UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

OR

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

For the Quarter Ended March 31, 2001

Commission File Number 1-9396

FIDELITY NATIONAL FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	86-0498599
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

17911 Von Karman Avenue, Suite 300, Irvine, California 92614
(Address of principal executive offices) (Zip Code)

(949) 622-4333
(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 [X] NO [ ]

As of May 10, 2001, 78,229,023 shares of the Registrant's Common Stock were outstanding.

FORM 10-Q
QUARTERLY REPORT
Quarter Ended March 31, 2001

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Part I: FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	March 31, 2001 (Unaudited)	December 31, 2000
ASSETS		
Investments:		
Fixed maturities available for sale, at fair value, at March 31, 2001 includes $252,034 and at December 31, 2000 includes $248,512 of pledged fixed maturity securities related to secured trust deposits	$1,174,168	$1,188,681
Equity securities, at fair value	38,150	39,959
Other long-term investments, at fair value	46,190	46,870
Short-term investments at March 31, 2001 includes $183,536 and at December 31, 2000 includes $210,861 of pledged short-term investments related to secured trust deposits	405,086	409,317
Investments in real estate and partnerships, net	439	504
Total investments	1,664,033	1,685,331
Cash and cash equivalents, at March 31, 2001 includes $173,556 and at December 31, 2000 includes $132,141 of pledged cash related to secured trust deposits	314,008	262,955
Leases and residual interests in securitizations	176,079	151,052
Trade receivables, net	138,053	127,633
Notes receivable, net	14,776	16,381
Income taxes receivable	--	22,343
Cost in excess of net assets acquired, net	793,727	770,060
Prepaid expenses and other assets	277,634	231,118
Title plants	275,751	275,295
Property and equipment, net	165,435	172,838
Deferred tax asset	112,517	118,979
	$3,932,013	$3,833,985
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued liabilities	$ 425,933	$ 446,394
Notes payable	568,175	791,430
Reserve for claim losses	898,845	907,482
Secured trust deposits	593,876	576,350
Income taxes payable	16,732	--
	2,503,561	2,721,656
Minority interests	7,776	5,592
Stockholders' equity:		
Preferred stock, $.0001 par value; authorized, 3,000,000 shares; issued and outstanding, none	--	--
Common stock, $.0001 par value; authorized, 100,000,000 shares issued, 78,220,752 as of March 31, 2001 and 69,499,409 as of December 31, 2000	8	7
Additional paid-in capital	966,268	695,141
Retained earnings	446,375	409,216
	1,412,651	1,104,364
Accumulated other comprehensive earnings	8,025	2,373
	1,420,676	1,106,737
	$3,932,013	$3,833,985

See Notes to Condensed Consolidated Financial Statements

FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share data)

	Three months ended March 31, 2001	2000
	(Unaudited)	
REVENUE:		
Title insurance premiums	$534,840	$260,400
Escrow and other title-related fees	141,399	58,225
Real estate related services	56,550	20,870
Interest and investment income, including realized gains and losses	27,848	14,700
Other income	17,227	23,462
	777,864	377,657
EXPENSES:		
Personnel costs	250,824	110,707
Other operating expenses	176,009	110,563
Agent commissions	221,928	125,908
Provision for claim losses	26,741	14,585
Interest expense	14,382	6,579
Total expenses	689,884	368,342
Earnings before amortization of cost in excess of net assets acquired	87,980	9,315
Amortization of cost in excess of net assets acquired	11,722	1,654
Earnings before income taxes	76,258	7,661
Income tax expense	31,266	5,792
Net earnings	$ 44,992	$ 1,869
Basic earnings per share	$ 0.59	$ 0.06
Weighted average shares outstanding, basic basis	76,047	32,526
Diluted earnings per share	$ 0.57	$ 0.06

See Notes to Condensed Consolidated Financial Statements

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

	Three months ended March 31,	
	2001	2000
	(Unaudited)	
Net earnings	$44,992	$ 1,869
Other comprehensive earnings (loss):		
Unrealized gains on investments, net(1)	4,756	7,665
Reclassification adjustments for (gains) losses included in net earnings(2)	896	(2,707)
Other comprehensive earnings	5,652	4,958
Comprehensive earnings	$50,644	$ 6,827

(1) Net of income tax expense of $3.2 million and $5.1 million for the three months ended March 31, 2001 and 2000, respectively.

