

Edgar Filing: First American Financial Corp - Form S-3ASR

First American Financial Corp  
Form S-3ASR  
March 01, 2019

As filed with the Securities and Exchange Commission on March 1, 2019

Registration No. 333

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

FIRST AMERICAN FINANCIAL CORPORATION  
(Exact Name of Registrant as Specified in Its Charter)

Delaware 26-1911571  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)  
1 First American Way  
Santa Ana, California 92707-5913  
Telephone: (714) 250-3000  
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jeffrey S. Robinson, Esq.  
Vice President and Secretary  
First American Financial Corporation  
1 First American Way  
Santa Ana, California 92707-5913  
Telephone: (714) 250-3000  
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:

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Andrew L. Fabens, Esq.  
Gibson Dunn & Crutcher LLP  
200 Park Avenue  
New York, New York 10166-0193  
Telephone: (212) 351-4000

Approximate date of commencement of proposed sale to public: From time to time after the effective date of this registration statement.

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

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

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

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

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated filer            Accelerated filer  
 Non-accelerated filer            Smaller reporting company  
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock, par value \$0.00001 per share	500,000	(1)(2)(2)	(2)	(2)

(1) Pursuant to Rule 416 under the Securities Act of 1933, as amended (the “Securities Act”), this registration statement shall include any additional shares of common stock that may become issuable as a result of any stock split, stock dividend, recapitalization or other similar transaction effected without the receipt of consideration that results in an increase in the number of First American Financial Corporation’s outstanding shares of common stock.

(2)

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Pursuant to Rule 415(a)(6) under the Securities Act, the prospectus included herein relates to 500,000 shares of our common stock previously registered under Registration Statement No. 333-209859, filed by us on March 1, 2016, which were not sold thereunder. This registration statement re-registers the 500,000 shares of our common stock that remain unsold as of the date hereof. Pursuant to Rule 415(a)(6) under the Securities Act, the registration fee previously paid in connection with such unsold securities shall continue to apply to the unsold securities and no additional registration fee is due in connection with this registration statement.

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PROSPECTUS

Dividend Reinvestment & Direct Purchase Plan

500,000 Shares of Common Stock, \$0.00001 par value

CUSIP 31847R 102

This prospectus describes the First American Financial Corporation Dividend Reinvestment and Direct Purchase Plan (the “Plan”), a direct stock purchase plan designed to provide investors with a convenient method to purchase shares of First American Financial Corporation’s common stock and to reinvest cash dividends in the purchase of additional shares.

Our common stock is listed on the New York Stock Exchange under the symbol “FAF.” We have our executive offices at 1 First American Way, Santa Ana, California 92707-5913. Our telephone number is (714) 250-3000.

Equiniti Trust Company d/b/a EQ Shareowner Services, the Administrator of the Plan (the “Administrator”), may buy shares of First American Financial Corporation common stock in the open market, in privately negotiated transactions or directly from us. If the Administrator buys shares of common stock in the open market, the price of such shares will be the weighted average price of all shares of common stock purchased for the relevant investment date. If the Administrator buys shares of common stock from us, the price of such shares will be the average of the high and low sales prices of our shares of common stock for the relevant investment date as reported on the New York Stock Exchange Consolidated Tape. Shares of common stock purchased in privately negotiated transactions will be made on terms as the purchasing agent may reasonably determine.

First American Financial Corporation common stock is not insured by the Federal Deposit Insurance Corporation or any other government agency, is not a deposit or other obligation of, and is not guaranteed by, EQ Shareowners Services or First American Financial Corporation, and is subject to investment risks, including the possible loss of the principal amount invested. Common stock held in the Plan is not subject to protection under the Securities Investor Protection Act of 1970.

Please read this prospectus carefully and keep it and all account statements for future reference. If you have any questions about the Plan, please call the Administrator toll-free at 1-800-468-9716. Customer service representatives are available between the hours of 7:00 a.m. and 7:00 p.m., Central Standard Time, Monday through Friday.

Investing in our common stock involves risks. See “Risk Factors” beginning on page 2 of this prospectus and in our periodic filings made with the Securities and Exchange Commission (the “SEC”) for a discussion of certain risks that you should consider before investing in our common stock.

NONE OF THE SEC, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SHARES OF FIRST AMERICAN FINANCIAL CORPORATION'S COMMON STOCK IN ANY STATE OR OTHER JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. TO THE EXTENT REQUIRED BY APPLICABLE LAW IN CERTAIN JURISDICTIONS, SHARES OF COMMON STOCK OFFERED UNDER THE PLAN TO PERSONS WHO ARE NOT RECORD HOLDERS OF FIRST AMERICAN FINANCIAL CORPORATION'S COMMON STOCK ARE OFFERED ONLY THROUGH A REGISTERED BROKER IN THOSE JURISDICTIONS.

This prospectus is dated March 1, 2019.

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC. This prospectus does not contain all of the information set forth in the registration statement and the exhibits to the registration statement. You should read the entire registration statement and this prospectus, together with the additional information described under the headings “Where You Can Find More Information” and “Documents Incorporated by Reference.”

You should rely only on information provided in the registration statement, this prospectus and the information incorporated by reference. We have not authorized any person to disseminate any information or to make any representations or to provide you with any information that differs from the foregoing, and, if given or made, such information or representations must not be relied upon as having been authorized by our company. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy securities in any circumstances in which such offer or solicitation is unlawful. The information contained in this prospectus or incorporated by reference may only be accurate as of the date of the release of such information. Our affairs or business may have changed since the date of release of such information.

In this prospectus, we use the terms the “company,” the “registrant,” “First American,” “we,” “us” and “our” to refer to First American Financial Corporation and our consolidated subsidiaries.

## SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus and the documents incorporated by reference herein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and may contain the words “believe,” “anticipate,” “expect,” “intend,” “plan,” “predict,” “estimate,” “project,” “will be,” “will continue,” “will like” other similar words and phrases or future or conditional verbs such as “will,” “may,” “might,” “should,” “would,” or “could.” These forward-looking statements include, without limitation, statements regarding future operations, performance, financial condition, prospects, plans and strategies. These forward-looking statements are based on current expectations and assumptions that may prove to be incorrect.

Risks and uncertainties exist that may cause results to differ materially from those set forth in these forward-looking statements. Factors that could cause the anticipated results to differ from those described in the forward-looking statements include, without limitation:

- interest rate fluctuations;
- changes in the performance of the real estate markets;
- volatility in the capital markets;
- unfavorable economic conditions;
- failures at financial institutions where the company deposits funds;
- changes in applicable laws and government regulations, including data privacy laws;
- heightened scrutiny by legislators and regulators of the company’s title insurance and services segment and certain other of the company’s businesses;
- use of social media by the company and other parties;
- regulation of title insurance rates;
- limitations on access to public records and other data;

- changes in relationships with large mortgage lenders and government-sponsored enterprises;
- changes in measures of the strength of the company's title insurance underwriters, including ratings and statutory capital and surplus;
- losses in the company's investment portfolio;
- material variance between actual and expected claims experience;
- defalcations, increased claims or other costs and expenses attributable to the company's use of title agents;
- any inadequacy in the company's risk management framework;
- systems damage, failures, interruptions and intrusions, or unauthorized data disclosures;
- innovation efforts of the company and other industry participants and any related market disruption;
- errors and fraud involving the transfer of funds;
- the company's use of a global workforce;
- inability of the company's subsidiaries to pay dividends or repay funds; and
- other factors described in our reports that are incorporated by reference in this prospectus, including under the caption "Risk Factors."

The forward-looking statements speak only as of the date they are made. We do not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

## RISK FACTORS

Investing in our common stock involves risk. Please see the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2018 and in the other documents incorporated by reference into this prospectus (see "Documents Incorporated by Reference"). You should carefully consider these risk factors, as well as the other information contained elsewhere in this prospectus and the information incorporated by reference before making an investment decision. We face risks other than those described in the aforementioned reports, including those that are unknown to us and others of which we may be aware but, at present, consider immaterial. Because of those risk factors, as well as other variables affecting our operating results, past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods.

## WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information and documents with the SEC. Our filings with the SEC are available to the public on the Internet through the SEC's EDGAR database. You may access the EDGAR database at the SEC's website at [www.sec.gov](http://www.sec.gov).

We also post our SEC filings on our website at [www.firstam.com](http://www.firstam.com). Information contained on our website is not intended to be incorporated by reference in this prospectus, and you should not consider that information part of this prospectus. Our website address is included in this prospectus as an inactive textual reference only.

It is important for you to analyze the information in this prospectus, the registration statement and the exhibits to the registration statement, and additional information described under the heading "Documents Incorporated by Reference" below before you make your investment decision.

## DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows us to “incorporate by reference” certain information in documents we file with it, which means that we can disclose important information to you in this prospectus by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information in this prospectus, information filed subsequently that is incorporated by reference and information in any prospectus supplement. These documents contain important business and financial information about our company, including information concerning its financial performance, and we urge you to read them. We incorporate by reference into this prospectus all of the following documents:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed on February 20, 2019;
- our Current Report on Form 8-K, filed on February 14, 2019; and
- the Description of Capital Stock provided under the heading “Description of Capital Stock” in the information statement attached as Exhibit 99(a) to Amendment No. 5 to our registration statement on Form 10-12B filed on May 12, 2010, together with any amendment or report filed with the SEC for the purpose of updating such description.

We also incorporate into this prospectus all of our filings with the SEC made pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act that we file after the filing of this prospectus but prior to the termination of any offering of shares of common stock made by this prospectus. Information in this prospectus and incorporated by reference is only current as of the date it is made. Information in documents that we subsequently file with the SEC will automatically update and supersede any previously disclosed information. However, any documents or portions thereof or any exhibits thereto that we furnish to, but do not file with, the SEC shall not be incorporated or deemed to be incorporated by reference into this prospectus.

We will furnish to you without charge, upon written or oral request, a copy of any or all of the documents incorporated by reference into this prospectus, except for exhibits to those documents, unless the exhibits are specifically incorporated by reference into those documents. Requests should be addressed to:

First American Financial Corporation  
1 First American Way  
Santa Ana, California 92707-5913  
Attention: Secretary  
(714) 250-3000

You should read the information in this prospectus together with the information in the documents incorporated by reference. Nothing contained herein shall be deemed to incorporate information furnished to, but not filed with, the SEC.

## OUR COMPANY

We, through our subsidiaries, are engaged in the business of providing financial services through our title insurance and services segment and our specialty insurance segment. The title insurance and services segment provides title insurance, closing and/or escrow services and similar or related services domestically and internationally in connection with residential and commercial real estate transactions. It also provides products, services and solutions that are designed to mitigate risk in, or otherwise facilitate real estate transactions. Many of these products, services and solutions involve the use of real property-related data, including data derived from its proprietary databases. It maintains, manages and provides access to title plant records and images, and, in addition, provides banking, trust, document custodial and wealth management services. The specialty insurance segment issues property and casualty insurance policies and sells home warranty products. In addition, our corporate function consists of certain financing facilities as well as the corporate services that support our business operations.

The substantial majority of our business is dependent upon activity in the real estate and mortgage markets, which are cyclical and seasonal. In the current market environment, we are focused on growing our core title insurance and settlement services business, strengthening our enterprise through data and process advantages and managing and actively investing in complementary businesses that support and/or leverage our core title and settlement services business. We are also focused on continued improvement of our customers' experiences with our products, services and solutions, and on enhancing our services offered to title agents. We remain committed to efficiently managing our business to market conditions throughout business cycles

First American Financial Corporation was incorporated in the state of Delaware in January 2008 to hold the financial services businesses of the Company's prior parent. On June 1, 2010, the Company's common stock was listed on the New York Stock Exchange under the ticker symbol "FAF." The businesses operated by the Company's subsidiaries have, in some instances, been in existence since the late 1800s.

We have our executive offices at 1 First American Way, Santa Ana, California 92707-5913. Our telephone number is (714) 250-3000. Our website is [www.firstam.com](http://www.firstam.com). Information contained on or connected to our website is not a prospectus, is not incorporated by reference into this prospectus and does not constitute part of this prospectus.

## DIVIDEND REINVESTMENT & DIRECT PURCHASE PLAN

### 1. What is the Plan?

The Plan is a convenient, low cost purchase plan available for existing and new investors to increase their holdings in the company's common stock. Participants in the Plan may elect to have dividends reinvested automatically at no cost or buy additional shares of common stock of First American at any time through an optional cash investment of \$50 to \$5,000 per quarter. Participation in the Plan is entirely voluntary, and we give no advice regarding your decision to join the Plan.

## PURPOSE

### 2. What is the purpose of the Plan?

The purpose of the Plan is to promote long-term stock ownership among existing and new investors in the company by providing a convenient method to purchase shares of First American common stock and reinvest cash dividends paid on such shares.

Participation in the Plan is voluntary, and we give no advice regarding your decision to join the Plan. If you decide to participate, an Account Authorization Form and reply envelope are enclosed for your convenience. In addition, Account Authorization Forms are also available online. You can access these services through the Administrator's website, [shareowneronline.com](http://shareowneronline.com). If the shares are jointly owned, all owners must sign the form.

## ADMINISTRATION

### 3. Who administers the Plan?

The Plan is administered by Equiniti Trust Company d/b/a EQ Shareowner Services, which serves as the company's stock transfer agent, registrar and dividend disbursing agent. As Administrator, EQ Shareowner Services keeps records, sends statements and performs other duties relating to the Plan.

The Administrator is authorized to choose a broker at its sole discretion to facilitate purchases and sales of shares of First American common stock by Plan participants. The Administrator will furnish the name of the registered broker utilized in share transactions within a reasonable time upon written request from the participant.

### 4. What kind of reports will be sent to participants in the Plan?

As a participant, you will receive a statement for any account activity. You should retain these statements in order to establish the cost basis of shares purchased under the Plan for income tax and other purposes. In addition, each participant will receive all communications sent to all other stockholders, such as annual reports and proxy statements.

## CONTACT INFORMATION

### 5. How do I contact the Administrator?

Written Correspondence: EQ Shareowner Services

P.O. Box 64874

St. Paul, MN 55164-0874

Certified and Overnight Delivery: EQ Shareowner Services

1110 Centre Pointe Curve, Suite 101

Mendota Heights, MN 55120-4100

Telephone Inquiries: 1-800-468-9716 (toll free)

651-450-4064 (outside the United States)

Internet: [shareowneronline.com](http://shareowneronline.com)



Email: Go to [shareowneronline.com](http://shareowneronline.com) and select "Contact Us."

When communicating with the Administrator, you should have available your account number and taxpayer identification number.

## ELIGIBILITY AND ENROLLMENT

6. How does a First American stockholder participate in the Plan?

If you are already a First American stockholder with shares of common stock registered in your name, you may enroll in the Plan simply by completing and returning an Account Authorization Form. You may also enroll online at [shareowneronline.com](http://shareowneronline.com).

7. I am not currently a stockholder. Can I participate in the Plan?

Yes. If you currently hold no shares of First American common stock, you may enroll in the Plan by completing and returning an Account Authorization Form and either making an initial investment or authorizing automatic deductions from a qualified bank account (see "—Investment Summary and Fees"). You may also enroll online at [shareowneronline.com](http://shareowneronline.com).

Regulations in certain countries may limit or prohibit participation in this type of Plan. Accordingly, persons residing outside the United States who wish to participate in the Plan should first determine whether they are subject to any governmental regulation prohibiting their participation.

8. I already own shares of First American common stock, but they are held by my bank or broker and registered in "street name." How can I participate?

If you currently own shares of First American common stock but they are held at a bank or broker in its name ("street name") you may participate in the Plan by instructing your agent to convert your shares of First American common stock to shares registered in your name through the Direct Registration System. Once the shares are in your name, you may request that the Administrator send you an enrollment package.

9. Are there fees associated with enrollment?

There is a one-time enrollment fee. The Account Authorization Form should be accompanied by an initial cash investment, the enrollment fee will be deducted from your initial investment (see "—Investment Summary and Fees").

## OPTIONAL CASH INVESTMENTS

10. What are the minimum and maximum amounts for optional cash investments?

Additional investments may be made in amounts of at least \$50.00 subject to a maximum of \$5,000.00 during any quarter, including your initial investment, if any.

You are under no obligation to make additional cash investments. Funds awaiting purchase do not earn interest. During the period that an optional cash investment is pending, the collected funds in the possession of the Administrator may be invested in certain Permitted Investments. For purposes of this Plan, "Permitted Investments" shall mean either the Administrator's holding of the funds (i) uninvested or (ii) invested in select Wells Fargo deposit products. The risk of any loss from such Permitted Investments shall be the responsibility of the Administrator. Investment income from such Permitted Investments shall be retained by the Administrator.

11. How do I make an optional cash investment?

Checks should be made payable to "EQ Shareowner Services." Checks must be in U.S. funds and drawn on a U.S. or Canadian financial institution. Cash, money orders, traveler's checks and third party checks are not allowed. Checks must be accompanied by the Transaction Request Form attached to your account statement and mailed to: EQ

Shareowner Services (see “—Contact Information”).