	(1)	14	(1)	31	(2)
Preferred stock available for sale	95	(10)	—	—	95	(10)
Total temporarily impaired securities	\$602	\$(18)	\$53	\$(3)	\$655	\$(21)

During the three and nine month period ended September 30, 2014, we recorded no impairment charges relating to investments. During the three-month period ended September 30, 2013, we recorded no impairment charges relating to investments. During the nine month period ended September 30, 2013, we recorded impairment charges on fixed maturity securities relating to investments that were determined to be other-than-temporarily impaired, which resulted in additional expense of \$1 million. As of September 30, 2014, we held no fixed maturity securities for which an other-than-temporary impairment had been previously recognized. It is possible that future events may lead us to recognize potential future impairment losses related to our investment portfolio and that unanticipated future events may lead us to dispose of certain investment holdings and recognize the effects of any market movements in our condensed consolidated financial statements.

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

The following table presents realized gains and losses on investments and other assets and proceeds from the sale or maturity of investments and other assets for the three and nine-month periods ending September 30, 2014 and 2013, respectively:

	Three months ended September 30, 2014				Nine months ended September 30, 2014			
	Gross Realized Gains	Gross Realized Losses	Net Realized Gains (Losses)	Gross Proceeds from Sale/Maturity	Gross Realized Gains	Gross Realized Losses	Net Realized Gains (Losses)	Gross Proceeds from Sale/Maturity
	(Dollars in millions)				(Dollars in millions)			
Fixed maturity securities available for sale	\$1	\$—	\$1	\$ 232	\$4	\$—	\$4	\$ 829
Preferred stock available for sale	—	—	—	15	—	(3)	(3)	73
Other long-term investments			(2)				—	—
Other assets			(6)	39			(7)	2
Total			\$(7)	\$ 286			\$(6)	\$ 904
	Three months ended September 30, 2013				Nine months ended September 30, 2013			
	Gross Realized Gains	Gross Realized Losses	Net Realized Gains (Losses)	Gross Proceeds from Sale/Maturity	Gross Realized Gains	Gross Realized Losses	Net Realized Gains (Losses)	Gross Proceeds from Sale/Maturity
	(Dollars in millions)				(Dollars in millions)			
Fixed maturity securities available for sale	\$1	\$(1)	\$—	\$ 111	\$8	\$(4)	\$4	\$ 577
Preferred stock available for sale	1	—	1	11	7	-(2)	5	121
Equity securities available for sale	2	(1)	1	20	4	-(1)	3	27
Other long-term investments			—	—			(2)	—
Debt extinguishment costs			—	—			(3)	—
Other assets			2	—			—	—
Total			\$4	\$ 142			\$7	\$ 725

Investments in unconsolidated affiliates are recorded using the equity method of accounting. As of September 30, 2014 and December 31, 2013, investments in unconsolidated affiliates consisted of the following (dollars in millions):

	Current Ownership	September 30, 2014	December 31, 2013
Ceridian	32 %	\$238	\$295
Other	Various	59	62
Total		\$297	\$357

During the year ended December 31, 2013, we purchased \$32 million in Ceridian bonds which are included in Fixed maturity securities available for sale on the Condensed Consolidated Balance Sheets and had a fair value of \$36 million as of December 31, 2013. During the nine month period ended September 30, 2014, we sold \$2 million of the Ceridian bonds. Our remaining investment in Ceridian bonds had a fair value of \$33 million as of September 30,

2014.

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

We have historically accounted for our equity in Ceridian on a three-month lag. However, during the first quarter of 2014, we began to account for our equity in Ceridian on a real-time basis. Accordingly, our net earnings for the three-month period ended September 30, 2014, includes our equity in Ceridian's earnings for the three-month period ended September 30, 2014. Our earnings for the three-month period ended September 30, 2013 includes our equity in Ceridian's earnings for the three-month period ended June 30, 2013. Our earnings for the nine-month period ended September 30, 2014, includes our equity in Ceridian's earnings for the three-month period ended December 31, 2013 and the nine-month period ended September 30, 2014. Our net earnings for the nine-month period ended September 30, 2013, includes our equity in Ceridian's earnings for the nine-month period ended June 30, 2013. During the three month periods ended September 30, 2014 and 2013, we recorded \$9 million and \$14 million, in equity in losses of Ceridian, respectively. During the nine month periods ending September 30, 2014 and 2013, we recorded \$44 million and \$24 million, respectively, in equity in Ceridian's losses. There was \$2 million equity in earnings for other unconsolidated affiliates during the three month period ending September 30, 2014, and there were no equity in earnings of other unconsolidated affiliates during the three months ending September 30, 2013. There were \$1 million and \$4 million in equity in earnings of other unconsolidated affiliates during the nine month periods ended September 30, 2014 and 2013, respectively.

Summarized financial information for Ceridian for the relevant dates and time periods included in our Condensed Consolidated Financial Statements is presented below.

	September 30, 2014	December 31, 2013
	(In millions)	
Total current assets before customer funds	\$1,212	\$1,097
Customer funds	2,113	3,897
Goodwill and other intangible assets, net	4,356	4,452
Other assets	113	122
Total assets	\$7,794	\$9,568
Current liabilities before customer obligations	\$1,070	\$958
Customer obligations	2,091	3,883
Long-term obligations, less current portion	3,411	3,406
Other long-term liabilities	459	500
Total liabilities	7,031	8,747
Equity	763	821
Total liabilities and equity	\$7,794	\$9,568

	Three Months Ended September 30, 2014	Three Months Ended June 30, 2013	Twelve Months Ended September 30, 2014	Nine Months Ended June 30, 2013
	(In millions)			
Total revenues	\$379	\$359	\$1,483	\$1,134
Loss before income taxes	(31) (40) (154) (72
Net loss	(33) (48) (159) (86

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

Note E —Remy Derivative Financial Instruments and Concentration of Risk

The following describes financial market risks faced by, and derivative instruments held by, Remy.

Foreign Currency Risk

Remy manufactures and sells products primarily in North America, South America, Asia, Europe and Africa. As a result, financial results could be significantly affected by factors such as changes in foreign currency exchange rates or weak economic conditions in foreign markets in which Remy manufactures and sells products. Remy generally tries to use natural hedges within its foreign currency activities, including the matching of revenues and costs, to minimize foreign currency risk. Where natural hedges are not in place, Remy considers managing certain aspects of its foreign currency activities through the use of foreign exchange contracts. Remy primarily utilizes forward exchange contracts with maturities generally within eighteen months to hedge against currency rate fluctuations, all of which are designated as hedges. As of September 30, 2014 and December 31, 2013, Remy had the following outstanding foreign currency contracts to hedge forecasted purchases and revenues (in millions):

Foreign currency contract	Currency Denomination	
	September 30, 2014	December 31, 2013
South Korean Won Forward	\$80	\$74
Mexican Peso Contracts	\$73	\$74
Brazilian Real Forward	\$14	\$11
Hungarian Forint Forward	€13	€14
British Pound Forward	£1	£4

There were no net accumulated unrealized gains and \$2 million relating to these instruments recorded in Accumulated other comprehensive earnings (loss) as of September 30, 2014 and December 31, 2013, respectively. As of September 30, 2014, there were no gains related to these instruments expected to be reclassified to the Condensed Consolidated Statement of Earnings within the next 12 months. Any ineffectiveness during the three and nine month period ended September 30, 2014 was immaterial.

Interest rate risk

During 2010, Remy entered into an interest rate swap agreement in respect of 50% of the outstanding principal balance of its Term B Loan under which a variable LIBOR rate with a floor of 1.75% was swapped to a fixed rate of 3.35%. Due to the significant value of the terminated swaps which were transferred into this swap, this interest rate swap is an undesignated hedge and changes in the fair value are recorded as Interest expense in the accompanying Condensed Consolidated Statements of Earnings.

On March 27, 2013, Remy terminated its undesignated Term B Loan interest rate swap and transferred the value into a new undesignated interest rate swap agreement of \$72 million of the outstanding principal loan balance under which Remy will swap a variable LIBOR rate with a floor of 1.25% to a fixed rate of 4.05% with an effective date of December 30, 2016 and expiration date of December 31, 2019. The notional value of this interest rate swap is \$72 million. Due to the significant value of the terminated swaps which were transferred into this new swap, this interest rate swap is an undesignated hedge and changes in the fair value are recorded as Interest expense in the accompanying Condensed Consolidated Statements of Earnings.

On March 27, 2013, Remy also entered into a designated interest rate swap agreement for \$72 million of the outstanding principal balance of its long term debt. Under the terms of the new interest rate swap agreement, Remy will swap a variable LIBOR rate with a floor of 1.25% to a fixed rate of 2.75% with an effective date of December 30, 2016 and expiration date of December 31, 2019. The notional value of this interest rate swap is \$72 million. This interest rate swap has been designated as a cash flow hedging instrument. There were no accumulated unrealized gains or losses recorded in Accumulated other comprehensive earnings (loss) as of September 30, 2014. Accumulated unrealized net gains of \$1 million were recorded in Accumulated other comprehensive (loss) earnings as of December 31, 2013. As of September 30, 2014, no gains are expected to be reclassified to the Condensed Consolidated

Statement of Earnings within the next twelve months. Any ineffectiveness during the three and nine month periods ended September 30, 2014 was immaterial.

The interest rate swaps reduce Remy's overall interest rate risk.

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

Commodity price risk

Remy production processes are dependent upon the supply of certain components whose raw materials are exposed to price fluctuations on the open market. The primary purpose of Remy's commodity price forward contract activity is to manage the volatility associated with forecasted purchases. Remy monitors commodity price risk exposures regularly to maximize the overall effectiveness of commodity forward contracts. The principal raw material hedged is copper. Forward contracts are used to mitigate commodity price risk associated with raw materials, generally related to purchases forecast for up to twenty-four months in the future. Additionally, Remy purchases certain commodities during the normal course of business which result in physical delivery and are excluded from hedge accounting.

Remy had thirty-seven commodity price hedge contracts outstanding at September 30, 2014, and thirty-two commodity price hedge contracts outstanding at December 31, 2013, with combined notional quantities of 7,169 and 6,368 metric tons of copper, respectively. These contracts mature within the next eighteen months and are designated as cash flow hedging instruments. Accumulated unrealized net losses of \$2 million and \$1 million, excluding the tax effect, were recorded in Accumulated other comprehensive earnings as of September 30, 2014 and December 31, 2013, respectively, related to these contracts. As of September 30, 2014, there are \$2 million in net losses related to these contracts that expected to be reclassified to the accompanying Condensed Consolidated Statement of Earnings within the next 12 months. Hedging ineffectiveness during the three and nine month periods ended September 30, 2014 was immaterial.

Other

Remy's derivative positions and any related material collateral under master netting agreements are presented in our financial statements on a gross basis.

For derivatives designated as cash flow hedges, changes in the time value are excluded from the assessment of hedge effectiveness. Unrealized gains and losses associated with ineffective hedges, determined using the change in fair value method, are recognized in the accompanying Condensed Consolidated Statement of Earnings. Derivative gains and losses included in Accumulated other comprehensive earnings for effective hedges are reclassified into the accompanying Condensed Consolidated Statement of Earnings upon recognition of the hedged transaction.

Any derivative instrument designated initially, but no longer effective as a hedge, or initially not effective as a hedge, is recorded at fair value and the related gains and losses are recognized in the accompanying Condensed Consolidated Statement of Earnings. Remy's undesignated hedges are primarily Remy's interest rate swaps whose fair value at inception of the instrument due to the rollover of existing interest rate swaps resulted in ineffectiveness. All asset and liability derivatives are included in Prepaid expenses and other assets and Accounts payable and accrued liabilities, respectively, on the Condensed Consolidated Balance Sheets. The following table discloses the fair values of Remy's derivative instruments (in millions):

	September 30, 2014		December 31, 2013	
	Asset Derivatives	Liability Derivatives	Asset Derivatives	Liability Derivatives
Derivatives designated as hedging instruments:				
Commodity contracts	\$—	\$2	\$—	\$2
Foreign currency contracts	2	1	4	—
Interest rate swap contracts	—	—	2	—
Total derivatives designated as hedging instruments	\$2	\$3	\$6	\$2

Derivatives not designated as hedging instruments:

Interest rate swap contracts	\$—	\$2	\$—	\$1
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Gains and losses on Remy's derivative instruments, which are reclassified from Accumulated other comprehensive earnings (AOCE) into earnings, are included in Cost of auto parts revenue for commodity and foreign currency

contracts, and Interest expense for interest rate swap contracts in the accompanying Condensed Consolidated Statement of Earnings.