(2) Net of income tax expense (benefit) of ($597) and $1.8 million for the three months ended March 31, 2001 and 2000, respectively.

See Notes to Condensed Consolidated Financial Statements.

FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(In thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income
	Shares	Amount			
			(In thousands)		
Balance, December 31, 2000	69,499	$ 7	$ 695,141	$ 409,216	$ 2,373
Exercise of stock options	672	--	8,023	--	--
Tax benefit associated with the exercise of options	--	--	6,804	--	--
Other comprehensive income -- unrealized gain on investments and other financial instruments	--	--	--	--	5,652
Common stock offering, net	8,050	1	256,300	--	--
Cash dividends declared	--	--	--	(7,833)	--
Net earnings	--	--	--	44,992	--
Balance, March 31, 2001	78,221	$ 8	$ 966,268	$ 446,375	$ 8,025

See Notes Condensed Consolidated Financial Statements

FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three months ended March 31, 2001 (Unaudited)	Three months ended March 31, 2000
Cash flows from operating activities:		
Net earnings	$ 44,992	$ 1,869
Reconciliation of net earnings to net cash provided by operating activities:		
Depreciation and amortization	27,430	16,019
Net increase (decrease) in reserve for claim losses	(8,637)	1
Net increase in provision for possible losses other than claims	200	133
Gain on sales of assets	(838)	(4,512)
Change in assets and liabilities, net of effects from acquisitions:		
Net increase in leases and lease securitization residual interests	(25,027)	(10,007)
Net increase in secured trust deposits	(86)	--
Tax benefit associated with the exercise of stock options	6,804	--
Net increase in trade receivables	(11,946)	(1,403)
Net increase in prepaid expenses and other assets	(7,502)	(586)
Net decrease in accounts payable, accrued liabilities and minority interests	(62,436)	(8,792)
Net increase (decrease) in income taxes	39,866	(2,234)
Net cash provided by (used in) operating activities	2,820	(9,512)
Cash flows from investing activities:		
Proceeds from sales of investment securities available for sale	162,763	143,171
Proceeds from maturities of investment securities available for sale	43,355	88
Proceeds from sale of assets	318	--
Collections of notes receivable	2,586	5,849
Additions to title plants	(824)	--
Additions to property and equipment	(11,025)	(9,001)
Purchases of investment securities available for sale	(203,571)	(122,097)
Net proceeds from short-term investment securities	4,198	20,943
Additions to notes receivable	(1,427)	(5,570)
Acquisitions of businesses, net of cash acquired	(23,631)	(538,046)
Net cash used in investing activities	(27,258)	(504,663)

See Notes to Condensed Consolidated Financial Statements.

FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three months ended March 31, 2001	Three months ended March 31, 2000
	(Unaudited)	
Cash flows from financing activities:		
Borrowings	$ 43,433	$ 596,415
Net proceeds from common stock offering	256,300	--
Debt service payments	(266,687)	(34,093)
Dividends paid	(6,993)	(3,922)
Purchase of treasury stock	--	(551)
Stock options exercised	8,023	10,308
Net cash provided by financing activities	34,076	568,157
Net increase in cash and cash equivalents	9,638	53,982
Cash and cash equivalents at beginning of period	130,814	38,569
Cash and cash equivalents at end of period	$ 140,452	$ 92,551
Supplemental cash flow information:		
Income taxes paid (refunded)	$ (15,000)	$ 1,038
Interest paid	$ 14,837	$ 6,011
Noncash investing and financing activities:		
Dividends declared and unpaid	$ 7,833	$ 6,679

See Notes to Condensed Consolidated Financial Statements

Note A - Basis of Financial Statements

The financial information included in this report includes the accounts of Fidelity National Financial, Inc. and its subsidiaries (collectively, the "Company") and has been prepared in accordance with generally accepted accounting principles 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 the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

Certain reclassifications have been made in the 2000 Condensed Consolidated Financial Statements to conform to classifications used in 2001.

Note B - Recent Developments

On January 3, 2001 the Company acquired International Data Management Corporation ("IDM"), a leading provider of real estate information services, for $20.8 million in cash. IDM's real estate information databases contain over 100 million real property ownership and sales records from the continental United States. The databases are updated daily to reflect new sales, mortgage information and other changes in real property ownership. The acquisition was accounted for as a purchase and the Company is amortizing cost in excess of net assets acquired in connection with the acquisition on a straight-line basis over 15 years.

On April 12, 2001 the Company and VISTA Information Solutions, Inc. (Nasdaq: VINF), a provider of real estate information products and services, including multiple listing services systems and environmental data and disclosure information businesses, signed a definitive agreement to combine both companies' real estate information, technology products and assets into a jointly owned real estate services company. Under the terms of the agreement, the Company will contribute the assets and operations of its tax, credit, flood, appraisal and property records businesses in exchange for approximately 77 percent of VISTA stock. The Company anticipates that this transaction will close during the third quarter of 2001.

Note C - Merger with Chicago Title Corporation

On March 20, 2000, Chicago Title Corporation ("Chicago Title") merged with and into the Company pursuant to an Agreement and Plan of Merger, dated August 1, 1999, as amended on October 13, 1999. Pursuant to the merger agreement, Chicago Title stockholders received aggregate merger consideration valued at approximately $1.1 billion. The merger consideration was paid in the form of 1.7673 shares of Company common stock and $26.00 in cash for each share of Chicago Title common stock, resulting in the issuance of approximately 38.8 million shares of Company common stock valued at an average price during the applicable trading period of $13.1771 per share and the payment of approximately $570.2 million in cash. The merger was accounted for as a purchase, and the Company is amortizing cost in excess of net assets acquired in connection with the merger on a straight-line basis over 20 years.

The Company's Condensed Consolidated Statements of Earnings for the first quarter of 2000 include the results of operations of Chicago Title for the period from March 20, 2000, the merger date, through March 31, 2000.

In connection with the merger, the Company entered into an $800.0 million syndicated credit agreement. The credit agreement provides for three distinct credit facilities: (i) a $100.0 million, 18-month revolving credit facility, which has been paid in full and terminated, see Note D; (ii) a $250.0 million, 6-year revolving credit facility; and, (iii) a $450.0 million term loan facility with a 6-year amortization period. The credit agreement bears interest at a variable interest rate based on the debt ratings assigned to the Company by certain independent agencies, and is unsecured. The current interest rate is LIBOR plus 1.125%. Amounts borrowed under the credit agreement were used to finance the cash portion of the merger consideration, to refinance previously existing indebtedness, to pay fees and expenses incurred in connection with the merger and to fund other general corporate purposes.

Selected unaudited pro forma combined results of operations for the three-month period ended March 31, 2000, assuming the merger had occurred as of January 1, 2000, and using actual general and administrative expenses prior to the merger, is set forth below:

	Three months ended March 31, 2000
	(In thousands, except per share data)
Total revenue	$ 709,917
Net earnings before merger-related expenses and non-recurring charges	$ 12,558
Net loss	$ (21,230)
Basic net earnings per share before merger-related expenses and non-recurring charges	$ 0.19
Diluted net earnings per share before merger-related expenses and non-recurring charges	$ 0.19
Basic net loss per share	$ (0.32)
Diluted net loss per share	$ (0.32)

Note D - Common Stock Offering

On January 24, 2001, the Company issued 8,050,000 shares of its common stock at a public offering price of $33.50 per share. Proceeds from this offering, net of underwriting discounts and commissions and other estimated related expenses, were $256.3 million. Net proceeds of $100.0 million were used to repay in full and terminate the $100.0 million, 18-month revolving credit facility and net proceeds of $149.5 million were used to pay down in full the $250.0 million, 6-year revolving credit facility. The remainder of the cash proceeds are available for general corporate purposes.

Note E - Earnings Per Share

The Company presents "basic" earnings per share, representing net earnings divided by the weighted average shares outstanding (excluding all common stock equivalents), and "diluted" earnings per share, representing the dilutive effect of all common stock equivalents. The following table illustrates the computation of basic and diluted earnings per share:

	Three months ended March 31,	
	2001	2000
	(In thousands, except per share amounts)	
Net earnings, basic and diluted basis	$44,992	$ 1,869
Weighted average shares outstanding during the period, basic basis	76,047	32,526
Plus: Common stock equivalent shares assumed from conversion of options	2,672	1,428
Weighted average shares outstanding during the period, diluted basis	78,719	33,954
Basic earnings per share	$ 0.59	$ 0.06
Diluted earnings per share	$ 0.57	$ 0.06

Note F - Segment Information

Summarized financial information concerning the Company's reportable segments is shown in the following table. The amounts reported for 2000 include the results of operations for Chicago Title for the period from March 20, 2000, the merger date, through March 31, 2000. Reportable segments are determined based on the organizational structure and types of products and services from which each reportable segment derives its revenue.

