

Fidelity National Financial, Inc.
Form 10-Q
July 30, 2015
Table of Contents

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 June 30, 2015

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 June 30, 2015 were:

FNF Group Common Stock 279,565,496

FNFV Group Common Stock 78,171,787

FORM 10-Q
QUARTERLY REPORT
Quarter Ended June 30, 2015
TABLE OF CONTENTS

	Page
<u>Part I: FINANCIAL INFORMATION</u>	
<u>Item 1. Condensed Consolidated Financial Statements</u>	
<u>A. Condensed Consolidated Balance Sheets as of June 30, 2015 and December 31, 2014</u>	<u>1</u>
<u>B. Condensed Consolidated Statements of Earnings for the three-month and six-month periods ended June 30, 2015 and 2014</u>	<u>2</u>
<u>C. Condensed Consolidated Statements of Comprehensive Earnings for the three-month and six-month periods ended June 30, 2015 and 2014</u>	<u>4</u>
<u>D. Condensed Consolidated Statement of Equity for the six-month period ended June 30, 2015</u>	<u>5</u>
<u>E. Condensed Consolidated Statements of Cash Flows for the six-month periods ended June 30, 2015 and 2014</u>	<u>6</u>
<u>F. Notes to Condensed Consolidated Financial Statements</u>	<u>7</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>28</u>
<u>Item 3. Quantitative and Qualitative Disclosure About Market Risk</u>	<u>42</u>
<u>Item 4. Controls and Procedures</u>	<u>42</u>
<u>Part II: OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	<u>43</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>43</u>
<u>Item 6. Exhibits</u>	<u>44</u>

Table of Contents

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)

	June 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Investments:		
Fixed maturity securities available for sale, at fair value, at June 30, 2015 and December 31, 2014 includes pledged fixed maturity securities of \$349 and \$499, respectively, related to secured trust deposits	\$2,826	\$ 3,025
Preferred stock available for sale, at fair value	300	223
Equity securities available for sale, at fair value	289	145
Investments in unconsolidated affiliates	703	770
Other long-term investments	110	172
Short-term investments	294	334
Total investments	4,522	4,669
Cash and cash equivalents, at June 30, 2015 and December 31, 2014 includes \$406 and \$136, respectively, of pledged cash related to secured trust deposits	1,383	700
Trade and notes receivables, net of allowance of \$32, at both June 30, 2015 and December 31, 2014, respectively	574	504
Goodwill	4,740	4,721
Prepaid expenses and other assets	591	484
Capitalized software, net	567	570
Other intangible assets, net	1,072	1,110
Title plants	393	393
Property and equipment, net	555	635
Income taxes receivable	—	59
Total assets	\$ 14,397	\$ 13,845
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,313	\$ 1,308
Notes payable	2,829	2,803
Reserve for title claim losses	1,612	1,621
Secured trust deposits	784	622
Income taxes payable	82	—
Deferred tax liability	666	703
Total liabilities	7,286	7,057
Commitments and Contingencies:		
Redeemable non-controlling interest by 35% minority holder of ServiceLink Holdings, LLC as of June 30, 2015 and 33% minority holder of Black Knight Financial Services, LLC and 35% minority holder of ServiceLink Holdings, LLC as of December 31, 2014	344	715
Equity:	—	—

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FNF Group common stock, \$0.0001 par value; authorized 487,000,000 shares as of June 30, 2015 and December 31, 2014; outstanding of 279,565,496 and 279,443,239 as of June 30, 2015 and December 31, 2014, respectively, and issued of 281,041,158 and 279,824,125 as of June 30, 2015 and December 31, 2014, respectively		
FNFV Group common stock, \$0.0001 par value; authorized 113,000,000 shares as of June 30, 2015 and December 31, 2014; outstanding of 78,171,787 and 92,828,470 as of June 30, 2015 and December 31, 2014, respectively, and issued of 80,613,212 and 92,946,545 as of June 30, 2015 and December 31, 2014, respectively	—	—
Preferred stock, \$0.0001 par value; authorized 50,000,000 shares; issued and outstanding, none	—	—
Additional paid-in capital	4,755	4,855
Retained earnings	1,300	1,150
Accumulated other comprehensive (loss) earnings	(21) 2
Less: treasury stock, 3,917,087 shares as of June 30, 2015 and 493,737 shares as of December 31, 2014, at cost	(87) (13
Total Fidelity National Financial, Inc. shareholders' equity	5,947	5,994
Non-controlling interests	820	79
Total equity	6,767	6,073
Total liabilities, redeemable non-controlling interest and equity	\$ 14,397	\$ 13,845
See Notes to Condensed Consolidated Financial Statements		

Table of Contents

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

	Three months ended June 30, 2015 2014 (Unaudited)		Six months ended June 30, 2015 2014 (Unaudited)	
Revenues:				
Direct title insurance premiums	\$547	\$433	\$964	\$784
Agency title insurance premiums	597	518	1,038	922
Escrow, title related and other fees	857	715	1,665	1,361
Restaurant revenue	371	358	735	712
Interest and investment income	32	36	63	65
Realized gains and (losses), net	(9)	(1)	(9)	1
Total revenues	2,395	2,059	4,456	3,845