

FIDELITY NATIONAL FINANCIAL INC /DE/

Form 424B3

March 07, 2003

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The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

This filing is made pursuant to Rule 424(b)(3) under the Securities Act of 1933 in connection with Registration No. 333-57904

SUBJECT TO COMPLETION, DATED MARCH 6, 2003

PROSPECTUS SUPPLEMENT
(To Prospectus dated April 19, 2001)

\$200,000,000

% Notes Due March , 2013

The notes bear interest at the rate of % per year. Interest on the notes is payable on and of each year, commencing on , 2003. The notes mature on March , 2013. We will issue the notes only in denominations of \$1,000 and integral multiples of \$1,000.

We may, at our option, redeem the notes in whole at any time or in part from time to time at the make whole redemption price determined as described in this prospectus supplement. See Description of the Notes beginning on page S-17.

Investing in the notes involves a high degree of risk. See Risk Factors beginning on page S-13.

	<u>Per Note</u>	<u>Total</u>
Initial public offering price(1)		
% \$		
Underwriting discount		
% \$		
Proceeds, before expenses, to Fidelity		
% \$		

(1) Plus accrued interest, if any, from March , 2003.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Underwriters expect to deliver the notes to purchasers in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York on or about March , 2003.

LEHMAN BROTHERS

**BANC OF AMERICA SECURITIES LLC
BEAR, STEARNS & CO. INC.**

The date of this prospectus supplement is March , 2003.

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IMPORTANT NOTICE ABOUT THE INFORMATION IN THIS

PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to the notes we are offering.

If the description of the notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information we provide or incorporate by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different or additional information. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement and the date of the accompanying prospectus, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus, or any sales of the notes.

On July 25, 2001, we declared a 10% stock dividend to stockholders of record on August 9, 2001, payable on August 23, 2001. On April 24, 2002, we declared a 10% stock dividend to stockholders of record on May 9, 2002, payable on May 23, 2002. All share and share related information, including without limitation earnings per share, dividends per share and price per share where applicable, contained in this prospectus supplement and the accompanying prospectus have been adjusted to reflect the stock dividends.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission, or SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its public reference facilities at 450 Fifth Street, N.W., Washington, D.C. 20549 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. You can also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Our SEC filings are also available at the office of the New York Stock Exchange at 20 Broad Street, New York, NY 10005. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call (212) 656-5060.

We incorporate by reference into this prospectus supplement the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and information that we file subsequently with the SEC will automatically update this prospectus supplement. We incorporate by reference the documents listed below (SEC File No. 1-9396) and any filings we make or have made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, or Exchange Act, after the initial filing of the registration statement that contained the accompanying prospectus and prior to the time that we sell all the securities offered by this prospectus supplement:

Annual Report on Form 10-K for the year ended December 31, 2001;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002, June 30, 2002 and September 30, 2002; and

Current Reports on Form 8-K dated August 13, 2002, January 29, 2003 and March 5, 2003.

You may request a copy of these filings, other than exhibits, at no cost by writing to or telephoning us at the following address:

Fidelity National Financial, Inc.

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

FORWARD-LOOKING INFORMATION

You should read carefully this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in the notes. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on our management's beliefs as well as assumptions made by, and information currently available to, our management. Because such statements are based on expectations as to future economic performance and are not statements of fact, actual results may differ materially from those projected. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Important factors that may affect these projections or expectations include, but are not limited to:

general political, economic and business conditions, including the possibility of intensified international hostilities, acts of terrorism, interest rate fluctuations and general volatility in the capital markets;

changes in the performance of the real estate markets;

the impact of competitive products and pricing;

success of operating initiatives;

adverse publicity;

the ability to identify businesses to be acquired;

availability of qualified personnel;

employee benefits costs; and

changes in, or the failure to comply with, government regulations and other risks detailed in our filings with the SEC.

All of these factors are difficult to predict and many are beyond our control. Accordingly, while we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that expectations derived from them will be realized. When used in our documents and oral presentations, the words anticipate, believe, estimate, objective, projection, forecast, similar words are intended to identify forward-looking statements. These and other factors are discussed in our Annual Report on Form 10-K for the year ended December 31, 2001, as well as the section entitled Risk Factors that appears in this prospectus supplement.

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SUMMARY

The following information should be read together with the information contained in the accompanying prospectus. You should carefully read this prospectus supplement and the accompanying prospectus, as well as the documents they incorporate by reference, to understand fully the terms of the notes and other considerations that are important to you in making a decision about whether to invest in the notes. In this prospectus supplement and the accompanying prospectus, the Company, Fidelity, we, our, and us refer to Fidelity National Financial, Inc., a Delaware corporation, including, unless the context otherwise requires or as otherwise expressly stated, our subsidiaries.

Fidelity National Financial, Inc.