THREE MONTHS ENDED: MARCH 31, 2001	TITLE INSURANCE	REAL ESTATE RELATED SERVICES	CORPORATE AND OTHER	TOTAL
		(Dollars in thousands)		
Total revenue	$ 701,886	$ 56,908	$ 19,070	$ 777,864
Operating earnings	$ 75,595	$ 8,228	$ 6,399	$ 90,222
Interest and investment income, including realized gains and losses..	25,647	358	1,843	27,848
Depreciation and amortization expense	22,934	2,076	2,420	27,430
Interest expense	1,243	3	13,136	14,382
Earnings (loss) before income taxes	77,065	6,507	(7,314)	76,258
Income tax expense (benefit)	31,597	2,668	(2,999)	31,266
Net earnings (loss)	$ 45,468	$ 3,839	$ (4,315)	$ 44,992
Assets	$3,213,190	$ 265,752	$ 453,071	$3,932,013

THREE MONTHS ENDED: MARCH 31, 2000	TITLE INSURANCE	REAL ESTATE RELATED SERVICES	CORPORATE AND OTHER	TOTAL
		(Dollars in thousands)		
Total revenue	$ 329,490	$ 20,992	$ 27,175	$ 377,657
Operating earnings (loss)....	$ 24,804	$ 1,897	$ (11,142)	$ 15,559
Interest and investment income, including realized gains and losses..	10,865	122	3,713	14,700
Depreciation and amortization expense	9,289	387	6,343	16,019
Interest expense	792	2	5,785	6,579
Earnings (loss) before income taxes	25,588	1,630	(19,557)	7,661
Income tax expense (benefit)	19,345	1,232	(14,785)	5,792
Net earnings (loss)	$ 6,243	$ 398	$ (4,772)	$ 1,869
Assets	$3,048,525	$ 54,857	$ 428,746	$3,532,128

The activities of the reportable segments include the following:

Title Insurance

This segment, consisting of title insurance underwriters and wholly-owned title insurance agencies, provides core title insurance and escrow services, including document preparation, collection and trust activities. This segment coordinates its activities with those of the real estate related services segment described below in order to offer the full range of real estate products and services required to execute and close a real estate transaction.

Real Estate Related Services

This segment, consisting of various real estate related and ancillary service subsidiaries, offers the complementary specialized products and services required to execute and close a real estate transaction that are not offered by the title insurance segment described above. These services include document recording services on a nationwide basis, tax qualifying property exchange services, property appraisal services, tax monitoring services, home warranty insurance, credit reporting, real estate referral services, flood monitoring, and foreclosure publishing and posting. These services require specialized expertise and have been centralized for efficiency and ease of management.

Corporate and Other

The corporate segment consists of the operations of the parent holding company, as well as the operations of Micro General Corporation, FNF Capital, Inc. and Express Network, Inc., which was sold in the second quarter of 2000, as well as the issuance and repayment of corporate debt obligations. The non-recurring charges of $13.4 million that were recorded during the first quarter of 2000 primarily relate to the corporate segment.

The accounting policies of the segments are the same as those used in the Condensed Consolidated Financial Statements. Intersegment sales or transfers which occurred in the ordinary course of consolidated operations, have been eliminated from the segment information provided.

Note G - Dividends and Stock Repurchase Program

On January 13, 2001, the Company's Board of Directors declared a cash dividend of $.10 per share, payable on April 27, 2001, to stockholders of record as of April 13, 2001. On April 25, 2001, the Company's Board of Directors declared a cash dividend of $.10 per share, payable on July 27, 2001, to stockholders of record as of July 13, 2001.

On April 25, 2001, the Company's Board of Directors authorized the Company to purchase up to 5,000,000 shares of its common stock. Purchases may be made from time to time by the Company in the open market, in block purchases or in privately negotiated transactions.

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: general economic and business conditions, including 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; our ability to integrate the acquired business operations of Chicago Title and our ability to implement cost-saving synergies associated with the acquisition; 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 Securities and Exchange Commission.

