

# STATE OF MISSOURI

DEPARTMENT OF



INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

In Re: **Proposed Acquisition of** )  
**Chicago Title Insurance Company** ) Case Number 000107957C  
**by Fidelity National Financial, Inc.** )

## **Findings of Fact and Conclusions of Law, Order, and Consent**

Pursuant to section 382.060 of the Revised Statutes of Missouri, the Director ("Director") of the Missouri Department of Insurance ("MDI") held a public hearing on January 27, 2000, to consider the application of Fidelity National Financial, Inc. to acquire control of Chicago Title Insurance Company, a Missouri domestic insurance company.

### **Findings of Fact and Conclusions of Law**

Based upon the investigation and review of this matter by the MDI and the testimony and evidence from the public hearing and certain matters referenced in the findings, the Director of the MDI does make the following Findings of Fact and Conclusions of Law:

1. The following terms have the meaning set forth below:
  - a. "Chicago Title" means Chicago Title Corporation and any entities controlled by Chicago Title Corporation.
  - b. "Closing" means the closing of the merger of Fidelity National Financial, Inc., and Chicago Title Corporation, as described in Item 1 of the Form A Statement filed in this matter on October 19, 1999.
  - c. "CTIC" means Chicago Title Insurance Company.

d. "FNF" means Fidelity National Financial, Inc., and any entities controlled by Fidelity National Financial, Inc.

e. Terms used in these Findings of Fact and Conclusions of Law and in the Order, which terms are defined in section 382.010, RSMo 1994 (1999 Cum. Supp.), shall have the same definitions in such Findings and Order as in such section.

2. After the change of control, CTIC will be able to satisfy the requirements for the issuance of a license to write the lines of insurance (specifically the business of title insurance) for which it is presently licensed.

3. The financial condition of FNF is not such as might jeopardize the financial stability of CTIC or prejudice the interests of its policyholders.

4. FNF has no plans to liquidate CTIC or to sell its assets. The plans or proposals of FNF to consolidate or merge CTIC with any person or to make any material change in its business or corporate structure or management are not unfair and unreasonable to the policyholders of CTIC and are not contrary to the public interest.

5. The competence experience and integrity of those persons who will control the operations of CTIC are not such that it would be contrary to the interests of the policyholders of CTIC and of the public to permit the change of control.

6. The acquisition of CTIC is not likely to be hazardous or prejudicial to the insurance buying public.

7. MDI has expressed concerns about whether the effect of the acquisition of CTIC will be to lessen competition in the business of title insurance in certain geographic areas of this state, namely in Greene, Lawrence, Pettis and Webster Counties. FNF does not believe the acquisition of CTIC will lessen competition in those geographic areas, but is willing to agree to the Order set forth below to address MDI's concerns.

### **Order**

Based on the foregoing findings and conclusions and consent of the parties, the proposed acquisition of CTIC by FNF is approved upon the following conditions:

A. Pettis and Webster Counties. FNF and CTC agree to transact title insurance business in Pettis and Webster Counties only in compliance with the following conditions:

1. Within ninety (90) days from the date this order is signed by FNF and CTC, either FNF or CTC will terminate any and all relationship or relationships with title insurance agents and agencies located in Pettis and Webster Counties.

2. For a period of four years from Closing, FNF and CTC will establish and maintain agent and agency relationships in Pettis and Webster Counties only with title insurance agents and agencies (a) with whom FNF or CTC currently maintains agent and agency relationships and (b) whose agent or agency relationship is not terminated pursuant to subparagraph 1 of this paragraph A.

3. Notwithstanding sub-paragraphs 1. and 2. of this paragraph, FNF and CTC may establish and maintain other agent and agency relationships in Pettis and Webster Counties if the agents and agencies under subparagraph 2. of this paragraph terminate the relationship with FNF and CTC.

B. Lawrence County. FNF and CTC agree to transact title insurance business in Lawrence County only in compliance with the following conditions:

1. For a period of four years from Closing, FNF and CTC will establish and maintain agent and agency relationships in Lawrence County only with the one title agent and agency with whom FNF and CTC currently maintain a relationship.

2. For a period of four years from Closing, FNF and CTC will not change the terms and conditions of the agreement or contract with the title agent and agency in Lawrence County, from which FNF accepted title insurance business in 1998, without prior approval of the Director. Such terms and conditions include but are not limited to the commission rate or remittance rate for commissions received by or remittances paid by such agent and agency. Notwithstanding the foregoing, said title agent and agency shall not be prohibited from writing any amount of title insurance business with FNF or CTC or referring any amount of title insurance business to FNF or CTC.

3. Notwithstanding sub-paragraphs 1. and 2. of this paragraph, FNF and CTC may establish and maintain other agent and agency relationships in Lawrence County if the one agent and agency under subparagraph 1. of this paragraph terminate the relationship with FNF and CTC.

C. Greene County. FNF and CTC agree to transact title insurance business in Greene County only in compliance with the following conditions:

1. Within ninety (90) days from the date this order is signed by FNF and CTC, either FNF or CTC will terminate any and all relationship or relationships with title insurance agents and agencies located in Greene County.

2. For a period of four years from Closing, FNF and CTC will establish and maintain agent and agency relationships in Greene County only with title insurance agents and agencies (a) with whom FNF or CTC currently maintains agent and agency relationships and (b) whose agent or agency relationship is not terminated pursuant to subparagraph 1 of this paragraph A.

3. If, after ninety days from the date this order is signed, FNF and CTC establish or maintain an agent or agency relationship with the agent or agency with whom FNF currently maintains a relationship (including any agent or agency affiliated with such agent or agency), then:

a. For a period of four years from Closing, FNF and CTC will not underwrite more than ninety percent (90%) of the title insurance, as measured by direct written premium, annually produced by or attributed to such title agent and agency and any affiliated agent and agency; and

b. For a period of four years from Closing, FNF and CTC will require - upon penalty of termination of such agent and agency relationship - such agent and agency to report on a monthly basis to the MDI, in a form and manner acceptable to the MDI, all direct written title insurance premium produced by or attributed to such agent and agency and any affiliated agent and agency. The MDI will maintain each such report as a confidential trade secret to the extent permitted by law.

D. At any time during the period of four years from Closing, FNF and CTC may apply to the Director in writing for relief from the application of any provision of this Order. No relief will be granted from the application of any provision of this Order, unless granted by the Director in writing upon a finding that such relief will not lessen competition in the business of title insurance in the geographic area to which the relief relates.

E. FNF and CTC will report on compliance with this Order at any time upon the reasonable request of MDI.

So ordered, signed and official seal affixed this 7 day of February, 2000.

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Keith A. Wenzel

## Consent

In consideration of the Director's Order, FNF and CTC: (1) consent to the Findings of Fact and Conclusions of Law and the Order sections of this document, including all conditions in the Order section; (2) waive all rights to seek judicial review or to challenge and agree not to appeal or in any manner contest the Findings of Fact and Conclusions of Law or Order entered in the above-captioned matter; (3) waive any further procedural steps; (4) waive any claim under the Equal Access to Justice Act, sections 536.085 and 536.087, RSMo 1994 (1999 Cum. Supp.); (5) agree that this Order in the above-captioned matter is a valid order of the Director of MDI; and (6) agree that in the event FNF violates any provision of this Order in the above-captioned matter, the shares of stock of CTIC shall be deemed securities acquired in contravention and violation of an order issued by the Director, pursuant to sections 382.010 to 382.300 of the Missouri Revised Statutes.

Date: \_\_\_\_\_

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Executive Vice President of Fidelity  
National Financial, Inc.

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Counsel for Fidelity National Financial,  
Inc.

Date: \_\_\_\_\_

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Chief Executive Officer of Chicago  
Title Corporation

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Counsel for Chicago Title Corporation