We are the largest title insurance and diversified real estate related services company in the United States. Our title insurance underwriters Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title together issued approximately 29% of all title insurance policies issued nationally during 2001. We provide title insurance in 49 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands, and in Canada and Mexico. Since acquiring Chicago Title Corporation in March 2000, we have been able to leverage our national network of 1,100 direct offices and 8,800 agents to secure the leading market share (based on net premiums written) in three out of the four states that account for approximately 50% of the real estate activity in the country.

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

- collection and trust activities
- trustee s sales guarantees
- recordings
- reconveyances
- property appraisal services
- credit reporting
- exchange intermediary services in connection with real estate transactions
- real estate tax services
- home warranty insurance
- foreclosing posting and publishing services
- loan portfolio services
- flood certification
- field services
- property data and disclosure services
- multiple listing services
- mortgage loan fulfillment services
- flood insurance

homeowners insurance

Recent Developments

On January 9, 2003, we entered into an Agreement and Plan of Merger with ANFI, Inc., a publicly traded California corporation. The merger agreement was subsequently amended on February 21, 2003. Pursuant to the merger agreement, ANFI will merge with and into our wholly-owned merger subsidiary. In the merger, each share of ANFI common stock (other than ANFI common stock we already own) will be exchanged for 0.454 of a share of our common stock. The consummation of the transaction is subject to the approval of ANFI shareholders. The ANFI shareholder meeting is currently scheduled to be held on March 26, 2003 and we currently anticipate closing the merger on March 27, 2003. We anticipate that we will issue approximately 3.2 million shares of our common stock to the ANFI shareholders in the merger.

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Three lawsuits, captioned *Schneider v. Fidelity National Financial, Inc., et al.* (Case No. 03CC00017), *Rossi v. Michael C. Lowther, et al.* (Case No. 03CC00021) and *Miller v. Michael C. Lowther, et al.* (Case No. 03CC00018), have been filed in Orange County Superior Court naming as defendants Fidelity and the members of the Board of Directors of ANFI. The complaints seek class action status and allege breach of fiduciary duty in connection with the approval of the merger by ANFI's directors. We believe the lawsuits are without merit.

On January 29, 2003, we announced that we entered into a stock purchase agreement with ALLTEL Corporation, Inc., or ALLTEL, a Delaware corporation, pursuant to which we will acquire from ALLTEL its financial services division, ALLTEL Information Services, Inc., or AIS, an Arkansas corporation and wholly-owned subsidiary of ALLTEL. As a result of the acquisition, AIS will become our wholly-owned subsidiary. The transaction is expected to close by the end of the first quarter of 2003. Under the terms of the stock purchase agreement, all of the issued and outstanding shares of AIS common stock will be purchased by us for consideration consisting of \$775.0 million in cash and \$275.0 million in our common stock. Consummation of the acquisition is subject to customary closing conditions. In connection with the stock purchase agreement, prior to closing we will enter into a stockholder's agreement, a non-competition agreement and certain transition agreements with ALLTEL. The stockholder's agreement will: (1) restrict the sale by ALLTEL of our common stock received in the transaction for up to one year, (2) grant ALLTEL the right to designate one nominee to our Board of Directors, so long as it continues to hold at least 50% of the shares of our common stock received in the transaction, and (3) grant ALLTEL certain registration rights with respect to our common stock it receives in the transaction. The non-competition agreement will prohibit, with certain exceptions, ALLTEL and its affiliates from engaging in the business relating to the assets acquired by us for a period of two years after the transaction.

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

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

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

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

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

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

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The Offering

Issuer	Fidelity National Financial, Inc.
Notes Offered	\$200,000,000 in principal amount of % notes due March , 2013.
Maturity Date	March , 2013.
Issue Price	% of par plus accrued interest, if any, from the issue date of the notes.
Interest Rate	% per year.
Interest Payment Dates	and , beginning on , 2003. Interest will accrue from the issue date of the notes.
Ranking	The notes are our unsecured general obligations and rank equally with all of our other unsecured and unsubordinated indebtedness outstanding from time to time. The notes are solely the obligations of Fidelity National Financial, Inc. and all existing and future liabilities of our subsidiaries will be effectively senior to the notes.
Optional Redemption	We may, at our option, redeem the notes in whole at any time or in part from time to time at the make whole redemption price determined as set forth in the section Description of the Notes in this prospectus supplement under the heading Optional Redemption, plus accrued interest to the date of redemption.
Covenants	The indenture governing the notes contains covenants that limit our ability and our subsidiaries ability to: <p style="margin-left: 40px;">incur liens on our assets to secure debt;</p> <p style="margin-left: 40px;">merge or consolidate with another company; and</p> <p style="margin-left: 40px;">transfer or sell substantially all of our assets.</p> <p>For more details, see the section Description of the Notes in this prospectus supplement and the section Description of Debt Securities in the accompanying prospectus.</p>
Use of Proceeds	Our net proceeds from this offering will be approximately \$ million. We intend to use these net proceeds to pay part of the purchase price for AIS. See Use of Proceeds.
Risk Factors	You should carefully consider all information set forth and incorporated by reference in this prospectus supplement and the accompanying prospectus and, in particular, should carefully read the section entitled Risk Factors in this prospectus supplement before purchasing any of the notes.