Factors Affecting Comparability

Our Condensed Consolidated Statements of Earnings for 2000 include the results of operations of Chicago Title for the period from March 20, 2000, the merger date, through March 31, 2000. As a result, quarter over quarter comparisons may not be meaningful. In addition, during the first quarter of 2000 we recorded certain non-recurring charges totaling $13.4 million, after applicable taxes. These charges primarily relate to the revaluation of non-title assets, including our investment in Express Network, Inc. ("ENI"), which was sold in the second quarter of 2000, and existing goodwill associated with ENI and the write-off of obsolete software.

RESULTS OF OPERATIONS

Net earnings for the first quarter of 2001 were $45.0 million, or $0.57 per diluted share, as compared with net earnings of $1.9 million, or $0.06 per diluted share, for the first quarter of 2000. Excluding the non-recurring, non-title related charges we recorded in the first quarter of 2000 of $13.4 million, or $0.39 per diluted share, net earnings for the three-month period ending March 31, 2000 were $15.2 million, or $0.45 per diluted share.

The following table presents the calculation of net earnings before amortization of cost in excess of net assets acquired and non-recurring charges. We believe that earnings before amortization of cost in excess of net assets acquired and non-recurring charges better reflects the operational performance of our business.

	Three months ended March 31, 2001	Three months ended March 31, 2000
	(In thousands, except per share data)	
Net earnings	$ 44,992	$ 1,869
Amortization of cost in excess of net assets acquired	11,722	1,654
Tax effect of amortization of cost in excess of net assets acquired	(247)	--
Non-recurring charges, net of tax	--	13,371
Net earnings before amortization of cost in excess of net assets acquired and non-recurring charges	$ 56,467	$ 16,894
Diluted net earnings per share before amortization of cost in excess of net assets acquired and non-recurring charges	$ 0.72	$ 0.50
Diluted weighted average shares outstanding	78,719	33,954

Our acquisition of Chicago Title on March 20, 2000, has impacted the mix of business between our direct and agency operations as compared with the prior year period. Economic conditions, including the steady increase in interest rates during the second half of 1999 through the first half of 2000, resulted in a significant decline in refinancing transactions in 2000, which shifted the real estate market during that period from a refinance-driven market to a more traditional market driven by new home purchases and resales. However, beginning in December 2000 and continuing through the first quarter of 2001, the Federal Reserve Board has reduced interest rates by two percentage points, bringing interest rates down to their lowest level in nearly two years, which has significantly increased the volume of refinance activity. As a result of the shift in mix of business from the Chicago Title merger, along with steady decreases in interest rates, total title insurance premiums have increased in the first quarter of 2001 as compared with the first quarter of 2000 on a pro forma basis (assuming the Chicago Title merger occurred on January 1, 2000).

The following table presents information regarding the components of title insurance premiums:

	Three months ended March 31,			
	2001	% of Total	2000	% of Total
	(Dollars in thousands)			
Title premiums from direct operations	$249,707	46.7%	$102,466	39.3%
Title premiums from agency operations	285,133	53.3%	157,934	60.7%
Total	$534,840	100.0%	$260,400	100.0%

The increase in real estate activity in 2001 as well as the inclusion of the results of the Chicago Title operations for a full quarter in 2001 as compared with eleven days in the prior year quarter, has been partially offset by a decrease in the average fee per file. The decrease in fee per file is consistent with the increased levels of refinance activity experienced during the first quarter of 2001.

Escrow and other title-related fees for the three-month period ended March 31, 2001 were $141.4 million as compared with $58.2 million for the corresponding period of the prior year. The trend in escrow and title-related fees is generally consistent with that of our direct title premiums.

Revenues from real estate related services were $56.6 million in the first quarter of 2001 as compared with $20.9 million for the prior year quarter. The increase in revenue for the three-month period is primarily the result of the acquisition of Chicago Title as well as increases in revenue from our credit reporting, flood monitoring, home warranty insurance and tax qualifying property exchange services.

Interest and investment income was $27.8 million in the first quarter of 2001 as compared with $14.7 million in the first quarter of 2000. The increase in interest and investment income earned during the first quarter of 2001 is primarily due to an increase in invested assets as a result of the Chicago Title acquisition. The increase in invested assets and interest earned thereon in the first quarter of 2001 was partially offset by net realized gains on the sale of assets of $0.8 million as compared with net realized gains of $4.5 million in the first quarter of 2000.

Other income represents external revenue generated by Micro General Corporation, our majority-owned information-services subsidiary, FNF Capital, Inc., our equipment leasing subsidiary and ENI, which was sold in the second quarter of 2000. Other income for the first quarter of 2001 was $17.2 million as compared with $23.5 million for the first quarter of 2000. The decrease in other income is due to the sale of ENI in the second quarter of 2000 as well as decreases in externally generated revenue by Micro General Corporation.

Our operating expenses consist primarily of personnel costs, other operating expenses and agent commissions, which are incurred as orders are received and processed. Title insurance premiums and escrow and other title-related fees are generally recognized as income at the time the underlying transaction closes. As a result, revenue lags approximately 60-90 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 impacted margins and net earnings. We have implemented programs and have taken necessary actions to maintain expense levels consistent with revenue; however, a short time lag does exist in reducing variable costs and certain fixed costs are incurred regardless of revenue levels.

Personnel costs include base salaries, commissions and bonuses paid to employees, and are one of our most significant operating expenses. These costs generally fluctuate with the level of orders opened and closed and with the mix of revenue. For the first quarter of 2001 personnel costs were $250.8 million, or 32.3% of total revenue, compared with $110.7 million, or 29.3% of total revenue for the corresponding 2000 quarter. On a pro forma basis (assuming the Chicago Title merger occurred on January 1, 2000), personnel costs as a percentage of revenue have decreased in the first quarter of 2001 as compared with the first quarter of 2000. We have taken significant measures to maintain appropriate personnel levels and costs relative to the volume and mix of business while maintaining customer service standards and quality controls. We will continue to monitor prevailing market conditions and will adjust personnel costs in accordance with activity.

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 (including personnel costs associated with information technology support), professional services, advertising expenses, general insurance, depreciation and trade and notes receivable allowances. We continue to be committed to cost control measures. In response to market conditions, we have implemented aggressive cost control programs in order to maintain operating expenses at levels consistent with the levels of revenue. However, certain fixed costs are incurred regardless of revenue levels, resulting in period-over-period fluctuations. Our cost control programs are designed to evaluate expenses, both current and budgeted, relative to existing and projected market conditions. Total other operating expenses were $176.0 million, or 22.6% of total revenues for the first quarter of 2001 as compared with $110.6 million, or 29.3% of total revenues for the first quarter of 2000.

Agent commissions represent the portion of policy premiums retained by agents pursuant to the terms of their respective agency contracts. Agent commissions were 77.8% of agent title premiums in the first quarter of 2001 as compared with 79.7% of agent title premiums for the first quarter of 2000. Agent commissions and the resulting percentage of agent title premiums retained by us vary according to regional differences in real estate closing practices and state regulations.

The provision for claim losses includes an estimate of anticipated title claims, escrow losses and major claims. The estimate of anticipated title claims and escrow losses is accrued as a percentage of title premium revenue based on our historical loss experience and other relevant factors. We monitor our claim loss experience on a continual basis and adjust the provision for claim losses accordingly. Based on our loss development studies, we believe that as a result of our underwriting and claims handling practices, as well as the refinancing business of prior years, we will maintain the favorable claim loss trends we have experienced over the past several years. As such, our claim loss provision as a percentage of total title premiums was 5.0% in the first quarter of 2001 as compared with 5.6% in the first quarter of 2000.

Interest expense for the three-month period ended March 31, 2001 was $14.4 million. Interest expense for the three-month period ended March 31, 2000 was $6.6 million. The increase in interest expense in 2001 is attributable to the increase in outstanding notes payable, primarily related to the financing of the Chicago Title merger.

Amortization of cost in excess of net assets acquired was $11.7 million in the first quarter of 2001 as compared with $1.7 million in the first quarter of 2000. In connection with the acquisition of Chicago Title, we recorded estimated cost in excess of net assets acquired of approximately $762.3 million. As a result, amortization of cost in excess of net assets acquired has increased accordingly.

Income tax expense, as a percentage of earnings before income taxes, was 41.0% and 75.6% for the first quarters of 2001 and 2000, respectively. The fluctuation in income tax expense as a percentage of earnings before income taxes is attributable to our estimate of ultimate income tax liability, the impact of the non-recurring charges in the first quarter of 2000 and the non-deductible goodwill recorded pursuant to the Chicago Title merger and the characteristics of net earnings, i.e. operating income versus investment income.

LIQUIDITY AND CAPITAL RESOURCES

In connection with the Chicago Title merger, we entered into a syndicated credit agreement. The credit agreement provides for three distinct credit facilities:

- $100.0 million, 18 month revolving credit facility due September 30, 2001;

- $250.0 million, 6 year revolving credit facility due March 19, 2006; and

- $450.0 million term loan facility with a 6 year amortization period, due March 19, 2006.

The credit agreement bears interest at a variable rate of interest based on the debt ratings assigned to us by certain independent agencies, and is unsecured. The current interest rate is LIBOR plus 1.125%. Amounts borrowed under the credit agreement were used to pay the cash portion of the merger consideration, to refinance previously existing indebtedness, to pay fees and expenses incurred in connection with the merger and to fund other general corporate purposes.

The credit agreement and other debt facilities impose certain affirmative and negative covenants on us relating to current debt ratings, certain financial ratios related to liquidity, net worth, capitalization, investments, acquisitions and restricted payments, and certain dividend restrictions.

On January 24, 2001, we issued 8,050,000 shares of our common stock at a public offering price of $33.50 per share. Proceeds from this offering, net of underwriting discounts and commissions and other estimated related expenses, were $256.3 million. Net proceeds of $100.0 million were used to repay in full and terminate the $100.0 million, 18 month revolving credit facility and net proceeds of $149.5 million were used to pay down in full the $250.0 million, 6 year revolving credit facility. The remainder of the cash proceeds are available for general corporate purposes. See Note D.

Our cash requirements include debt service, operating expenses, lease fundings, lease securitizations, taxes and dividends on our common stock. 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 and bank borrowings through existing credit facilities. Our short-and long-term liquidity requirements are monitored regularly to match cash inflows with cash requirements. We forecast the daily needs of all of our subsidiaries and periodically review their short- and long-term projected sources and uses of funds, as well as the asset, liability, investment and cash flow assumptions underlying these projections.

Our two significant sources of funds are dividends and distributions 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 executed 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 to us. Our underwritten title companies, real estate related service companies, Micro General and FNF Capital collect revenue and pay operating expenses. However, they are not regulated to the same extent as our insurance subsidiaries. Positive cash flow from these subsidiaries are invested primarily in cash and cash equivalents.

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, 2000.

Part II: OTHER INFORMATION

Item 1. Legal Proceedings

As previously disclosed in our prior Securities and Exchange Commission filings, we have been named as a defendant in five class action lawsuits alleging irregularities and violations of title and escrow practices. One of these suits was filed by the Attorney General of the State of California on behalf of the California Controller and the California Department of Insurance against the entire title and escrow industry in California. The other four were filed by private law firms in State and Federal Courts in San Francisco and Los Angeles. In February 2000, we reached a settlement of the lawsuit filed by the California Department of Insurance. The settlement does not require us to pay any fine or penalty. We are vigorously defending the remaining lawsuits.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

3-4 Amendments to Bylaws of the Registrant.

(b) Reports on Form 8-K:
A Current Report on Form 8-K, dated January 16, 2001, was filed during the first quarter of 2001 to announce plans to make a public offering of shares of our Common Stock.

A Current Report on Form 8-K, dated January 17, 2001, was filed during the first quarter of 2001 to announce that we expect to at least meet First Call's consensus fourth quarter earnings per share estimates.

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.

FIDELITY NATIONAL FINANCIAL, INC.
(Registrant)

By: /s/ Alan L. Stinson

Alan L. Stinson
Executive Vice President, Chief Financial Officer
(Principal Financial and Accounting Officer) *Date: May 14, 2001*

EXHIBIT 3.4

RESOLUTIONS OF THE BOARD OF DIRECTORS OF FIDELITY NATIONAL FINANCIAL, INC.

AMENDMENT TO BY LAWS

APRIL 24, 2001

WHEREAS, there has been submitted to and considered by the Board of Directors of the Company amendments to Article II, Section 7 and Article III,
Section 2(c) of the Company's Bylaws, as amended and restated, with respect to the procedures and timeframes by which stockholders may properly bring matters before an annual meeting of stockholders and the procedures and timeframes by which stockholders may propose nominees for election to the Board of Directors of the Company (the "Bylaw Amendments");

WHEREAS, the Bylaw Amendments are set forth in full in Exhibit G attached hereto; and

WHEREAS, it is deemed to be in the best interests of this Company and its stockholders that the Bylaw Amendments be approved and adopted by the Board of Directors of the Company;

NOW, THEREFORE, BE IT RESOLVED, that pursuant to Article VII, Section 6 of the Bylaws, the Bylaw Amendment be, and in all respects hereby is, approved and adopted.

EXHIBIT G

Article II, Section 7

Section 7: Notification of Business to be Transacted at Meeting.

(a) At any meeting of the stockholders, only such business shall be conducted as shall have been properly brought before such meeting. To be brought properly before an annual meeting of stockholders, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors or the chairman of the meeting, or
(iii) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be received no less than one hundred twenty (120) days prior to the anniversary of the mailing of the preceding year's proxy statement for the annual meeting of stockholders; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty days or delayed by more than sixty days from such anniversary, to be timely notice by the stockholder must be received not earlier than the ninetieth day prior to such annual meeting of stockholders and not later than the close of business on the later of (i) the sixtieth day prior to such annual meeting or (ii) the tenth day following the date on which notice of the date of the annual meeting was mailed or public disclosure thereof was made, whichever first occurs. Each such notice shall set forth as to each matter the stockholder proposes to bring before the annual meeting of stockholders: (i) a brief description of the business desired to be brought before the annual meeting of stockholders and the reasons for conducting such business at such meeting, (ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (iii) the class, series, and number of shares of the Corporation that are beneficially owned by the stockholder, and
(iv) any material interest of the stockholder or any affiliate of the stockholder in such business. The stockholder also shall comply with all applicable requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations thereunder with respect to the matters set forth in this Section 7.

(b) To be properly brought before a special meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors or (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors or the chairman of the meeting. No other business may be brought before a special meeting by stockholders.

(c) No business shall be conducted at any meeting of the stockholders except in accordance with the procedures set forth in this Section 7. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 7, and if he or she should so determine, any such business not properly brought before the meeting shall not be transacted. Nothing herein shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or any successor provision.

Article III, Section 2(c):

(c) Nomination of Directors. Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, dissolution or winding up of the Corporation, nominations for the election of directors shall be made by a nominating committee of the Board of Directors if then constituted pursuant to these Bylaws, or if no nominating committee has been constituted, by the Board of Directors. In addition, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at an annual meeting of stockholders, but only if written notice of such stockholder's intent to make such nomination or nominations has been received by the Secretary of the Corporation not less one hundred twenty (120) days prior to the anniversary of the mailing of the preceding year's proxy statement for the annual meeting of stockholders. In the event that the date of the annual meeting of stockholders is advanced by more than thirty days or delayed by more than sixty days from such anniversary, to be timely notice by the stockholder must be received by the Secretary of the Corporation not earlier than the ninetieth day prior to such annual meeting and not later than the close of business on the later of (i) the sixtieth day prior to such annual meeting or (ii) the tenth day following the day on which notice of the date of the annual meeting was mailed or public disclosure thereof was made by the Corporation, whichever first occurs. Each such notice by a stockholder shall set forth: (i) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (ii) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at a meeting to nominate the person or persons specified in the notice; (iii) a description of all arrangements or understandings between the stockholder or any person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such stockholder (an "affiliate" of such stockholder) and each nominee and any other person or persons (naming such person or persons) relating to the nomination or nominations; (iv) the class and number of shares of the Corporation that are beneficially owned by such stockholder and the person to be nominated as of the date of such stockholder's notice and by any other stockholders known by such stockholder to be supporting such nominees as of the date of such stockholder's notice; (v) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission; and (vi) the written consent of each nominee to serve as a director of the Corporation if so elected. The stockholder also shall comply with all applicable requirements of the Exchange Act, and the rules and regulations thereunder, with respect to the matters set forth in this Section 2(c).

In addition, in the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors, any stockholder generally entitled to vote in the election of directors may nominate one or more persons for election as directors at a special meeting only if written notice of such stockholder's intent to make such nomination or nominations, setting forth the information and complying with the form described in the immediately preceding paragraph, has been received by the Secretary of the Corporation not earlier than the ninetieth day prior to such special meeting and not later than the close of business on the later of (i) the sixtieth day prior to such special meeting or (ii) the tenth day following the day on which notice of the date of the special meeting was mailed or public disclosure thereof was made by the Corporation, whichever comes first. The stockholder also shall comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2(c).

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 2(c). The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by this Section 2(c), and if he or she should so determine, the defective nomination shall be disregarded.

End of Filing