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

The following table discloses the effect of Remy's derivative instruments for the three months ended September 30, 2014 (in millions):

	Amount of gain (loss) recognized in AOCE (effective portion)	Amount of gain (loss) reclassified from AOCE into earnings (effective portion)	Amount of gain (loss) recognized in earnings (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in earnings
Derivatives designated as cash flow hedging instruments:				
Commodity contracts	\$ (2)	\$ (1)	\$ —	\$ —
Foreign currency contracts	(2)	1	—	—
Interest rate swap contracts	—	—	—	—
Total derivatives designated as hedging instruments	\$ (4)	\$ —	\$ —	\$ —

Derivatives not designated as hedging instruments:

Interest rate swap contracts	\$ —	\$ —	\$ —	\$ —
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The following table discloses the effect of Remy's derivative instruments for the three months ended September 30, 2013 (in millions):

	Amount of gain (loss) recognized in AOCE (effective portion)	Amount of gain (loss) reclassified from AOCE into earnings (effective portion)	Amount of gain (loss) recognized in earnings (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in earnings
Derivatives designated as cash flow hedging instruments:				
Commodity contracts	\$ 3	\$ (2)	\$ —	\$ —
Foreign currency contracts	3	1	—	—
Interest rate swap contracts	—	—	—	—
Total derivatives designated as hedging instruments	\$ 6	\$ (1)	\$ —	\$ —

Derivatives not designated as hedging instruments:

Interest rate swap contracts	\$ —	\$ —	\$ —	\$ —
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The following table discloses the effect of Remy's derivative instruments for the nine months ended September 30, 2014 (in millions):

Amount of gain (loss)	Amount of gain (loss)	Amount of gain (loss) recognized in	Amount of gain (loss)
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	recognized in AOCE (effective portion)	reclassified from AOCE into earnings (effective portion)	earnings (ineffective portion and amount excluded from effectiveness testing)	recognized in earnings
Derivatives designated as cash flow hedging instruments:				
Commodity contracts	\$ (3	) \$ (3) \$ —	\$ —
Foreign currency contracts	—	3	—	—
Interest rate swap contracts	(1) —	—	—
Total derivatives designated as hedging instruments	\$ (4) \$ —	\$ —	\$ —
Derivatives not designated as hedging instruments:				
Interest rate swap contracts	\$ —	\$ —	\$ —	\$ (1)

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

The following table discloses the effect of Remy's derivative instruments for the nine months ended September 30, 2013 (in millions):

	Amount of gain (loss) recognized in AOCE (effective portion)	Amount of gain (loss) reclassified from AOCE into earnings (effective portion)	Amount of gain (loss) recognized in earnings (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in earnings
Derivatives designated as cash flow hedging instruments:				
Commodity contracts	\$(5)	\$(3)	\$—	\$—
Foreign currency contracts	2	5	—	—
Interest rate swap contracts	1	—	—	—
Total derivatives designated as hedging instruments	\$(2)	\$2	\$—	\$—
Derivatives not designated as hedging instruments:				
Interest rate swap contracts	\$—	\$—	\$—	\$1
Note F —Notes Payable				
Notes payable consists of the following:				
			September 30, 2014	December 31, 2013
			(In millions)	
Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022			\$398	\$398
Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018			287	285
Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017			300	300
Unsecured Black Knight Infoserv notes, including premium, interest payable semi-annually at 5.75%, due April 2023			617	—
Revolving Credit Facility, unsecured, unused portion of \$700 at September 30, 2014, due July 2018 with interest payable monthly at LIBOR + 1.45% (1.60% at September 30, 2014)			100	—
FNF Term Loan, interest payable monthly at LIBOR + 1.75% (1.90% at September 30, 2014), due January 2019			1,100	—
Remy Amended and Restated Term B Loan, interest payable quarterly at LIBOR (floor of 1.25%) + 3.00% (4.25% at September 30, 2014), due March 2020			265	266
Remy Revolving Credit Facility, unused portion of \$57 at September 30, 2014, due September 2018 with interest payable monthly at base rate 3.25% + base rate margin .50% (3.75% at September 30, 2014)			20	—
ABRH Term Loan, interest payable monthly at LIBOR + 3.50%			—	53
			110	—

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ABRH Term Loan, interest payable monthly at LIBOR + 2.75% (2.90% at September 30, 2014), due August 2019		
ABRH Revolving Credit Facility, unused portion of \$64 at September 30, 2014, due August 2019 with interest payable monthly LIBOR + 2.75% (2.90% at September 30, 2014)	17	—
ABRH Revolving Credit Facility, unused portion of \$64 at September 30, 2014, due August 2019 with interest payable monthly at base rate 3.25% + base rate margin 1.75% (5.00% at September 30, 2014)	2	—
Other	24	21
	\$3,240	\$1,323

At September 30, 2014, the estimated fair value of our long-term debt was approximately \$3,474 million or \$234 million higher than its carrying value. The fair value of our long-term debt at December 31, 2013 was approximately \$1,555 million or \$232 million higher than its carrying value. The fair value of our unsecured notes payable was \$1,869 million as of September 30, 2014. The fair values of our unsecured notes payable are based on established market prices for the securities on September 30,

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

2014 and are considered Level 2 financial liabilities. The carrying value of the FNF, ABRH and Remy revolving credit facilities approximates fair value at September 30, 2014, as the FNF and Remy facilities carry a variable interest rate and the ABRH facility was entered into during the third quarter of 2014. The revolving credit facilities are considered Level 2 financial liabilities. The fair value of our FNF Term Loan was \$1,100 million at September 30, 2014. The fair value of our FNF Term Loan is based on established market prices for the loan on September 30, 2014 and is considered a Level 2 financial liability. The fair value of our Remy Term Loan was \$265 million based on established market prices for the loan on September 30, 2014 and is considered a Level 2 financial liability. The carrying value of our Restaurant Group Term Loan was \$110 million on September 30, 2014, and approximates fair value as the loan was entered into during the third quarter of 2014. The Restaurant Group Term Loan is considered a Level 2 financial liability.

On August 19, 2014, ABRH entered into a credit agreement (the “ABRH Credit Facility”) with Wells Fargo Bank, National Association as Administrative Agent, Swingline Lender and Issuing Lender (the “ABRH Administrative Agent”), Bank of America, N.A. as Syndication Agent and the other financial institutions party thereto. The ABRH Credit Facility provides for a maximum revolving loan of \$100 million (the “ABRH Revolver”) with a maturity date of August 19, 2019. As of September 30, 2014, ABRH has borrowed \$19 million under such term loan. Additionally, the ABRH Credit Facility provides for a maximum term loan (the “ABRH Term Loan”) of \$110 million with quarterly installment repayments through June 30, 2019 and a maturity date of August 19, 2019 for the outstanding unpaid principal balance and all accrued and unpaid interest. ABRH has borrowed the entire \$110 million under this term loan. Pricing for the ABRH Credit Facility is based on an applicable margin between 225 basis points to 300 basis points over LIBOR and between 125 basis points and 200 basis points over the Base Rate (which is the highest of (a) 50 basis points in excess of the federal funds rate, (b) the ABRH Administrative Agent “prime rate,” or (c) the sum of 100 basis points plus one-month LIBOR). A commitment fee amount is also due at a rate per annum equal to between 325 and 400 basis points on the average daily unused portion of the commitments under the ABRH Revolver. The ABRH Credit Facility also allows for ABRH to request up to \$40 million of letters of credit commitments and \$20 million in swingline debt from the ABRH Administrative Agent. The ABRH Credit Facility allows for ABRH to elect to enter into incremental term loans or request incremental revolving commitments (the “ABRH Incremental Loans”) under this facility so long as, (i) the total outstanding balance of the ABRH Revolver, the ABRH Term Loan and any ABRH Incremental Loans does not exceed \$250 million, (ii) ABRH is in compliance with its financial covenants, (iii) no default or event of default exists under the ABRH Credit Facility on the day of such request either before or after giving effect to the request, (iv) the representations and warranties made under the ABRH Credit Facility are correct and (v) certain other conditions are satisfied. The ABRH Credit Facility is subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on ABRH's creation of liens, sales of assets, incurrence of indebtedness, restricted payments and transactions with affiliates. The covenants addressing restricted payments include certain limitations on the declaration or payment of dividends by ABRH to its parent, Fidelity Newport Holdings, LLC (“FNH”), and by FNH to its members. One such limitation restricts the amount of dividends that ABRH can pay to its parent (and that FNH can in turn pay to its members) up to \$2 million in the aggregate (outside of certain other permitted dividend payments) in a fiscal year (with some carryover rights for undeclared dividends for subsequent years). Another limitation allows that, so long as ABRH satisfies certain leverage and liquidity requirements to the satisfaction of the ABRH Administrative Agent, ABRH may declare a special one-time dividend to Newport Global Opportunities Fund LP, and Fidelity National Financial Ventures, LLC or one of the entities under their control (other than portfolio companies) in an amount up to \$75 million if such dividend occurs on or before November 17, 2014, or up to \$1.5 million if such dividend occurs on or before June 15, 2016. The ABRH Credit Facility includes customary events of default for facilities of this type (with customary grace periods, as applicable), which include a cross-default provision whereby an event of default will be deemed to have occurred if ABRH or any of its guarantors, which consists of FNH and certain of its subsidiaries (together, the “Loan Parties”) or any of their subsidiaries default on any agreement with a third party of \$10 million or more related to their

indebtedness and such default results in a right by such third party to accelerate such Loan Party's or its subsidiary's obligations. The ABRH Credit Facility provides that, upon the occurrence of an event of default, the ABRH Administrative Lender may (i) declare the principal of, and any and all accrued and unpaid interest and all other amounts owed in respect of, the loans immediately due and payable, (ii) terminate loan commitments and (iii) exercise all other rights and remedies available to the ABRH Administrative Lender or the lenders under the loan documents. ABRH had \$17 million of outstanding letters of credit and \$64 million of remaining borrowing capacity under our revolving credit facility as of September 30, 2014.

On January 2, 2014, as a result of the LPS acquisition, FNF acquired \$600 million aggregate principal amount of 5.75% Senior Notes due 2023, initially issued by Black Knight Infoserv, LLC (formerly LPS, "Black Knight Infoserv") on October 12, 2012 (the "Black Knight Senior Notes"). The Black Knight Senior Notes were registered under the Securities Act of 1933, as amended, carry an interest rate of 5.75% and will mature on April 15, 2023. Interest is payable semi-annually on the 15th day of April and October. The Black Knight Senior Notes are senior unsecured obligations and were guaranteed by us as of January 2, 2014. At any time and from time to time, prior to October 15, 2015, Black Knight Infoserv may redeem up to a maximum of 35% of the

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

original aggregate principal amount of the Black Knight Senior Notes with the proceeds of one or more equity offerings, at a redemption price equal to 105.75% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). Prior to October 15, 2017, Black Knight Infoserv may redeem some or all of the Black Knight Senior Notes by paying a “make-whole” premium based on U.S. Treasury rates. On or after October 15, 2017, Black Knight Infoserv may redeem some or all of the Black Knight Senior Notes at the redemption prices described in the Black Knight Senior Notes indenture, plus accrued and unpaid interest. In addition, if a change of control occurs, Black Knight Infoserv is required to offer to purchase all outstanding Black Knight Senior Notes at a price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). The Black Knight Senior Notes contain covenants that, among other things, limit Black Knight Infoserv's ability and the ability of certain of its subsidiaries (a) to incur or guarantee additional indebtedness or issue preferred stock, (b) to make certain restricted payments, including dividends or distributions on equity interests held by persons other than Black Knight Infoserv or certain subsidiaries, in excess of an amount generally equal to 50% of consolidated net income generated since July 1, 2008, (c) to create or incur certain liens, (d) to engage in sale and leaseback transactions, (e) to create restrictions that would prevent or limit the ability of certain subsidiaries to (i) pay dividends or other distributions to Black Knight Infoserv or certain other subsidiaries, (ii) repay any debt or make any loans or advances to Black Knight Infoserv or certain other subsidiaries or (iii) transfer any property or assets to Black Knight Infoserv or certain other subsidiaries, (f) to sell or dispose of assets of Black Knight Infoserv or any restricted subsidiary or enter into merger or consolidation transactions and (g) to engage in certain transactions with affiliates. As a result of our guarantee of the Black Knight Senior Notes on January 2, 2014, the notes became rated investment grade. The indenture provides that certain covenants are suspended while the Black Knight Senior Notes are rated investment grade. Currently covenants (a), (b), (e), certain provisions of (f) and (g) outlined above are suspended. These covenants will continue to be suspended as long as the notes are rated investment grade, as defined in the indenture. These covenants are subject to a number of exceptions, limitations and qualifications in the Black Knight Senior Notes indenture. The Black Knight Senior Notes contain customary events of default, including failure of Black Knight Infoserv (i) to pay principal and interest when due and payable and breach of certain other covenants and (ii) to make an offer to purchase and pay for the Black Knight Senior Notes tendered as required by the Black Knight Senior Notes. Events of default also include defaults with respect to any other debt of Black Knight Infoserv or debt of certain subsidiaries having an outstanding principal amount of \$80 million or more in the aggregate for all such debt, arising from (i) failure to make a principal payment when due and such defaulted payment is not made, waived or extended within the applicable grace period or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity. Upon the occurrence of an event of default (other than a bankruptcy default with respect to Black Knight Infoserv or certain subsidiaries), the trustee or holders of at least 25% of the Black Knight Senior Notes then outstanding may accelerate the Black Knight Senior Notes by giving us appropriate notice. If, however, a bankruptcy default occurs with respect to Black Knight Infoserv or certain subsidiaries, then the principal of and accrued interest on the Black Knight Senior Notes then outstanding will accelerate immediately without any declaration or other act on the part of the trustee or any holder. Subsequent to year end, on January 16, 2014, we issued an offer to purchase the Black Knight Senior Notes pursuant to the change of control provisions above at a purchase price of 101% of the principal amount plus accrued interest to the purchase date. The offer expired on February 18, 2014. As a result of the offer, bondholders tendered \$5 million in principal of the Black Knight Senior Notes, which were subsequently purchased by us on February 24, 2014. On October 24, 2013, FNF entered into a bridge loan commitment letter (the “Bridge Loan Commitment Letter”) with Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bank of America, N.A. (“Bank of America”), J.P. Morgan Securities LLC and JP Morgan Chase Bank, N.A. The Bridge Loan Commitment Letter provided for up to an \$800 million short-term loan facility (the “Bridge Facility”). The proceeds of the loans under the Bridge Facility were used to

fund, in part, the cash consideration for the acquisition of LPS and pay certain costs, fees and expenses in connection with the LPS merger. Pursuant to the Bridge Loan Commitment Letter, we executed a promissory note in favor of the Bridge Facility lenders on the closing date of the Merger that evidenced the terms of the Bridge Facility. The Bridge Facility matured on the second business day following the funding thereof and required scheduled amortization payments. Borrowings under the Bridge Facility bear interest at a rate equal to the highest of (i) the Bank of America prime rate, (ii) the federal fund effective rate from time to time plus 0.5% and (iii) the one month adjusted London interbank offered rate ("LIBOR") plus 1.0%. Other than as set forth in this paragraph, the terms of the Bridge Facility are substantially the same as the terms of the Term Loan Agreement discussed below. As part of the acquisition of LPS on January 2, 2014, the Bridge Facility was funded and subsequently repaid the following day.

On July 11, 2013, FNF entered into a term loan credit agreement with Bank of America, N.A., as administrative agent (in such capacity, the "TL Administrative Agent"), the lenders party thereto and the other agents party thereto (the "Term Loan Agreement"). The Term Loan Agreement permits us to borrow up to \$1.1 billion to fund the acquisition of LPS. The term loans under the Term Loan Agreement mature on the date that is five years from the funding date of the term loans under the Term Loan

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Agreement. Term loans under the Term Loan Agreement generally bear interest at a variable rate based on either (i) the base rate (which is the highest of (a) 0.5% in excess of the federal funds rate, (b) the TL Administrative Agent's "prime rate", or (c) the sum of 1.0% plus one-month LIBOR) plus a margin of between 50 basis points and 100 basis points depending on the senior unsecured long-term debt ratings of FNF or (ii) LIBOR plus a margin of between 150 basis points and 200 basis points depending on the senior unsecured long-term debt ratings of FNF. Based on our current Moody's and Standard & Poor's senior unsecured long-term debt ratings of Baa3/BBB-, respectively, the applicable margin for term loans subject to LIBOR is 175 basis points over LIBOR. Under the Term Loan Agreement, we are subject to customary affirmative, negative and financial covenants, including, among other things, limits on the creation of liens, limits on the incurrence of indebtedness, restrictions on investments, dispositions and transactions with affiliates, limitations on dividends and other restricted payments, a minimum net worth and a maximum debt to capitalization ratio. The Term Loan Agreement also includes customary events of default for facilities of this type (with customary grace periods, as applicable) and provides that, if an event of default occurs and is continuing, the interest rate on all outstanding obligations may be increased, payments of all outstanding term loans may be accelerated and/or the lenders' commitments may be terminated. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Term Loan Agreement shall automatically become immediately due and payable, and the lenders' commitments will automatically terminate. Under the Term Loan Agreement the financial covenants are the same as under the Revolving Credit Facility. On October 27, 2013, we amended the Term Loan Agreement to permit us to incur the indebtedness in respect of the Bridge Facility and incorporate technical changes to describe the structure of the LPS merger. As part of the acquisition of LPS on January 2, 2014, the Term Loan Agreement was fully funded.

On June 25, 2013, FNF entered into an agreement to amend and restate our existing \$800 million second amended and restated credit agreement (the "Existing Credit Agreement"), dated as of April 16, 2012 with Bank of America, N.A., as administrative agent (in such capacity, the "Administrative Agent") and the other agents party thereto (the "Revolving Credit Facility"). Among other changes, the Revolving Credit Facility amends the Existing Credit Agreement to permit us to make a borrowing under the Revolving Credit Facility to finance a portion of the acquisition of LPS on a "limited conditionality" basis, incorporates other technical changes to permit us to enter into the Acquisition and extends the maturity of the Existing Credit Agreement. The lenders under the Existing Credit Agreement have agreed to extend the maturity date of their commitments under the credit facility from April 16, 2016 to July 15, 2018 under the Revolving Credit Facility. Revolving loans under the credit facility generally bear interest at a variable rate based on either (i) the base rate (which is the highest of (a) 0.5% in excess of the federal funds rate, (b) the Administrative Agent's "prime rate", or (c) the sum of 1.0% plus one-month LIBOR) plus a margin of between 32.5 and 60 basis points depending on the senior unsecured long-term debt ratings of FNF or (ii) LIBOR plus a margin of between 132.5 and 160 basis points depending on the senior unsecured long-term debt ratings of FNF. Based on our current Moody's and Standard & Poor's senior unsecured long-term debt ratings of Baa3/BBB-, respectively, the applicable margin for revolving loans subject to LIBOR is 145 basis points. In addition, we will pay a facility fee of between 17.5 and 40 basis points on the entire facility, also depending on our senior unsecured long-term debt ratings. Under the Revolving Credit Facility, we are subject to customary affirmative, negative and financial covenants, including, among other things, limits on the creation of liens, limits on the incurrence of indebtedness, restrictions on investments, dispositions and transactions with affiliates, limitations on dividends and other restricted payments, a minimum net worth and a maximum debt to capitalization ratio. The Revolving Credit Facility also includes customary events of default for facilities of this type (with customary grace periods, as applicable) and provides that, if an event of default occurs and is continuing, the interest rate on all outstanding obligations may be increased, payments of all outstanding loans may be accelerated and/or the lenders' commitments may be terminated. These events of default include a cross-default provision that, subject to limited exceptions, permits the lenders to declare the Revolving Credit Facility in default if: (i) (a) we fail to make any payment after the applicable grace period under any indebtedness with a principal amount (including undrawn committed amounts) in excess of 3.0% of our net worth, as

defined in the Revolving Credit Facility, or (b) we fail to perform any other term under any such indebtedness, or any other event occurs, as a result of which the holders thereof may cause it to become due and payable prior to its maturity; or (ii) certain termination events occur under significant interest rate, equity or other swap contracts. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Revolving Credit Facility shall automatically become immediately due and payable, and the lenders' commitments will automatically terminate. Under the Revolving Credit Facility the financial covenants remain essentially the same as under the Existing Credit Agreement, except that the total debt to total capitalization ratio limit of 35% will increase to 37.5% for a period of one year after the closing of the LPS acquisition and the net worth test was reset. Also on October 24, 2013, FNF entered into amendments to amend the Revolving Credit Facility to permit us to incur the indebtedness in respect of the Bridge Facility and incorporate other technical changes to describe the structure of the LPS merger. As of September 30, 2014, there was \$100 million outstanding balance under the Revolving Credit Facility. During the three and nine months ending September 30, 2014, we repaid \$200 million on the Revolving Credit Facility.

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On March 5, 2013, Remy entered into a First Amendment to its existing five year Asset-Based Revolving Credit Facility (the "Remy Credit Facility" and "Remy Credit Facility First Amendment") to extend the maturity date of the Remy Credit Facility from December 17, 2015 to September 5, 2018 and reduce the interest rate. The Remy Credit Facility now bears interest at a defined Base Rate plus 0.50%-1.00% per year or, at Remy's election, at an applicable LIBOR Rate plus 1.50%-2.00% per year and is paid monthly. The Remy Credit Facility First Amendment maintains the current maximum availability at \$95 million, which may be increased, under certain circumstances, by \$20 million, though the actual amount that may be borrowed is based on the amount of collateral. The Remy Credit Facility is secured by substantially all domestic accounts receivable and inventory held by Remy. Remy will incur an unused commitment fee of 0.375% on the unused amount of commitments under the Remy Credit Facility First Amendment. At September 30, 2014, the Remy Credit Facility balance was \$20 million. Based upon the collateral supporting the Remy Credit Facility, the amount borrowed, and the outstanding letters of credit of \$14 million, there was additional availability for borrowing of \$57 million on September 30, 2014. The Remy Credit Facility contains various restrictive covenants, which include, among other things: (i) a maximum leverage ratio, decreasing over the term of the facility; (ii) a minimum interest coverage ratio, increasing over the term of the facility; (iii) mandatory prepayments upon certain asset sales and debt issuances; (iv) requirements for minimum liquidity; and (v) limitations on the payment of dividends in excess of a specified amount. During the three months ended September 30, 2014, Remy borrowed \$43 million and repaid \$23 million under this facility. During the nine months ended September 30, 2014, Remy borrowed \$52 million and repaid \$32 million under this facility.

On March 5, 2013, Remy entered into a \$300 million Amended and Restated Term B Loan Credit Agreement ("Term B Amendment") to refinance the existing \$287 million Term B Loan, extend the maturity from December 17, 2016 to March 5, 2020, and reduce the interest rate. The Term B Amendment now bears interest paid quarterly at LIBOR (subject to a floor of 1.25%) plus 3% per year, with an original issue discount of approximately \$1 million. The Term B Amendment also contains an option to increase the borrowing provided certain conditions are satisfied, including maintaining a maximum leverage ratio. The Term B Amendment is secured by a first priority lien on the stock of Remy's subsidiaries and substantially all domestic assets other than accounts receivable and inventory pledged to the Remy Credit Facility. Principal payments in the amount of approximately \$1 million are due at the end of each calendar quarter with termination and final payment no later than March 5, 2020. The Term B Amendment also includes covenants and events of default customary for a facility of this type, including a cross-default provision under which the lenders may declare the loan in default if Remy (i) fails to make a payment when due under any debt having a principal amount greater than \$5 million or (ii) breaches any other covenant in any such debt as a result of which the holders of such debt are permitted to accelerate its maturity. Remy is in compliance with all covenants as of September 30, 2014. The Term B Loan is subject to an excess cash calculation which may require the payment of additional principal on an annual basis. At September 30, 2014, the average borrowing rate, including the impact of the interest rate swaps, was 4.25%.

On August 28, 2012, FNF completed an offering of \$400 million in aggregate principal amount of 5.50% notes due September 2022 (the "5.50% notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The notes were priced at 99.513% of par to yield 5.564% annual interest. As such we recorded a discount of \$2 million, which is netted against the \$400 million aggregate principal amount of the 5.50% notes. The discount is amortized to September 2022 when the 5.50% notes mature. The 5.50% notes will pay interest semi-annually on the 1st of March and September, beginning March 1, 2013. We received net proceeds of \$396 million, after expenses, which were used to repay the \$237 million aggregate principal amount outstanding of our 5.25% unsecured notes maturing in March 2013, and \$50 million outstanding on our revolving credit facility, with the remainder being used for general corporate purposes. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of the Company in an aggregate amount exceeding \$100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and

payable prior to its scheduled maturity.

On May 31, 2012, ABRH entered into a credit agreement (the "ABRH Credit Facility") with Wells Fargo Capital Finance, LLC as administrative agent and swing lender (the "ABRH Administrative Lender") and the other financial institutions party thereto. The ABRH Credit Facility provides for a maximum revolving loan of \$80 million ("the ABRH Revolver") with a maturity date of May 31, 2017. Additionally, the ABRH Credit Facility provides for a maximum term loan ("ABRH Term Loan") of \$85 million with quarterly installment repayments through December 25, 2016 and a maturity date of May 31, 2017 for the outstanding unpaid principal balance and all accrued and unpaid interest. On May 31, 2012, ABRH borrowed the entire \$85 million under such term loan. Pricing for the ABRH Credit Facility is based on an applicable margin between 300 basis points to 375 basis points over LIBOR. The ABRH Credit Facility is subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on ABRH's creation of liens, sales of assets, incurrence of indebtedness, restricted payments, transactions with affiliates, and certain amendments. The covenants addressing restricted payments include certain limitations on the declaration or payment of dividends by ABRH to its parent, Fidelity Newport Holdings, LLC ("FNH"), and by FNH to its members, and one such limitation restricts the amount of dividends that ABRH can pay to its parent (and that FNH can

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in turn pay to its members) to \$5 million in the aggregate (outside of certain other permitted dividend payments) in fiscal year 2012 (with varying amounts for subsequent years). The ABRH Credit Facility includes customary events of default for facilities of this type (with customary grace periods, as applicable), which include a cross-default provision whereby an event of default will be deemed to have occurred if (i) ABRH or any of its guarantors, which consists of FNF and certain of its subsidiaries (together, the "Loan Parties") or any of their subsidiaries default on any agreement with a third party of \$2 million or more related to their indebtedness and such default (a) occurs at the final maturity of the obligations thereunder or (b) results in a right by such third party to accelerate such Loan Party's or its subsidiary's obligations or (ii) a default or an early termination occurs with respect to certain hedge agreements to which a Loan Party or its subsidiaries is a party involving an amount of \$0.75 million or more. The ABRH Credit Facility provides that, upon the occurrence of an event of default, the ABRH Administrative Lender may (i) declare the principal of, and any and all accrued and unpaid interest and fees in respect of, the loans immediately due and payable, (ii) terminate loan commitments and (iii) exercise all other rights and remedies available to the ABRH Administrative Lender or the lenders under the loan documents. During the three and nine months ended September 30, 2014, ABRH did not borrow under this facility and repaid \$54 million on this facility.

On August 2, 2011, FNF completed an offering of \$300 million in aggregate principal amount of 4.25% convertible senior notes due August 2018 (the "Notes") in an offering conducted in accordance with Rule 144A under the Securities Act of 1933, as amended. The Notes contain customary event-of-default provisions which, subject to certain notice and cure-period conditions, can result in the acceleration of the principal amount of, and accrued interest on, all outstanding Notes if we breach the terms of the Notes or the indenture pursuant to which the Notes were issued. The Notes are unsecured and unsubordinated obligations and (i) rank senior in right of payment to any of our existing or future unsecured indebtedness that is expressly subordinated in right of payment to the Notes; (ii) rank equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; (iii) are effectively subordinated in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) are structurally subordinated to all existing and future indebtedness and liabilities of our subsidiaries. Interest is payable on the principal amount of the Notes, semi-annually in arrears in cash on February 15 and August 15 of each year, commencing February 15, 2012. The Notes mature on August 15, 2018, unless earlier purchased by us or converted. The Notes were issued for cash at 100% of their principal amount. However, for financial reporting purposes, the notes were deemed to have been issued at 92.818% of par value, and as such we recorded a discount of \$22 million to be amortized to August 2018, when the Notes mature. The Notes will be convertible into cash, shares of common stock, or a combination of cash and shares of common stock, at our election, based on an initial conversion rate, subject to adjustment, of 46.387 shares per \$1,000 principal amount of the Notes (which represents an initial conversion price of approximately \$21.56 per share), only in the following circumstances and to the following extent: (i) during any calendar quarter commencing after December 31, 2011, if, for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter, the last reported sale price per share of our common stock on such trading day is greater than or equal to 130% of the applicable conversion price on such trading day; (ii) during the five consecutive business day period immediately following any ten consecutive trading day period (the "measurement period") in which, for each trading day of the measurement period, the trading price per \$1,000 principal amount of notes was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the applicable conversion rate on such trading day; (iii) upon the occurrence of specified corporate transactions; or (iv) at any time on and after May 15, 2018. However, in all cases, the Notes will cease to be convertible at the close of business on the second scheduled trading day immediately preceding the maturity date. It is our intent and policy to settle conversions through "net-share settlement". Generally, under "net-share settlement," the conversion value is settled in cash, up to the principal amount being converted, and the conversion value in excess of the principal amount is settled in shares of our common stock. As of October 1, 2013, these notes were convertible under the 130% Sale Price Condition described above. On March 28, 2014, \$42 thousand in

principal of these bonds were converted at the election of the bondholder. These bonds had a fair value of \$65 thousand. The conversion was completed in the second quarter of 2014.

Remy has revolving credit facilities with three Korean banks with a total facility amount of approximately \$12 million, of which \$2 million is borrowed at average interest rates of 3.16% at September 30, 2014. In Hungary, there is one revolving credit facility with one bank for a total facility amount of \$1 million, of which nothing is borrowed at September 30, 2014. Remy also has a revolving credit facility in China with one bank for a total credit facility of \$10 million, of which \$5 million was borrowed at an average interest rate of 4.15% at September 30, 2014. During the three-months ended September 30, 2014, Remy did not borrow or repay any amounts under this facility. During the nine-months ended September 30, 2014, Remy borrowed \$5 million under this facility, and did not make any repayments.

On May 5, 2010, FNF completed an offering of \$300 million in aggregate principal amount of our 6.60% notes due May 2017 (the "6.60% Notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The 6.60% Notes were priced at 99.897% of par to yield 6.61% annual interest. We received net proceeds of \$297 million, after

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expenses, which were used to repay outstanding borrowings under our credit agreement. Interest is payable semi-annually. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision, with respect to any other debt of the Company in an aggregate amount exceeding \$100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

Gross principal maturities of notes payable at September 30, 2014 are as follows (in millions):

2014 (remaining)	\$ 10
2015	120
2016	176
2017	533
2018	656
Thereafter	1,743
	\$3,238

Note G — Commitments and Contingencies

Legal and Regulatory Contingencies

In the ordinary course of business, we are involved in various pending and threatened litigation matters related to our title operations, some of which include claims for punitive or exemplary damages. This customary litigation includes but is not limited to a wide variety of cases arising out of or related to title and escrow claims, for which we make provisions through our loss reserves. Additionally, like other insurance companies, our ordinary course litigation includes a number of class action and purported class action lawsuits, which make allegations related to aspects of our insurance operations. We believe that no actions, other than the matters discussed below, depart from customary litigation incidental to our insurance business.

Remy is a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to commercial transactions, product liability, safety, health, taxes, environmental, intellectual property and other matters.

Our Restaurant Group companies are a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to injury or wrongful death under “dram shop”, laws that allow a person to sue us based on any injury caused by an intoxicated person who was wrongfully served alcoholic beverages at one of the restaurants, individual and purported class action claims alleging violation of federal and state wage and hour and other employment laws, and claims from guests or employees alleging illness, injury or other food quality, health or operational concerns. These companies are also subject to compliance with extensive government laws and regulations related to employment practices and policies and the manufacture, preparation, and sale of food and alcohol.

We review lawsuits and other legal and regulatory matters (collectively “legal proceedings”) on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings where it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts and which represents our best estimate has been recorded. Our accrual for legal and regulatory matters was \$92 million as of September 30, 2014 and \$9 million as of December 31, 2013. Of this accrual, \$75 million relates to historical LPS matters. As discussed elsewhere, LPS was acquired on January 2, 2014. None of the amounts we have currently recorded are considered to be individually or in the aggregate material to our financial condition. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending cases is generally not yet determinable. While some of these matters could be material to our operating results or cash flows for any particular period if an unfavorable outcome results, at present we do not believe that the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our

financial condition.

Following a review by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and the Office of Thrift Supervision (collectively, the “banking agencies”), LPS entered into a consent order (the “Order”) dated April 13, 2011 with the banking agencies. The banking agencies' review of LPS' services included the services provided by its default operations to mortgage servicers regulated by the banking agencies, including document execution services. The Order does not make any findings of fact or conclusions of wrongdoing, nor does LPS admit any fault or liability. Under the Order, LPS agreed to further study the issues identified in the review and to enhance its compliance, internal audit, risk management and board oversight plans with respect to those businesses. LPS also agreed to engage an

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independent third party to conduct a risk assessment and review of its default management businesses and the document execution services we provided to servicers from January 1, 2008 through December 31, 2010. The document execution review by the independent third party is likely to take longer than previously anticipated. LPS accrued for the additional fees and costs expected to be charged by the independent third party to complete the review. To the extent such review, once completed, requires additional remediation of mortgage documents or identifies any financial injury from the document execution services LPS provided, LPS agreed to implement an appropriate plan to address the issues. The Order contains various deadlines by which LPS has agreed to accomplish the undertakings set forth therein, including the preparation of a remediation plan following the completion of the document execution review. LPS agreed and we will continue to make periodic reports to the banking agencies on our progress with respect to each of the undertakings in the Order. The Order does not include any fine or other monetary penalty, although the banking agencies have not yet concluded their assessment of whether any civil monetary penalties may be imposed. We have accrued for estimated losses expected to be paid for this matter in our legal and regulatory accrual.

On December 16, 2013, LPS received notice that Merion Capital, L.P. and Merion Capital II, L.P. (together "Merion Capital") were asserting their appraisal right relative to their ownership of 5,682,276 shares of LPS stock in connection with our acquisition of LPS. On February 6, 2014, Merion Capital LP and Merion Capital II, LP v. Lender Processing Services, Inc. n/k/a Black Knight InfoServ, LLC ("LPS"), C.A. No. 9320-VCL, was filed in the Court of Chancery in Delaware seeking a judicial determination of the "fair" value of Merion Capital's 5,682,276 shares of LPS common stock under Delaware law (the "Appraisal Shares"), together with statutory interest. We filed an answer to this suit on March 3, 2014, and discovery is ongoing. On August 26, 2014, we filed a motion to pay the merger consideration to Merion Capital and stop the accrual of additional statutory interest during the pendency of the appraisal proceeding. On September 18, 2014, we reached an agreement with Merion Capital to resolve the interest motion and Merion Capital received the merger consideration, approximately 1.6 million shares of common stock and approximately \$160 million in cash, which was previously held in escrow for Merion Capital, in respect of the Merion Appraisal Shares, together with interest of approximately \$9 million through the date of payment. Due to the early stages of the case, we are unable to estimate a range of loss, if any, at this time. We will continue to vigorously defend against the appraisal proceedings; however, we do not believe the result will have a material impact to us.

In September 2008, Remy filed suit against Tecnomatic in the U.S. District Court, Southern District of Indiana, Indianapolis Division (Civil Action No.: 1:08-CV-1227-SEB-JMS), titled Remy, Inc. v. Tecnomatic S.p.A. for breach of contract, among other claims, with respect to a machine Tecnomatic sold to Remy to build an engine component. In March 2011, Tecnomatic filed a lawsuit in U.S. District Court, N.D. of Illinois, against Remy, its Mexican subsidiaries and two other entities alleging breach of contract and the misappropriation of trade secrets, and requested damages of \$110 million. On September 11, 2014, Remy announced entry into a Settlement Agreement and Mutual General Release (the "Agreement") to settle all disputes that existed among Remy and Tecnomatic. In addition, Remy entered into a cross licensing arrangement of certain patents with Tecnomatic. The value of the patents received from Tecnomatic is approximately \$14 million. Pursuant to the Agreement and the cross licensing arrangement, Remy paid to Tecnomatic a \$16 million cash payment in September 2014 and will pay a \$16 million cash payment on or before March 15, 2015. Amounts remaining to be paid have been accrued in our legal and regulatory accrual during the quarter.

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for

violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

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Operating Leases

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

2014 (remaining)	\$137
2015	181
2016	150
2017	125
2018	97
Thereafter	322
Total future minimum operating lease payments	\$1,012

Note H — Dividends

On October 28, 2014, our Board of Directors declared cash dividends of \$0.19 per share, payable on December 31, 2014, to FNF Group common shareholders of record as of December 17, 2014.

Note I — Segment Information

Summarized financial information concerning our reportable segments is shown in the following tables. During the fourth quarter of 2013, we determined that the Corporate and Other segment would be split in order to differentiate operations and costs related to our FNF Core businesses from those associated with FNFV. As a result, we reorganized our reporting segments to reflect this change. On January 2, 2014, we acquired LPS. As a result we have a new segment, BKFS, which contains the technology, data and analytics operations of the former LPS company. We have combined the acquired transaction services business of LPS with our existing ServiceLink operations which reside in the Title segment. There are several intercompany corporate related arrangements between our various FNF Core businesses. The effects of these arrangements including intercompany notes and related interest and any other non-operational intercompany revenues and expenses have been eliminated in the segment presentations below.

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As of and for the three months ended September 30, 2014:

	Title	BKFS	FNF Core Corporate and Other	Total FNF Core	Remy	Restauran Group	FNFV Corporate and Other	Total FNFV	Elimination	Total	
	(In millions)										
Title premiums	\$993	\$—	\$—	\$993	\$—	\$—	\$—	\$—	\$—	\$993	
Other revenues	491	214	3	708	—	—	27	27	—	735	
Auto parts revenues	—	—	—	—	290	—	—	290	—	290	
Restaurant revenues	—	—	—	—	—	343	—	343	—	343	
Revenues from external customers	1,484	214	3	1,701	290	343	27	660	—	2,361	
Interest and investment income (loss), including realized gains and losses	26	—	(1	) 25	—	—	(3	) (3	) —	22
Total revenues	1,510	214	2	1,726	290	343	24	657	—	2,383	
Depreciation and amortization	35	48	1	84	1	14	3	18	—	102	
Interest expense	—	8	24	32	5	2	(2	) 5		37
Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates	192	24	(35	) 181	(18	) (3	) (6	) (27	) —	154
Income tax expense (benefit)	69	—	4	73	(6	) —	(8	) (14	) —	59
Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates	123	24	(39	) 108	(12	) (3	) 2	(13	) —	95
Equity in earnings (loss) of unconsolidated affiliates	1	—	—	1	—	—	(8) (8) —	(7)
Earnings (loss) from continuing operations	\$124	\$24	\$ (39) \$109	\$(12) \$(3) \$(6) \$(21) \$—	\$88	

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Assets	\$8,393	\$3,608	\$ 25	\$12,026	\$1,297	\$ 682	\$ 799	\$2,778	\$ (29)	\$14,775
Goodwill	2,253	2,219	2	4,474	262	118	103	483	—	4,957

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

As of and for the three months ended September 30, 2013:

	Title	FNF Core Corporate and Other	Total FNF Core	Remy	Restauran Group	FNFV Corporate and Other	Total FNFV	Eliminations	Total
	(In millions)								
Title premiums	\$1,102	\$ —	\$1,102	\$—	\$—	\$—	\$—	\$—	\$1,102
Other revenues	409	6	415	—	—	22	22	—	437
Auto parts revenues	—	—	—	266	—	—	266	—	266
Restaurant revenues	—	—	—	—	336	—	336	—	336
Revenues from external customers	1,511	6	1,517	266	336	22	624	—	2,141
Interest and investment income (loss), including realized gains and losses	32	1	33	—	2	(2)	—	—	33
Total revenues	1,543	7	1,550	266	338	20	624	—	2,174
Depreciation and amortization	17	(1)	16	1	13	6	20	—	36
Interest expense	—	20	20	6	2	(1)	7	—	27
Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates	220	(44)	176	6	—	(20)	(14)	—	162
Income tax expense (benefit)	77	(14)	63	1	—	(12)	(11)	—	52
Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates	143	(30)	113	5	—	(8)	(3)	—	110
Equity in earnings (loss) of unconsolidated affiliates	1	—	1	(2)	—	(13)	(15)	—	(14)
Earnings (loss) from continuing operations	\$144	\$ (30)	\$114	\$3	\$—	\$ (21)	\$ (18)	\$—	\$96
Assets	\$6,998	\$ 597	7,595	\$1,241	\$ 668	\$ 689	\$2,598	\$ (116)	\$10,077
Goodwill	1,434	3	1,437	248	118	91	457	—	1,894

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

As of and for the nine months ended September 30, 2014:

	Title	BKFS	FNF Core Corporate and Other	Total FNF Core	Remy	Restauran Group	FNFV Corporate and Other	Total FNFV	Elimination	Total
	(In millions)									
Title premiums	\$2,699	\$—	\$—	\$2,699	\$—	\$—	\$—	\$—	\$—	\$2,699
Other revenues	1,394	632	(11)	2,015	—	—	82	82	—	2,097
Auto parts revenues	—	—	—	—	892	—	—	892	—	892
Restaurant revenues	—	—	—	—	—	1,055	—	1,055	—	1,055
Revenues from external customers	4,093	632	(11)	4,714	892	1,055	82	2,029	—	6,743
Interest and investment income (loss), including realized gains and losses	89	—	(1)	88	1	(1)	—	—	—	88
Total revenues	4,182	632	(12)	4,802	893	1,054	82	2,029	—	6,831
Depreciation and amortization	109	142	2	253	3	39	10	52	—	305
Interest expense	—	23	70	93	16	5	(3)	18		111
Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates	353	(34)	(90)	229	—	13	(3)	10	—	239
Income tax expense (benefit)	129	(11)	(26)	92	—	—	(13)	(13)	—	79
Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates	224	(23)	(64)	137	—	13	10	23	—	160
Equity in earnings (loss) of unconsolidated affiliates	3	—	—	3	—	—	(46)	(46)	—	(43)
Earnings (loss) from continuing operations	\$227	\$(23)	\$(64)	\$140	\$—	\$13	\$(36)	\$(23)	\$—	\$117

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Assets	\$8,393	\$3,608	\$ 25	\$12,026	\$1,297	\$ 682	\$ 799	\$2,778	\$ (29)	\$14,775
Goodwill	2,253	2,219	2	4,474	262	118	103	483	—	4,957

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

As of and for the nine months ended September 30, 2013:

	Title	FNF Core Corporate and Other	Total FNF Core	Remy	Restaurant Group	FNFV Corporate and Other	Total FNFV	Eliminations	Total
	(In millions)								
Title premiums	\$3,156	\$ —	\$3,156	\$—	\$—	\$ —	\$—	\$ —	\$3,156
Other revenues	1,266	33	1,299	—	—	62	62	—	1,361
Auto parts revenues	—	—	—	834	—	—	834	—	834
Restaurant revenues	—	—	—	—	1,037	—	1,037	—	1,037
Revenues from external customers	4,422	33	4,455	834	1,037	62	1,933	—	6,388
Interest and investment income (loss), including realized gains and losses	107	2	109	(3)	—	—	(3)	—	106
Total revenues	4,529	35	4,564	831	1,037	62	1,930	—	6,494
Depreciation and amortization	49	1	50	3	40	11	54	—	104
Interest expense	—	52	52	16	6	(3)	19	—	71
Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates	662	(117)	545	7	5	(35)	(23)	—	522
Income tax expense (benefit)	236	(39)	197	2	(1)	(28)	(27)	—	170
Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates	426	(78)	348	5	6	(7)	4	—	352
Equity in earnings (loss) of unconsolidated affiliates	4	—	4	—	—	(24)	(24)	—	(20)
Earnings (loss) from continuing operations	\$430	\$ (78)	\$352	\$5	\$6	\$ (31)	\$ (20)	\$ —	\$332
Assets	\$6,998	\$ 597	7,595	\$1,241	\$ 668	\$ 689	\$2,598	\$ (116)	\$10,077
Goodwill	1,434	3	1,437	248	118	91	457	—	1,894

The activities of the reportable segments include the following:

FNF Core Operations

Title

This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty insurance. This segment also includes the transaction services business acquired from LPS, now combined with our ServiceLink business. Transaction services

include other title related services used in production and management of mortgage loans, including mortgage loans that go into default.

BKFS

This segment consists of the operations of BKFS. This segment provides core technology and data and analytics services through leading software systems and information solutions that facilitate and automate many of the business processes across the life cycle of a mortgage.

FNF Core Corporate and Other

The FNF Core Corporate and Other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

FNFV

Remy

This segment consists of the operations of Remy, in which we have a 51% ownership interest. Remy is a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles.

Restaurant Group

The Restaurant Group segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Bakers Square concepts. This

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FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

segment also includes J. Alexander's in which we have an 87% ownership interest, which also includes the Stoney River Steakhouse and Grill concept.

FNFV Corporate and Other

The FNFV Corporate and Other segment primarily consists of our share in the operations of certain equity investments, including Ceridian, Digital Insurance and other smaller operations which are not title related.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The statements contained in this Quarterly Report on Form 10-Q that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding our expectations, hopes, intentions or strategies regarding the future. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements. It is important to note that our actual results could vary materially from those forward-looking statements contained herein due to many factors, including, but not limited to: changes in general economic, business and political conditions, including changes in the financial markets; continued weakness or adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding or a weak U.S. economy; our potential inability to find suitable acquisition candidates, acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus, or difficulties in integrating acquisitions; our dependence on distributions from our title insurance underwriters as our main source of cash flow; significant competition that our operating subsidiaries face; compliance with extensive government regulation of our operating subsidiaries and adverse changes in applicable laws or regulations or in their application by regulators; and other risks detailed in the "Statement Regarding Forward-Looking Information," "Risk Factors" and other sections of the Company's Form 10-K for the year ended December 31, 2013 and other filings with the Securities and Exchange Commission.

The following discussion should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2013.

Overview

We have organized our business into two groups, FNF Core Operations and FNF Ventures, known as "FNFV." Through our Core operations, FNF is a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. FNF is the nation's largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title, Alamo Title and National Title of New York - that collectively issue more title insurance policies than any other title company in the United States. FNF also provides industry-leading mortgage technology solutions and transaction services, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiaries, Black Knight Financial Services, LLC ("BKFS") and ServiceLink Holdings, LLC. In addition, in our FNFV group, we own majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC ("ABRH"), J. Alexander's, LLC ("J. Alexander's"), Remy International, Inc. ("Remy"), Ceridian HCM, Inc. and Comdata Inc. (collectively "Ceridian") and Digital Insurance, Inc. ("Digital Insurance").

We currently have six reporting segments as follows:

FNF Core Operations

Title

This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title related services including collection and trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty insurance. This segment also includes the transaction services business acquired from LPS, now combined with our ServiceLink business. Transaction services include other title related services used in production and management of mortgage loans, including mortgage loans that go into default.

BKFS

This segment consists of the operations of BKFS. This segment provides core technology and data and analytics services through leading software systems and information solutions that facilitate and automate many of the business processes across the life cycle of a mortgage.

FNF Core Corporate and Other

The FNF Core Corporate and Other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

FNFV

Remy

This segment consists of the operations of Remy, in which we have a 51% ownership interest. Remy is a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles.

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Restaurant Group

The Restaurant Group segment consists of the operations of ABRH, in which we have a 55% ownership interest. ABRH is the owner and operator of the O'Charley's, Ninety Nine Restaurants, Max & Erma's, Village Inn and Bakers Square concepts. This segment also includes J. Alexander's in which we have an 87% ownership interest, which also includes the Stoney River Steakhouse and Grill concept.

FNFV Corporate and Other

The FNFV Corporate and Other segment primarily consists of our share in the operations of certain equity investments, including Ceridian, Digital Insurance and other smaller operations which are not title related.

Recent Developments

On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. We did not repurchase any FNFV Group shares from November 6, 2014 through market close on November 7, 2014.

On September 9, 2014, we filed a draft registration statement with the Securities and Exchange Commission ("SEC") relating to a proposed initial public offering of J. Alexander's common stock. J. Alexander's is currently presented as part of the Restaurant Group segment. The number of shares to be offered and the price range for the proposed offering have not yet been determined. The registration statement has not yet become effective. As a result shares to be registered may not be sold nor may offers to buy be accepted prior to the time when the registration statement becomes effective.

On September 7, 2014, we entered into an agreement with Remy for a transaction (the "Spin-off"). Under the Spin-off, FNFV will combine all of the 16,342,508 shares of Remy common stock that FNFV owns and a small company called Fidelity National Technology Imaging, LLC ("Imaging") into a newly-formed subsidiary ("New Remy"). New Remy will then be distributed to FNFV shareholders. Immediately following the distribution of New Remy to FNFV shareholders, New Remy and Remy will engage in a series of stock-for-stock transactions ending with a new publicly-traded holding company, New Remy Holdco ("New Holdco"). In the Spin-off, FNFV shareholders will receive an estimated total of 16,615,359 shares of New Holdco common stock, or approximately 0.18117 shares for each share of FNFV tracking stock owned. The remaining shareholders of Remy (other than New Remy) will receive an estimated total of 15,652,824 shares, or one share of New Holdco for each share of Remy owned. Remy currently has approximately 32 million shares of common stock outstanding and at the conclusion of the Spin-off, New Holdco will have approximately 32 million shares of common stock outstanding. The Spin-off should be tax-free to all existing Remy and FNFV shareholders. This structure will result in New Holdco becoming the new public parent of Remy. Under the organizational documents of New Holdco, the rights of the holders of the common stock of New Holdco will be the same as the rights of holders of Remy common stock. The Spin-off is subject to customary closing conditions, including Remy shareholder approval, which based on FNFV's ownership of Remy is assured. On October 6, 2014, New Holdco filed an initial Form S-4 registration statement with the SEC, which includes a preliminary proxy statement with respect to the foregoing shareholder vote. In addition, on October 10, 2014, New Remy filed a Form S-1 registration statement with the SEC with regard to the Spin-off. Both of these filings are subject to SEC review and comment before the Remy shareholder meeting can be set. The Spin-off is expected to close in December 2014 or in the first quarter of 2015.

On August 25, 2014, we acquired a 70% ownership interest in LandCastle Title ("LandCastle"), in exchange for our agreement to fund escrow shortfalls in LandCastle's escrow accounts. At the time of the acquisition, LandCastle was a large third-party agent of FNF, operating primarily in the State of Georgia. To date, FNF's total cash contribution to LandCastle is approximately \$19 million and based on our current understanding of the business could increase by approximately \$0 - \$10 million.

On August 19, 2014, ABRH completed a recapitalization whereby they entered into a new credit agreement for \$210 million. As part of the recapitalization, ABRH's parent paid a special dividend to its members, totaling \$75 million. Of this special dividend, FNFV received \$41 million. ABRH's parent also distributed its 28% ownership interest in J.

Alexander's to FNFV, resulting in FNFV now directly owning 87% of J. Alexander's. See Note F for further discussion of the new credit agreement.

On August 12, 2014, we announced that Ceridian reached an agreement to exchange its subsidiary Comdata Inc. ("Comdata") with FleetCor Technologies Inc. ("FleetCor") stock in a transaction valued at approximately \$3.45 billion. After repayment of existing Comdata indebtedness and transaction related expenses, total consideration received by Ceridian will be approximately \$950 million, which will be paid in approximately 7 million shares of FleetCor common stock. FNFV owns approximately 32% of Ceridian. Approximately \$250 million of the common stock of FleetCor will be placed in an escrow account to cover potential indemnity claims as set forth in the merger agreement. The escrowed shares will be released over a three-year period. The actual number of shares of FleetCor common stock received by Ceridian will be subject to adjustment based on the amounts of indebtedness and working capital outstanding at Comdata at the closing of the transaction as set forth in the merger agreement. The shares of FleetCor common stock that Ceridian will receive will be subject to a six-month lockup period after closing of the transaction. At

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the expiration of the six-month lockup period, Ceridian will be entitled to demand registration rights on all shares of FleetCor common stock, subject to customary limitations. At closing of the Comdata merger FNFV will indirectly own approximately 3% of the outstanding shares of FleetCor. The stock-for-stock transaction is expected to be tax-free for Ceridian and its shareholders. The transaction is subject to customary closing conditions and is expected to close in the fourth quarter of 2014.

On June 30, 2014, we completed the recapitalization of FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. Each share of the previously outstanding FNF Class A common stock ("Old FNF common stock") was converted into one share of FNF Group common stock, which now trades on the New York Stock Exchange under the current trading symbol "FNF," and 0.3333 of a share of FNFV Group common stock, which now trades on the New York Stock Exchange under the trading symbol "FNFV." Both FNF and FNFV began regular trading on July 1, 2014.

Effective June 1, 2014, we completed an internal reorganization to contribute our subsidiary Property Insight, a company which provides information used by title insurance underwriters, title agents and closing attorneys to underwrite title insurance policies for real property sales and transfer, from our Title segment to BKFS. As a result of this transfer, our ownership percentage in BKFS increased to 67%. Our results for periods since June 1, 2014, reflect our now 67% ownership interest in BKFS.

On January 13, 2014, Remy acquired substantially all of the assets of United Starters and Alternators Industries, Inc. ("USA Industries"). USA Industries is a leading North American distributor of premium quality remanufactured and new alternators, starters, constant velocity axles and disc brake calipers for the light-duty aftermarket. Total consideration paid was \$40 million, net of cash acquired.

On January 2, 2014, we completed the purchase of Lender Processing Services, Inc. ("LPS"). The purchase consideration paid was \$37.14 per share, of which \$28.10 per share was paid in cash and the remaining \$9.04 was paid in FNF common shares. The purchase consideration represented an exchange ratio of 0.28742 Old FNF common shares per share of LPS common stock. Total consideration paid for LPS was \$3.4 billion, which consisted of \$2,535 million in cash and \$839 million in Old FNF common stock. In order to pay the stock component of the consideration, we issued 25,920,078 Old FNF shares to the former LPS shareholders. See Note B for further discussion.

Discontinued Operations

In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. This ASU raises the threshold for a disposal to qualify as a discontinued operation and requires new disclosures of both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. This ASU is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning on or after December 15, 2015, with early adoption permitted. We have adopted this ASU for the interim period beginning July 1, 2014 and this update did not have a material impact on our financial statements.

The results from a small software company, which we acquired with LPS and which was sold during the second quarter of 2014, are included in the Condensed Consolidated Statements of Earnings as discontinued operations for all periods presented. Total revenues included in discontinued operations \$2 million for the nine months ending September 30, 2014. Pre-tax earnings included in discontinued operations are \$1 million for the nine months ending September 30, 2014.

The results from two closed J. Alexander's locations and a settlement services company closed in the second quarter of 2013 are reflected in the Condensed Consolidated Statements of Earnings as discontinued operations for all periods presented. There were no revenues included in discontinued operations for the three months ending September 30, 2013, and \$8 million for the nine months ending September 30, 2013. Pre-tax loss included in discontinued operations was \$3 million for the nine months ending September 30, 2013.

Transactions with Related Parties

Our financial statements for the three and nine months ended September 30, 2013, reflect related party transactions with Fidelity National Information Services, Inc. ("FIS"), which was considered a related party until December 31,

2013. See Note A of the Notes to Condensed Consolidated Financial Statements for further details on our transactions with related parties.

Business Trends and Conditions

FNF Core Operations

Our FNF core revenue is closely related to the level of real estate activity which includes sales, mortgage financing and mortgage refinancing. The levels of real estate activity are primarily affected by the average price of real estate sales, the availability of funds to finance purchases, mortgage interest rates and the strength of the United States economy, including employment levels. Declines in the level of real estate activity or the average price of real estate sales will adversely affect our title insurance revenues.

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Since December 2008, the Federal Reserve has held the federal funds rate at 0.0%-0.25%, and has recently indicated that rates will stay at this level for a "considerable time," although there is no assurance as to how long that will be. Mortgage interest rates were at historically low levels through the beginning of 2013. During the last half of 2013, however, interest rates rose to their highest level since 2011. Through the first nine months of 2014, mortgage interest rates have declined moderately. In early October, however, interest rates dropped below 4%.

As of September 17, 2014, the Mortgage Bankers Association ("MBA") estimated the size of the U.S. mortgage originations market as shown in the following table for 2012 - 2015 in their "Mortgage Finance Forecast" (in trillions):

	2015	2014	2013	2012
Purchase transactions	\$0.7	\$0.6	\$0.7	\$0.5
Refinance transactions	0.4	0.4	1.1	1.2
Total U.S. mortgage originations forecast	\$1.1	\$1.0	\$1.8	\$1.7

As shown above, the originations in 2013 and 2012 were driven primarily by refinance transactions, which coincides with the historically low interest rates experienced during those years. In 2014, the MBA predicts a 44.4% decrease in the total market, primarily due to a 63.6% decrease in refinance transactions in 2014. Total projected originations in 2015 remain relatively consistent with those in 2014. During 2013 and through 2014, we experienced a moderate increase in existing home sales and we have also seen a decline in total housing inventory. However, we have experienced significant declines in refinance activity starting in the fourth quarter of 2013.

Because commercial real estate transactions tend to be driven more by supply and demand for commercial space and occupancy rates in a particular area rather than by macroeconomic events, we believe that our commercial real estate title insurance business is less dependent on the industry cycles discussed above than our residential real estate title business. Commercial real estate transaction volume is also often linked to the availability of financing. For the past several years, including 2014, we have experienced an increase in volume and fee per file of commercial transactions from the previous years, indicating strong commercial markets.

Several pieces of legislation were enacted to address the struggling mortgage market and the current economic and financial environment. On October 24, 2011, the Federal Housing Finance Agency ("FHFA") announced a series of changes to the Home Affordable Refinance Program ("HARP") that would make it easier for certain borrowers who owe more than their home is worth and who are current on their mortgage payments to refinance their mortgages at lower interest rates. The program reduces or eliminates the risk-based fees Fannie Mae and Freddie Mac charge on many loans, raises the loan-to-home value ratio requirement for refinancing, and streamlines the underwriting process. According to the Federal Housing Authority ("FHA"), lenders began taking refinancing applications on December 1, 2011 under the modified HARP. On April 11, 2013, the FHFA announced that the modified HARP program had been extended through December 2015. We believe the modified HARP program had a positive effect on our results during 2013 and 2012, but are uncertain to what degree the program has impacted our results in 2014 or may impact our results in the future.

During 2010, a number of lenders imposed freezes on foreclosures in some or all states as they reviewed their foreclosure practices. In response to these freezes, the Office of the Comptroller of the Currency ("OCC") reviewed the foreclosure practices in the residential mortgage loan servicing industry. On April 13, 2011, the OCC and other federal regulators (collectively the "banking agencies") announced formal consent orders against several national bank mortgage servicers and third-party service providers for inappropriate practices related to residential mortgage loan servicing and foreclosure processing. The consent orders require the servicers to promptly correct deficiencies and make improvements in practices for residential mortgage loan servicing and foreclosure processing, including improvements to future communications with borrowers and a comprehensive "look back" to assess whether foreclosures complied with federal and state laws and whether any deficiencies in the process or related documentation resulted in financial injury to borrowers. Our title insurance underwriters were not involved in these enforcement actions and we do not believe that our title insurance underwriters are exposed to significant losses resulting from faulty foreclosure practices. Our title insurance underwriters issue title policies on real estate owned properties to new purchasers and lenders to those purchasers. We believe that these policies will not result in significant additional claims exposure to us because even if a court sets aside a foreclosure due to a defect in

documentation, the foreclosing lender would be required to return to our insureds all funds obtained from them, resulting in reduced exposure under the title insurance policy. Further, we believe that under current law and the rights we have under our title insurance policies, we would have the right to seek recovery from the foreclosing lender in the event of a failure to comply with state laws or local practices in connection with a foreclosure. The former LPS and certain of its subsidiaries entered into a consent order with the banking agencies in relation to its default operations, now part of the Title segment. As part of the consent order, LPS agreed to further study the issues identified in the review and enhance its compliance, internal audit, risk management and board oversight plans with respect to the related businesses, among additional agreed undertakings. In January 2013, ten large mortgage servicers concluded the reviews required by the 2011 consent orders and agreed to monetary settlements. In April 2013, these mortgage servicers began making restitution under these settlements. LPS also entered

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into settlement agreements in January 2013 with 49 States and the District of Columbia relating to certain practices within its default operations and in February 2014, we also settled with the State of Nevada and the Federal Deposit Insurance Corporation. We cannot predict whether these settlements may result in more normalized foreclosure timelines in the future. Moreover, we cannot predict whether any additional legislative or regulatory changes will be implemented as a result of the findings of the banking agencies or whether the U.S. federal government may take additional action to address the current housing market and economic uncertainty. Some states have enacted or are considering adopting legislation, such as the California Homeowner Bill of Rights, that places additional responsibilities and restrictions on servicers with respect to the foreclosure process. Any such actions could further extend foreclosure timelines. Moreover, as the processing of foreclosures in accordance with applicable law becomes more onerous, many lenders are addressing loans in default through other means, such as short sales, in order to avoid the risks and liability now associated with the foreclosure process. If foreclosure timelines continue to be extended and servicers address delinquent loans through other processes, the results of our default operations within the Title segment may be adversely affected.

In addition to state-level regulation, segments of our FNF core businesses are subject to regulation by federal agencies, including the Consumer Financial Protection Bureau ("CFPB"). The Dodd-Frank Wall Street Reform ("Dodd-Frank") and Consumer Protection Act of 2010 established the CFPB, and in January 2012, President Obama appointed its first director. The CFPB has been given broad authority to regulate, among other areas, the mortgage and real estate markets in matters pertaining to consumers. This authority includes the enforcement of the Real Estate Settlement Procedures Act formerly placed with the Department of Housing and Urban Development. On July 9, 2012, the CFPB introduced a number of proposed rules related to the enforcement of the Real Estate Settlement Procedures Act and the Truth in Lending Act, including, among others, measures designed to (i) simplify financing documentation and (ii) require lenders to deliver to consumers a statement of final financing charges (and the related annual percentage rate) at least three business days prior to the closing. These rules became effective on January 10, 2014. Dodd-Frank also included regulation over financial services and other lending related businesses including our newly acquired BKFS business. On November 20, 2013, the CFPB issued additional rules regarding mortgage forms and other mortgage related disclosures with the intent to provide "easier-to-use" mortgage disclosure forms for the consumer. The additional disclosure requirements are effective August 1, 2015. We have reviewed the new requirements and are reviewing and updating our policies, procedures and technology resources as appropriate. We cannot be certain what impact, if any, these new rules, or the CFPB generally, will have on our core businesses. Historically, real estate transactions have produced seasonal revenue levels for the real estate industry including title insurers. The first calendar quarter is typically the weakest quarter in terms of revenue due to the generally low volume of home sales during January and February. The third calendar quarter has been typically the strongest in terms of revenue primarily due to a higher volume of home sales in the summer months and the fourth quarter is usually also strong due to commercial entities desiring to complete transactions by year-end. We have noted short term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates and the implementation and subsequent expiration of government programs designed to stimulate the real estate market. In 2013 and in 2014, we have seen seasonality trends return to historical patterns.

FNFV

Remy

Remy manufactures and sells auto parts, principally starter motors and alternators, as well as hybrid electric motors and multi-line products, including steering gear, constant velocity axles, and brake calipers, for sale to original equipment manufacturers (OEM) and aftermarket customers. Remy manufactures products for automobiles as well as light and heavy duty commercial vehicles. The OEM market for auto parts is dependent on levels of new vehicle production, which in turn, is affected by the overall economy, consumer confidence, discounts and incentives offered by automakers and the availability of funds to finance purchases.

In the aftermarket, Remy's results are affected by the strength of the economy and by gas prices, but do not follow the same cycles as original equipment market sales. In a weaker economy, drivers tend to keep their vehicles and repair them rather than buying new vehicles. Lower gas prices have historically tended to result in more miles driven, which

increases the frequency with which auto repairs are needed. Nevertheless, a weak economy also may reduce miles driven. Over the long term, improvements in the durability of original equipment and aftermarket parts has reduced, and is expected to further reduce, the number of units sold in the aftermarket. Aftermarket revenues are also affected by other factors, including severe weather (which tends to lead to increased sales) and competitive pressures. Many parts retailers and warehouse distributors purchase starters and alternators from only one or two suppliers, under contracts that run for five years or less.

Pressure from customers to reduce prices is characteristic of the automotive supply industry. Due to the competitive nature of the business, revised terms with customers may impact Remy's ongoing profitability. Remy anticipates the impact of pricing to be in the range of 1% to 3%, consistent with prior years. Remy has taken and expect to continue to take steps to improve operating efficiencies and minimize or resist price reductions. Remy intends to maintain a disciplined approach to customer program pricing and may choose to exit programs with certain customers to protect margins and cash flow. As a result, Remy may choose to no longer continue programs with certain customers due to unacceptable competitive pricing or terms. To this end, Remy has chosen

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not to meet the demands of a major aftermarket customer due to the negative pricing and working capital impact. The customer has notified Remy of their intent to re-source the business at the end of its current contract, which expires in January 2015. While these decisions impact net sales and operating income in the short term, Remy believes this operating discipline will help to maximize its long-term profitability. Sales to this customer were \$80 million in 2013 and \$68 million for the nine months ended September 30, 2014. Any loss of sales to this customer in 2015 will be partially offset, upon termination of the contract, by the sale of cores currently reflected in Prepaid expenses and other assets. Despite this likely reduction of 2015 revenues, this action will have a positive impact on Remy's net income and cash next year due to the unfavorable terms of the previous contract.

Restaurant Group

The restaurant industry is highly competitive and is often affected by changes in consumer tastes and discretionary spending patterns; changes in general economic conditions; public safety conditions or concerns; demographic trends; weather conditions; the cost of food products, labor, energy and other operating costs; and governmental regulations. The restaurant industry is also characterized by high capital investments for new restaurants and relatively high fixed or semi-variable restaurant operating expenses. Because of the high fixed and semi-variable expenses, changes in sales in existing restaurants are generally expected to significantly affect restaurant profitability because many restaurant costs and expenses are not expected to change at the same rate as sales. Restaurant profitability can also be negatively affected by inflationary and regulatory increases in operating costs and other factors. The most significant commodities that may affect our cost of food and beverage are beef, seafood, poultry, and dairy, which accounted for almost 49 percent of our overall cost of food and beverage in the past. Generally, temporary increases in these costs are not passed on to guests; however, in the past, we have adjusted menu prices to compensate for increased costs of a more permanent nature.

Average weekly sales per restaurant are typically higher in the first and fourth quarters than in other quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions. Our revenues in future periods will continue to be subject to these and other factors that are beyond our control and, as a result, are likely to fluctuate.

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Results of Operations

Consolidated Results of Operations

Net Earnings. The following table presents certain financial data for the periods indicated:

	Three months ended September 30, 2014		2013		Nine months ended September 30, 2014		2013	
	(Dollars in millions)							
Revenues:								
Direct title insurance premiums	465	472	1,249	1,377				
Agency title insurance premiums	528	630	1,450	1,779				
Escrow, title-related and other fees	735	437	2,097	1,361				
Restaurant revenue	343	336	1,055	1,037				
Auto parts revenue	290	266	892	834				
Interest and investment income	29	29	94	99				
Realized gains and losses, net	(7	) 4	(6	) 7				
Total revenues	2,383	2,174	6,831	6,494				
Expenses:								
Personnel costs	645	546	1,950	1,611				
Agent commissions	396	482	1,098	1,352				
Other operating expenses	428	329	1,289	1,020				
Cost of auto parts revenue, includes \$19, \$19, \$51, \$55 of depreciation and amortization in the three months ended September 30, 2014 and 2013 and the nine months ended September 30, 2014 and 2013, respectively	266	223	771	704				
Cost of restaurant revenue	296	292	899	889				
Depreciation and amortization	102	36	305	104				
Provision for title claim losses	59	77	169	221				
Interest expense	37	27	111	71				
Total expenses	2,229	2,012	6,592	5,972				
Earnings from continuing operations before income taxes and equity in losses of unconsolidated affiliates	154	162	239	522				
Income tax expense	59	52	79	170				
Equity in losses of unconsolidated affiliates	(7	) (14	) (43	) (20)
Net earnings from continuing operations	\$88	\$96	\$117	\$332				

Revenues.

Total revenues increased \$209 million in the three months ended September 30, 2014, compared to the 2013 period. The increase consisted of a \$176 million increase at FNF Core and a \$33 million increase at FNFV. Total revenues increased \$337 million in the nine months ended September 30, 2014, compared to the 2013 period. The increase consisted of a \$238 million increase at FNF Core and a \$99 million increase at FNFV.

Total net earnings from continuing operations decreased \$8 million in the three months ended September 30, 2014, compared to the 2013 period. The decrease consisted of a \$5 million decrease at FNF Core and \$3 million decrease at FNFV. Total net earnings from continuing operations decreased \$215 million in the nine months ended September 30, 2014, compared to the 2013 period, due to a \$212 million decrease at FNF Core and a \$3 million decrease at FNFV. FNF Core includes the results of operations of our Title segment and our recently acquired BKFS segment as well as the FNF Core Corporate and Other segment which includes the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations. FNFV includes our share in the operations of certain equity investments, including Ceridian, as well as the results of operations of our portfolio companies including restaurant revenue from ABRH and J. Alexander's, auto parts revenue

from Remy, and within FNFV corporate and other, the results of Digital Insurance and other smaller operations which are not title related.

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The change in revenue from the FNF Core segments and FNFV segments is discussed in further detail at the segment level below.

Expenses.

Our operating expenses consist primarily of personnel costs and other operating expenses, which in our FNF Core businesses are incurred as orders are received and processed, and agent commissions, which are incurred as revenue is recognized, as well as cost of auto parts revenue and cost of restaurant revenue. Title insurance premiums, escrow and title-related fees are generally recognized as income at the time the underlying transaction closes or other service is provided. Direct title operations revenue often lags approximately 45-60 days behind expenses and therefore gross margins may fluctuate. The changes in the market environment, mix of business between direct and agency operations and the contributions from our various business units have historically impacted margins and net earnings. We have implemented programs and have taken necessary actions to maintain expense levels consistent with revenue streams. However, a short time lag exists in reducing variable costs and certain fixed costs are incurred regardless of revenue levels.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. Personnel costs that are directly attributable to the operations of Remy and the Restaurant Group are included in Cost of auto parts revenue and Cost of restaurant revenue, respectively.

Agent commissions represent the portion of premiums retained by our third-party agents pursuant to the terms of their respective agency contracts.

Other operating expenses consist primarily of facilities expenses, title plant maintenance, premium taxes (which insurance underwriters are required to pay on title premiums in lieu of franchise and other state taxes), appraisal fees and other cost of sales on ServiceLink product offerings and other title related products, postage and courier services, computer services, professional services, travel expenses, general insurance, and bad debt expense on our trade and notes receivable.

Cost of auto parts revenue includes cost of raw materials, payroll and related costs and expenses directly related to manufacturing, and overhead expenses allocated to the costs of production such as depreciation and amortization at Remy.

Cost of restaurant revenue includes cost of food and beverage, primarily the costs of beef, groceries, produce, seafood, poultry and alcoholic and non-alcoholic beverages net of vendor discounts and rebates, payroll and related costs and expenses directly relating to restaurant level activities, and restaurant operating costs including occupancy and other operating expenses at the restaurant level.

The provision for title claim losses includes an estimate of anticipated title and title-related claims, and escrow losses. The change in expenses from the FNF Core segments and FNFV segments is discussed in further detail at the segment level below.

Income tax expense was \$59 million and \$52 million in the three-month periods ended September 30, 2014 and 2013, respectively, and \$79 million and \$170 million in the nine-month periods ended September 30, 2014 and 2013, respectively. Income tax expense as a percentage of earnings before income taxes was 38% and 32% for the three-month periods ended September 30, 2014 and 2013, respectively, and 33% for both the nine-month periods ended September 30, 2014 and 2013. Income taxes as a percentage of earnings before income taxes fluctuates depending on our estimate of ultimate income tax liability and changes in the characteristics of net earnings, such as the weighting of operating income versus investment income. Included in income tax expense in the nine-months ending September 30, 2014 is a \$12 million income tax benefit related to our portion of \$35 million equity in losses recorded during the period related to our minority investment in Ceridian.

Equity in losses of unconsolidated affiliates was \$7 million and \$14 million for the three-month periods ended September 30, 2014 and 2013, respectively, and \$43 million and \$20 million for the nine-month periods ended September 30, 2014 and 2013, respectively. The equity in losses in 2014 and 2013 consisted primarily of net losses related to our investment in Ceridian, which is described further at the segment level below.

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FNF Core

Title

Beginning January 2, 2014, the Title segment includes the results of the transaction services business acquired with LPS.

	Three months ended September 30, 2014		2013		Nine months ended September 30, 2014		2013	
	(In millions)							
Revenues:								
Direct title insurance premiums	\$465		\$472		\$1,249		\$1,377	
Agency title insurance premiums	528		630		1,450		1,779	
Escrow, title related and other fees	491		409		1,394		1,266	
Interest and investment income	28		29		89		97	
Realized gains and losses, net	(2	)	3		—		10	
Total revenues	1,510		1,543		4,182		4,529	
Expenses:								
Personnel costs	479		471		1,413		1,400	
Agent commissions	396		482		1,098		1,352	
Other operating expenses	349		276		1,040		845	
Depreciation and amortization	35		17		109		49	
Provision for title claim losses	59		77		169		221	
Total expenses	1,318		1,323		3,829		3,867	
Earnings from continuing operations before income taxes and equity in earnings of unconsolidated affiliates	\$192		\$220		\$353		\$662	
Orders opened by direct title operations	481,000		474,000		1,463,000		1,789,000	
Orders closed by direct title operations	348,000		410,000		985,000		1,401,000	
Fee per file	\$2,066		\$1,807		\$1,974		\$1,568	

Total revenues for the Title segment decreased \$33 million, or 2%, in the three months ended September 30, 2014 from the 2013 period. Total revenues for the Title segment decreased \$347 million, or 8%, in the nine months ended September 30, 2014 from the 2013 period.

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

	Three months ended September 30,				Nine months ended September 30,				
	2014	% of Total	2013	% of Total	2014	% of Total	2013	% of Total	
	(Dollars in millions)								
Title premiums from direct operations	\$465	47	% \$472	43	% \$1,249	46	% \$1,377	44	%
Title premiums from agency operations	528	53	630	57	1,450	54	1,779	56	
Total title premiums	\$993	100	% \$1,102	100	% \$2,699	100	% \$3,156	100	%

Title premiums decreased 10% in the three months ended September 30, 2014 as compared to the 2013 period. The decrease was made up of a decrease in premiums from direct operations of \$7 million, or 1%, and a decrease in premiums from agency operations of \$102 million, or 16% in the three months ended September 30, 2014. Title premiums decreased 14% in the nine months ended September 30, 2014 as compared to the 2013 period. The decrease was made up of a decrease in premiums from direct operations of \$128 million, or 9%, and a decrease in premiums from agency operations of \$329 million, or 18% in the nine months ended September 30, 2014.

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The following table presents the percentages of closed title insurance orders generated by purchase and refinance transactions by our direct operations:

	Three months ended		Nine months ended			
	September 30,		September 30,			
	2014	2013	2014	2013		
Opened title insurance orders from purchase transactions (1)	59.7	% 56.3	% 58.2	% 44.3	%	
Opened title insurance orders from refinance transactions (1)	40.3	43.7	41.8	55.7		
	100.0	% 100.0	% 100.0	% 100.0	%	
Closed title insurance orders from purchase transactions (1)	61.6	% 49.7	% 58.6	% 39.7	%	
Closed title insurance orders from refinance transactions (1)	38.4	50.3	41.4	60.3		
	100.0	% 100.0	% 100.0	% 100.0	%	

(1) Percentages exclude consideration of an immaterial number of non-purchase and non-refinance orders. Title premiums from direct operations decreased in 2014, primarily due to a decrease in closed order volumes as compared to the prior quarter, partially offset by an increase of \$21 million and \$62 million in the three and nine months ended September 30, 2014, respectively, related to the transaction services business acquired from LPS on January 2, 2014. Also offsetting the decline in orders was an increase in commercial revenue from the 2013 period and increase in the commercial fee per file. The decrease in order volumes was primarily related to a significant decrease in refinance transactions since the fourth quarter of 2013. In 2013, refinance transactions represented more than 60% of our total closed orders versus approximately 40% in 2014. Closed order volumes were 348,000 in the three months ended September 30, 2014 compared with 410,000 in the three months ended September 30, 2013 and were 985,000 in the nine months ended September 30, 2014 compared with 1,401,000 in the nine months ended September 30, 2013. Although there was a decrease in closed order volumes in 2014, this was partially offset by a 14% increase in the fee per file in the three month period and a 26% increase in the fee per file in the nine month period. The average fee per file in our direct operations was \$2,066 and \$1,974 in the three and nine months ended September 30, 2014, respectively, compared to \$1,807 and \$1,568 in the three and nine months ended September 30, 2013, respectively, with the increase reflecting a higher volume of purchase transactions, which have a higher fee per file. The fee per file tends to change as the mix of refinance and purchase transactions changes, because purchase transactions involve the issuance of both a lender's policy and an owner's policy, resulting in higher fees, whereas refinance transactions only require a lender's policy, resulting in lower fees. Also, commercial transactions typically have a higher fee per file.

The decrease in title premiums from agency operations is primarily the result of the overall decline in real estate activity since the prior quarter. The decrease was consistent with the decrease in direct operations, except that the direct operations benefited from the addition of the transaction services business acquired from LPS on January 2, 2014, as discussed above.

Escrow, title related and other fees increased by \$82 million, or 20% in the three months ending September 30, 2014 from 2013 and increased by \$128 million, or 10% in the nine months ending September 30, 2014 from 2013. Escrow fees, which are more directly related to our direct operations, decreased \$20 million, or 11%, in the three months ended September 30, 2014 compared to the 2013 period and decreased \$121 million, or 22%, in the nine months ended September 30, 2014 compared to the 2013 period. In both periods the decrease is consistent with the decrease in direct title premiums. The decrease in Escrow fees was offset by the addition of \$12 million and \$35 million in the three and nine months ended September 30, 2014, respectively, related to the transaction services business acquired from LPS on January 2, 2014. Other fees in the Title segment, excluding escrow fees, increased \$102 million, or 44%, in the three months ended September 30, 2014 compared to the 2013 period and increased \$249 million, or 35%, in the nine months ended September 30, 2014 compared to the 2013 period. The increase in other fees was primarily due to the addition of \$129 million and \$378 million in the three and nine months ended September 30, 2014, respectively,

related to the transaction services business acquired from LPS on January 2, 2014. The increase in other fees was offset by decreases in direct operations.

Interest and investment income levels are primarily a function of securities markets, interest rates and the amount of cash available for investment. Interest and investment income remained flat in the three months ended September 30, 2014 compared to the 2013 period and decreased \$8 million in the nine months ended September 30, 2014 compared to the 2013 period. The decrease is due primarily to decreases in market interest rates and in turn lower bond yields during the nine months ended September 30, 2014 from the 2013 period.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. The \$8 million, or 2% increase in the three-month period ended September 30, 2014 compared to the 2013 period is due to additional expense related to the Transaction Services business acquired from LPS in January 2014, severance expense of \$2 million and an accrual for expected bonuses to be paid on our synergy bonus program of

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\$3 million recorded in the quarter. These increases were offset by lower personnel costs in the remainder of our Title segment due to lower revenues and order volumes. The \$13 million or 1% increase recorded during the nine-month period ended September 30, 2014 related to severance expense of \$18 million and an accrual for expected bonuses to be paid on our synergy bonus program of \$28 million, offset by decreases in personnel costs due to decreased staffing levels consistent with the change in order volumes. Personnel costs as a percentage of total revenues from direct title premiums and escrow, title-related and other fees were 50% and 53% for the three and nine-month periods ended September 30, 2014 and 53% for both the three and nine-month periods ended September 30, 2013. Average employee count in the Title segment was 19,550 and 20,190 in the three-month periods ended September 30, 2014 and 2013, respectively, and 18,928 and 19,722 in the nine-month periods ended September 30, 2014 and 2013, respectively. The decrease in both the three and nine months during the 2014 period includes reductions in headcount as a result of synergies realized with the merger of the LPS transaction services business with the historical title business, offset by an increase of 2,668 employees from the LPS acquisition in January 2014. The reduction in personnel during 2014 also relate to decreases in orders and revenues.

Other operating expenses consist primarily of facilities expenses, title plant maintenance, premium taxes (which insurance underwriters are required to pay on title premiums in lieu of franchise and other state taxes), postage and courier services, computer services, professional services, travel expenses, general insurance, and bad debt expense on our trade and notes receivable. Other operating expenses increased \$73 million, or 26% in the three months ending September 30, 2014 from 2013 and increased by \$195 million, or 23% in the nine months ending September 30, 2014 from 2013. Other operating expenses increased in both periods due to the addition of the transaction services business acquired from LPS. Also affecting the nine-month period ended September 30, 2014 were \$39 million of transaction costs related to the LPS acquisition offset by an \$8 million reduction to our accrual for premium taxes due to a statutory contingency resolved during the period.

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

The following table illustrates the relationship of agent premiums and agent commissions, which have remained consistent since 2013:

	Three months ended September 30,				Nine months ended September 30,					
	2014	%	2013	%	2014	%	2013	%		
	(Dollars in millions)									
Agent premiums	528	100	% 630	100	% \$1,450	100	% \$1,779	100	%	
Agent commissions	396	75	% 482	77	% 1,098	76	% 1,352	76	%	
Net retained agent premiums	\$132	25	% \$148	23	% \$352	24	% \$427	24	%	

Depreciation and amortization increased \$18 million and \$60 million in the three and nine months ended September 30, 2014 from the 2013 periods, respectively. The increases in both periods are mainly due to additional amortization related to the LPS acquisition. In the three and nine months ended September 30, 2014, \$21 million and \$64 million of incremental depreciation and amortization was recorded on assets acquired as a result of being marked to estimated fair value in purchase accounting.

The provision for title claim losses includes an estimate of anticipated title and title-related claims and escrow losses. The estimate of anticipated title and title-related claims is accrued as a percentage of title premium revenue based on our historical loss experience and other relevant factors. Any significant adjustments to strengthen or release loss reserves resulting from the comparison with our actuarial analysis are made in addition to this loss provision rate. After considering historical claim losses, reporting patterns and current market information, and analyzing quantitative and qualitative data provided by our legal, claims and underwriting departments, we determine a loss provision rate, which is recorded as a percentage of current title premiums. This loss provision rate is set to provide for losses on current year policies, but due to development of prior years and our long claim duration, it periodically includes amounts of estimated adverse or positive development on prior years' policies. Effective April 1, 2014, we

revised our loss provision rate to 6% from 7% primarily due to favorable development on more recent policy year claims.

The claim loss provision for title insurance was \$59 million and \$77 million for the three-month periods ended September 30, 2014 and 2013, respectively, and reflects an average provision rate of 6% and 7% of title premiums, respectively. The claim loss provision for title insurance was \$169 million and \$221 million for the nine-month periods ended September 30, 2014 and 2013, respectively, and reflects an average provision rate of 6.3% and 7% of title premiums, respectively. We will continue to monitor and evaluate our loss provision level, actual claims paid, and the loss reserve position each quarter.

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The results of this segment reflected in the three and nine months ended September 30, 2014, reflect results of BKFS and subsidiaries, which were initially consolidated on January 2, 2014, the date on which we acquired LPS.

	Three months ended September 30, 2014	Nine months ended September 30, 2014
	(In millions)	
Revenues:		
Total revenues	\$214	632
Expenses:		
Personnel costs	96	342
Other operating expenses	38	159
Depreciation and amortization	48	142
Interest expense	8	23
Total expenses	190	666
Earnings (loss) from continuing operations before income taxes	\$24	\$(34)

The results of the BKFS segment were negatively affected by costs related to the acquisition and integration of LPS by FNF since January 2, 2014. During the three months ending September 30, 2014, the results of BKFS contain \$3 million of transaction expenses and a \$3 million accrual for merger related litigation, which were included in other operating expenses. Included within personnel costs in the three months ending September 30, 2014 were \$1 million in severance expenses relating to the acquisition and a \$3 million expense to accrue for expected bonuses under our synergy bonus program. Depreciation and amortization for the three months ending September 30, 2014 includes \$25 million in incremental purchase price amortization related to assets acquired with LPS and marked to estimated fair value in purchase accounting.

During the nine months ending September 30, 2014, the results of BKFS contain \$40 million of transaction expenses and \$11 million for merger related litigation, which were included in other operating expenses. Included within personnel costs in the nine months ending September 30, 2014 were \$27 million in severance expenses relating to the acquisition and \$28 million expense to accrue for expected bonuses under our synergy bonus program. Depreciation and amortization for the nine months ending September 30, 2014 includes \$73 million related to assets acquired with LPS and marked to fair value in purchase accounting.

Excluding these merger related costs, earnings from continuing operations before income taxes in the three and nine months ending September 30, 2014 was \$59 million and \$145 million, respectively, for the BKFS segment.

FNF Core Corporate and Other

The FNF Core Corporate and Other segment consists of the operations of the parent holding company, certain other unallocated corporate overhead expenses, and other smaller real estate and insurance related operations.

The FNF Core Corporate and Other segment generated revenues of \$2 million and \$7 million for the three months ended September 30, 2014 and 2013, respectively, and \$(12) million and \$35 million for the nine months ended September 30, 2014 and 2013, respectively. The decrease in both periods is due to the elimination of software license fees between our BKFS segment and our Title segment, which we began eliminating upon the acquisition of LPS in 2014.

Other operating expenses in the FNF Core Corporate and Other segment were \$3 million and \$24 million for the three months ended September 30, 2014 and 2013, respectively, and \$(13) million and \$77 million for the nine months ended September 30, 2014 and 2013, respectively. The decrease in the three month period is due to a \$20 million accrual related to an employment litigation matter and \$3 million in transaction costs related to the LPS acquisition in the 2013 period. The decrease in the nine month period includes a \$29 million allocation of transaction costs from the FNF Core Corporate segment to BKFS. The decrease in both periods is also due to the elimination of software license fees between our BKFS segment and our Title segment, which we began eliminating upon the acquisition of LPS in

2014.

Interest expense was \$24 million and \$20 million for the three months ended September 30, 2014 and 2013, respectively, and \$70 million and \$52 million for the nine months ended September 30, 2014 and 2013, respectively. The increase in both 2014 periods is due to additional borrowings in January 2014 to finance the acquisition of LPS. This segment generated pretax losses of \$35 million and \$44 million for the three months ended September 30, 2014 and 2013, respectively, and \$90 million and \$117 million for the nine months ended September 30, 2014 and 2013, respectively, with the change due to the reasons discussed above, primarily the change in Other operating expenses.

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Remy	Three months ended September 30, 2014		September 30, 2013	
	2014	2013	2014	2013
	(In millions)			
Revenues:				
Auto parts revenue	\$290	\$266	\$892	\$834
Interest and investment income	—	1	1	1
Realized gains and losses, net	—	(1)	—
Total revenues	290	266	893	831
Expenses:				
Personnel costs	20	19	63	65
Cost of auto parts revenue, includes \$19, \$19, \$51, \$55 of depreciation and amortization in the three months ended September 30, 2014 and 2013 and the nine months ended September 30, 2014 and 2013, respectively	266	223	771	704
Other operating expenses	16	11	40	36
Depreciation and amortization	1	1	3	3
Interest expense	5	6	16	16
Total expenses	308	260	893	824
Earnings from continuing operations before income taxes	\$(18	)	\$6	\$7

Auto parts revenues increased \$24 million, or 9% in the three months ending September 30, 2014, from 2013, due to increased volume of \$28 million, including an additional \$8 million in revenues from the newly acquired USA Industries as well as \$3 million in favorable foreign currency translation effect; these increases were partially offset by negative pricing impact of \$7 million. Auto parts revenues increased \$58 million, or 7% in the nine months ending September 30, 2014, from 2013, due primarily to increased volume of \$69 million including an additional \$24 million in revenues from the newly acquired USA Industries as well as \$8 million in favorable foreign currency translation effect, offset by negative pricing impact of \$17 million.

Cost of auto parts revenue increased \$43 million, or 19%, in the three months ending September 30, 2014, from 2013, and increased \$67 million, or 10%, in the nine months ending September 30, 2014, from 2013, due to higher sales volumes related to the acquisition of USA Industries. Remy also incurred \$19 million in other costs related to a litigation settlement of the Tecnomatic matter during the three months ended September 30, 2014. Remy recorded a step-up on finished goods inventory relating to the acquisition of USA Industries of \$4 million in the nine months ending September 30, 2014.

Also affecting the nine months ending September 30, 2013 was a \$7 million charge to Personnel costs during the first quarter of 2013 for a one-time executive separation payment made to Remy's former Chief Executive Officer and President pursuant to the terms of a Transition, Noncompetition and Release Agreement, effective February 28, 2013.

Restaurant Group	Three months ended September 30, 2014		September 30, 2013	
	2014	2013	2014	2013
	(In millions)			
Revenues:				
Restaurant revenue	\$343	\$336	\$1,055	\$1,037
Realized gains and losses, net	—	2	(1)
Total revenues	343	338	1,054	1,037
Expenses:				
Personnel costs	19	16	52	47
Cost of restaurant revenue	296	292	899	889
Other operating expenses	15	15	46	50

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Depreciation and amortization	14	13	39	40
Interest expense	2	2	5	6
Total expenses	346	338	1,041	1,032
Earnings from continuing operations before income taxes	\$(3) \$—	\$13	\$5

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Total revenues for the Restaurant group segment increased \$5 million, or 1%, in the three months ended September 30, 2014, from the 2013 period and increased \$17 million, or 2% in the nine months ended September 30, 2014, from the 2013 period.

Earnings from continuing operations before income taxes decreased \$3 million in the three months ending September 30, 2014, from the 2013 period. Earnings from continuing operations before income taxes increased \$8 million in the nine months ending September 30, 2014 from the 2013 period mainly due to the results of the Restaurant group segment in 2013 being negatively affected by a \$2 million impairment charge related to the closing of one J. Alexander's location and one Max & Erma's location, which was included in Realized gains and losses, net and \$10 million in transaction and integration costs included in Other operating expenses in the 2013 period.

FNFV Corporate and Other

The FNFV Corporate and Other segment includes our share in the operations of certain equity investments, including Ceridian, Digital Insurance, Cascade Timberlands and other smaller operations. This segment also includes our Long Term Incentive Plan ("LTIP") established during 2012 which is tied to the fair value of certain of our FNFV investments.

The FNFV Corporate and Other segment generated revenues of \$24 million and \$20 million for the three months ending September 30, 2014 and 2013, respectively, and generated revenues of \$82 million and \$62 million for the nine months ending September 30, 2014 and 2013, respectively.

Revenues increased \$4 million, or 20% in the three months ending September 30, 2014 from 2013, and \$20 million, or 32% in the nine months ending September 30, 2014 from 2013, which includes an increase of \$6 million and \$13 million in the three and nine months ending September 30, 2014 from 2013 at Digital Insurance. Digital Insurance made several acquisitions during 2013 and 2014, which account for this growth in revenue.

Personnel costs were \$22 million and \$32 million, for the three months ended September 30, 2014 and 2013, respectively, and were \$61 million and \$77 million, for the nine months ended September 30, 2014 and 2013, respectively. The decrease in both periods is primarily due to 2013 including \$8 million and \$16 million of additional expense recorded in the three and nine months ended September 30, 2013, respectively, related to the accrual for our LTIP, offset by slight increases in personnel costs at Digital Insurance.

This segment generated pretax losses of \$6 million and \$20 million for the three months ended September 30, 2014 and 2013, respectively, with the change due to the increase in revenues and decrease in personnel costs as described above. This segment generated pretax losses of \$3 million and \$35 million for the nine months ended September 30, 2014 and 2013, respectively, with the change due to the increase in revenues and decrease in personnel costs as described above.

Equity in losses in unconsolidated affiliates was \$8 million and \$13 million for the three months ended September 30, 2014 and 2013, respectively and was \$46 million and \$24 million for the nine months ended September 30, 2014 and 2013, respectively. The equity in losses of unconsolidated affiliates for the nine-months ending September 30, 2014 includes twelve months of Ceridian's results, as in the first quarter of 2014 we transitioned Ceridian to a real-time financial reporting schedule as opposed to the historical one-quarter lag. As a result, the results for the nine month period ending September 30, 2014 includes \$34 million in losses, which represents our portion of Ceridian's net losses for the twelve month period ending September 30, 2014. Included in our results for the nine-month period ended September 30, 2014 are losses of \$21 million, net of taxes, primarily related to the settlement of Ceridian's U.S. Fueling Merchants lawsuit. The nine months ending September 30, 2013 includes our 32% share of a \$10 million, net of tax, charge to write off a deferred tax asset at Ceridian.

Liquidity and Capital Resources

Cash Requirements. Our current cash requirements include personnel costs, operating expenses, claim payments, taxes, payments of interest and principal on our debt, capital expenditures, business acquisitions, stock repurchases, and dividends on our common stock. We paid dividends of \$0.18 per share for the third quarter of 2014, or approximately \$50 million to our FNF Group common shareholders. On October 28, 2014, our Board of Directors declared cash dividends of \$0.19 per share, payable on December 31, 2014, to FNF Group common shareholders of record as of December 17, 2014. There are no restrictions on our retained earnings regarding our ability to pay

dividends to our shareholders, although there are limits on the ability of certain subsidiaries to pay dividends to us, as described below. The declaration of any future dividends is at the discretion of our Board of Directors. Additional uses of cash flow are expected to include acquisitions, stock repurchases, and debt repayments.

We continually assess our capital allocation strategy, including decisions relating to the amount of our dividend, reducing debt, repurchasing our stock, and/or conserving cash. We believe that all anticipated cash requirements for current operations will be met from internally generated funds, through cash dividends from subsidiaries, cash generated by investment securities, potential sales of non-strategic assets, and borrowings on existing credit facilities. Our short-term and long-term liquidity requirements are monitored regularly to ensure that we can meet our cash requirements. We forecast the needs of all of our subsidiaries and periodically review their short-term and long-term projected sources and uses of funds, as well as the asset, liability, investment and cash flow assumptions underlying such forecasts.

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

Our two significant sources of internally generated funds are dividends and other payments from our subsidiaries. As a holding company, we receive cash from our subsidiaries in the form of dividends and as reimbursement for operating and other administrative expenses we incur. The reimbursements are paid within the guidelines of management agreements among us and our subsidiaries. Our insurance subsidiaries are restricted by state regulation in their ability to pay dividends and make distributions. Each state of domicile regulates the extent to which our title underwriters can pay dividends or make other distributions. As of December 31, 2013, \$1,909 million of our net assets were restricted from dividend payments without prior approval from the relevant departments of insurance. As of September 30, 2014, our title subsidiaries could pay or make distributions to us of approximately \$114 million without prior approval. Our underwritten title companies and non-insurance subsidiaries collect revenue and pay operating expenses. However, they are not regulated to the same extent as our insurance subsidiaries.

The maximum dividend permitted by law is not necessarily indicative of an insurer's actual ability to pay dividends, which may be constrained by business and regulatory considerations, such as the impact of dividends on surplus, which could affect an insurer's ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends. Further, depending on business and regulatory conditions, we may in the future need to retain cash in our underwriters or even contribute cash to one or more of them in order to maintain their ratings or their statutory capital position. Such a requirement could be the result of investment losses, reserve charges, adverse operating conditions in the current economic environment or changes in statutory accounting requirements by regulators.

On June 30, 2014, we completed the creation of a tracking stock for our portfolio company investments, now known as FNFV. The primary FNFV investments include our equity interests in Remy, ABRH, J. Alexander's, Ceridian, and Digital Insurance. We provided \$200 million in financial support to FNFV comprised of \$100 million in cash and \$100 million in a line of credit, upon formation of the tracking stock. The \$100 million in cash and the \$100 million line of credit will be used for investment purposes, repurchasing FNFV stock or other general corporate purposes. From time to time, we may also provide additional loans to FNFV to cover corporate expenses and working capital. All additional investments in existing FNFV owned companies and any new FNFV company investments will be funded and managed by FNFV.

Cash flow from FNF's core operations will be used for general corporate purposes including to reinvest in core operations, repay debt, pay dividends, repurchase stock, other strategic initiatives and/or conserving cash.

Our cash flows provided by operations for the nine months ended September 30, 2014 and 2013 totaled \$284 million and \$344 million, respectively. The decrease of \$60 million is primarily due to the payment of \$45 million in transaction costs relating to the acquisition of LPS, bonus payments of \$88 million relating to payments under our LTIP and our synergy bonus program, \$42 million in severance payments relating to the LPS acquisition and \$48 million in payments made for certain legal matters relating to historic LPS matters. These cash outflows were offset by tax refunds of \$62 million on LPS acquisition costs and incremental cash flows from the operations of LPS.

Capital Expenditures. Total capital expenditures for property and equipment and capitalized software were \$144 million and \$116 million for the nine-month periods ended September 30, 2014 and 2013, respectively, with the increase related to expenditures on capitalized software at BKFS, acquired with LPS on January 2, 2014.

Financing. For a description of our financing arrangements see Note F included in Item 1 of Part 1 of this Report, which is incorporated by reference into this Part I Item 2.

Seasonality. Historically, real estate transactions have produced seasonal revenue levels for the real estate industry including title insurers. The first calendar quarter is typically the weakest quarter in terms of revenue due to the generally low volume of home sales during January and February. The third calendar quarter has been typically the strongest in terms of revenue primarily due to a higher volume of home sales in the summer months and the fourth quarter is usually also strong due to commercial entities desiring to complete transactions by year-end. We have noted

short term fluctuations through recent years in resale and refinance transactions as a result of changes in interest rates and the implementation and subsequent expiration of government programs designed to stimulate the real estate market. In 2013, we saw seasonality trends return to historical patterns. During 2013 and 2014, we experienced a moderate increase in existing home sales and we have also seen a decline in total housing inventory. However, we have experienced significant declines in refinance activity starting in the fourth quarter of 2013.

In our Restaurant Group, average weekly sales per restaurant are typically higher in the first and fourth quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

Contractual Obligations. There have been no significant changes to our long term contractual obligations since the 10-Q filed on May 8, 2014, other than as described below.

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During the second quarter of 2014, we entered into an investment commitment for \$40 million; as of September 30, 2014, we have invested \$16 million, with the remaining \$24 million to be made in the future.

Capital Stock Transactions. On October 28, 2014, our Board of Directors approved a three-year stock purchase program, effective November 6, 2014, under which we can repurchase up to 10 million shares of our FNFV Group common stock through November 30, 2017. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. We did not repurchase any FNFV Group shares from November 6, 2014 through market close on November 7, 2014.

On June 30, 2014, we completed the recapitalization of Old FNF common stock into two tracking stocks, FNF Group common stock and FNFV Group common stock. We issued 277,462,875 shares of FNF Group common stock and 91,711,237 shares of FNFV Group common stock. See Note A for further discussion on the recapitalization of FNF common stock.

On January 2, 2014, we completed the purchase of LPS. As part of the consideration, \$839 million or 25,920,078 shares of Old FNF common stock was issued to LPS stockholders. See Note B for further information on the acquisition of LPS.

On October 24, 2013, we offered 17,250,000 shares of our Old FNF common stock at an offering price of \$26.75 per share, pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. We granted the underwriters a 30-day option to purchase 2,587,500 additional shares at the offering price, which was subsequently exercised in full. A total of 19,837,500 shares were issued on October 30, 2013, for net proceeds of approximately \$511 million. The net proceeds from this offering were used to pay a portion of the cash consideration for the LPS acquisition on January 2, 2014.

On July 21, 2012, our Board of Directors approved a three-year stock purchase program, effective August 1, 2012, under which we can repurchase up to 15 million shares of our common stock through July 31, 2015. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. We did not repurchase any shares during the three or nine months ended September 30, 2014. Subsequent to September 30, 2014 through market close on November 7, 2014, we did not purchase any additional shares. Since the original commencement of the plan on August 1, 2012, we have repurchased a total of 2,080,000 shares for \$50 million, or an average of \$23.90 per share, and there are 12,920,000 shares available to be repurchased under this program.

Equity Security and Preferred Stock Investments. Our equity security and preferred stock investments may be subject to significant volatility. Should the fair value of these investments fall below our cost basis and/or the financial condition or prospects of these companies deteriorate, we may determine in a future period that this decline in fair value is other-than-temporary, requiring that an impairment loss be recognized in the period such a determination is made.

Off-Balance Sheet Arrangements. We do not engage in off-balance sheet activities other than facility and equipment leasing arrangements. On June 29, 2004 we entered into an off-balance sheet financing arrangement (commonly referred to as a "synthetic lease"). The owner/lessor in this arrangement acquired land and various real property improvements associated with new construction of an office building in Jacksonville, Florida, at our corporate campus and headquarters. The lessor financed the acquisition of the facilities through funding provided by third-party financial institutions. On June 27, 2011, we renewed and amended the synthetic lease for the facilities. The amended synthetic lease provides for a five year term ending June 27, 2016 and had an outstanding balance as of September 30, 2014 of \$71 million. The amended lease includes guarantees by us of up to 83% of the outstanding lease balance, and options to purchase the facilities at the outstanding lease balance. The guarantee becomes effective if we decline to purchase the facilities or renew the lease at the end of its term. The lessor is a third-party company and we have no affiliation or relationship with the lessor or any of its employees, directors or affiliates, and transactions with the lessor are limited to the operating lease agreements and the associated rent expense that have been included in other operating expenses in the Condensed Consolidated Statements of Earnings. We do not believe the lessor is a variable interest entity, as defined in the FASB standard on consolidation of variable interest entities.

Critical Accounting Policies

See Note B for a discussion of the changes to our critical accounting policies described in our Annual Report on Form 10-K for our fiscal year ended December 31, 2013.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

There have been no material changes in the market risks described in our Annual Report on Form 10-K for the year ended December 31, 2013.

Item 4. Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Securities Exchange Act of 1934 is:

(a) recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms; and (b) accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

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There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II: OTHER INFORMATION

Item 1. Legal Proceedings

See discussion of legal proceedings in Note G to the Condensed Consolidated Financial Statements included in Item 1 of

Part I of this Report, which is incorporated by reference into this Part II, Item 1, as well as Item 3. Legal Proceedings, in our

Annual Report on Form 10-K for the year ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of equity securities during the quarter ended September 30, 2014.

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Item 6. Exhibits

(a) Exhibits:

- 10.1 Form of Notice of Long-Term Investment Success Performance Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan.
- 10.2 Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement Under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for September 2014.
- 10.3 Term Loan Credit Agreement, dated as of August 19, 2013, among ABRH ,LLC, the lenders party thereto, Wells Fargo Bank N.A., as administrative agent, and the other agents party thereto.
- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.
- 32.2 Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.
- 101 The following materials from Fidelity National Financial's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Earnings, (iii) the Condensed Consolidated Statements of Comprehensive Earnings, (iv) the Condensed Consolidated Statements of Stockholders' Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) the Notes to the Consolidated Financial Statements.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 10, 2014

FIDELITY NATIONAL FINANCIAL, INC.
(registrant)

By: /s/ Anthony J. Park
Anthony J. Park
Chief Financial Officer
(Principal Financial and Accounting
Officer)

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EXHIBIT INDEX

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