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Certain Financial Information

The following summary financial data as of and for the years ended December 31, 2001, 2000 and 1999 has been derived from our consolidated financial statements incorporated by reference herein which have been audited by KPMG LLP, independent auditors. The selected consolidated financial data as of and for the nine months ended September 30, 2002 and 2001 have been derived from unaudited consolidated financial statements filed with the SEC and incorporated by reference herein and include all adjustments (consisting of normal recurring accruals) which we consider necessary for a fair presentation of the consolidated financial position and results of operations. Operating results for the nine months ended September 30, 2002 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2002. You should read the financial data presented below in conjunction with the consolidated financial statements and accompanying notes thereto and management's discussion and analysis of our financial condition and results of operations contained in our Annual Report on Form 10-K for the year ended December 31, 2001 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002, June 30, 2002 and September 30, 2002. Share and per share data has been retroactively adjusted for stock dividends and splits since our inception, including the 10% stock dividend in May 2002. Certain classifications have been made to the prior year amounts to conform with the 2002 presentation.

Year ended December 31,			Nine months ended September 30,	
2001(1)(2)	2000(3)	1999	2002	2001(2)
(in thousands, except per share, other data and ratios)				

Operating Data:

Revenue:

Title insurance premiums	\$2,694,479	\$1,946,159	\$939,452	\$2,408,416	\$1,901,980
Escrow and other title-related fees	728,406	459,121	206,570	679,304	516,540
Real estate related services	287,063	166,718	67,844	308,183	195,598
Interest and investment income	93,105	87,392	28,695	59,023	72,096
Realized gains and (losses), net	6,349	(201)	3,350	9,195	8,024
Other income	64,705	82,805	109,943	28,550	47,792

3,874,107 2,741,994 1,355,854 3,492,671 2,742,030

Expenses:

Personnel costs

1,187,177 845,349 407,078 1,037,722 854,171

Other operating expenses

829,433 624,087 334,578 717,046 583,634

Agent commissions

1,098,328 884,498 423,675 1,020,936 766,605

Provision for claim losses

134,724 97,322 52,713 120,421 95,435

Amortization of cost in excess of net assets acquired

54,155 35,003 6,638 35,045

Interest expense

46,569 59,374 15,626 25,999 36,917

3,350,386 2,545,633 1,240,308 2,922,124 2,371,807

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Year ended December 31,			Nine months ended September 30,	
2001(1)(2)	2000(3)	1999	2002	2001(2)

(in thousands, except per share, other data and ratios)

Earnings before income taxes, minority interest and cumulative effect of a change in accounting principle

523,721 196,361 115,546 570,547 370,223

Income tax expense

209,488 86,624 46,065 205,397 148,088

Earnings before minority interest and cumulative effect of a change in accounting principle

314,233 109,737 69,481 365,150 222,135

Minority interest

3,048 1,422 (1,372) 8,368 3,230

Earnings before cumulative effect of a change in accounting principle

311,185 108,315 70,853 356,782 218,905

Cumulative effect of a change in accounting principle, net of income taxes

(5,709) (5,709)

Net earnings

\$305,476 \$108,315 \$70,853 \$356,782 \$213,196

Per Share Data:

Basic earnings per share before cumulative effect of change in accounting principle

\$3.31 \$1.52 \$1.96 \$3.74 \$2.33

Cumulative effective of a change in accounting principle

\$(.06) \$ \$ \$(.06)

Basic net earnings per share

\$3.25 \$1.52 \$1.96 \$3.74 \$2.27

Weighted average shares outstanding, basic basis

94,048 71,173 36,072 95,276 93,885

Diluted earnings per share before cumulative effect of a change in accounting principle

\$3.21 \$1.47 \$1.87 \$3.61 \$2.26

Cumulative effect of a change in accounting principle

(.06) (.06)

Diluted net earnings per share
 \$3.15 \$1.47 \$1.87 \$3.61 \$2.20

Weighted average shares outstanding, diluted basis
 96,865 73,733 37,916 98,762 96,710

Dividends declared per share
 \$.34 \$.32 \$.26 \$.31 \$.25

Balance Sheet Data:

Investments(4)
 \$1,823,512 \$1,685,331 \$506,916 \$2,452,580 \$1,850,388

Cash and cash equivalents(5)
 542,620 262,955 38,569 549,753 476,773

Total assets
 4,415,998 3,833,985 1,042,546 5,196,785 4,326,596

Notes payable
 565,690 791,430 226,359 513,856 611,150

Reserve for claim losses
 881,053 907,482 239,962 892,675 891,430

Minority interests and preferred stock of subsidiary
 47,166 5,592 4,613 115,561 40,627

Stockholders equity
 1,638,870 1,106,737 432,494 2,107,113 1,583,831

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Year ended December 31,			Nine months ended September 30,	
2001(1)(2)	2000(3)	1999	2002	2001(2)

(in thousands, except per share, other data and ratios)

Other Data: