

KENNEDY PARKER S
Form 4
November 23, 2010

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KENNEDY PARKER S

(Last) (First) (Middle)
1 FIRST AMERICAN WAY
(Street)
SANTA ANA, CA 92707
(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
First American Financial Corp [FAF]

3. Date of Earliest Transaction
(Month/Day/Year)
11/23/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Executive Chairman

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	11/23/2010		M ⁽¹⁾	46,581 A	\$ 0 187,373	D	
Common Stock	11/23/2010		S ⁽¹⁾	46,581 D	\$ 13.67 140,792	D	⁽³⁾ ⁽⁴⁾ ⁽⁵⁾
Common Stock					12,049.457	I	By 401(k) Plan Trust ⁽⁶⁾
Common Stock					464,531	I	By Limited Partnership
					55,866	I	

Common
Stock

By Spouse
Via Limited
Partnership

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	8. Amount or Number of Shares
Employee Stock Option (Right to Buy) ⁽⁷⁾	\$ 13.23 ⁽⁸⁾	11/23/2010		M ⁽¹⁾	46,581	12/14/2001 ⁽⁹⁾ 12/14/2010	Common Stock	46,
Employee Stock Option (Right to Buy) ⁽⁷⁾	\$ 7.77 ⁽⁸⁾					12/13/2002 ⁽¹¹⁾ 12/13/2011	Common Stock	46,
Employee Stock Option (Right to Buy) ⁽⁷⁾	\$ 9.82 ⁽⁸⁾					02/27/2004 ⁽¹²⁾ 02/27/2013	Common Stock	93,
Employee Stock Option (Right to Buy) ⁽⁷⁾	\$ 13.13 ⁽⁸⁾					02/26/2005 ⁽¹³⁾ 02/26/2014	Common Stock	93,
Employee Stock Option (Right to Buy) ⁽⁷⁾	\$ 15.7 ⁽⁸⁾					02/28/2006 ⁽¹⁴⁾ 02/28/2015	Common Stock	93,

Buy) (7)

Employee

Stock

Option \$ 20.4 (8)12/08/2006⁽¹⁵⁾ 12/08/2015 Common Stock 93,

(Right to

Buy) (7)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KENNEDY PARKER S 1 FIRST AMERICAN WAY SANTA ANA, CA 92707	X		Executive Chairman	

Signatures

/s/ Jeffrey S. Robinson, Attorney-in-Fact for Parker S.
Kennedy

11/23/2010

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The cashless option exercise reported on this Form 4 was executed pursuant to the reporting person's 10b5-1 trading plan described in The First American Corporation's ("FAC") Current Report on Form 8-K filed with the Securities and Exchange Commission on September 10, 2007. The trading plan provides that each option held by the reporting person that is in-the-money after commissions will be exercised automatically on a cashless basis between and including the fifteenth and the first trading day preceding expiration. The options that are the subject of this Form 4 would have expired on 12/14/10.

(2) The price reported is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$13.52 to \$13.90, inclusive. The reporting person undertakes to provide to the issuer, any security holder of the issuer, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in this footnote.

(3) Includes 37,698 shares acquired in a pro rata distribution by FAC.

(4) Includes 23,403 unvested restricted stock units ("RSUs") acquired in a pro rata distribution by FAC on account of an original grant of 45,373 FAC RSUs, of which 19,929 were unvested at the time of the distribution, half of which were converted into issuer RSUs. The vesting schedule of the FAC RSUs, vesting in five equal annual increments commencing 03/05/08, the first anniversary of the grant, has been carried over to the issuer RSUs.

(5) Includes 79,691 unvested RSUs acquired in a pro rata distribution by FAC on account of an original grant of 67,444 FAC RSUs, of which 67,850 were unvested at the time of the distribution, half of which were converted into issuer RSUs. The vesting schedule of the FAC RSUs, vesting in five equal annual increments commencing 03/03/11, the first anniversary of the grant, has been carried over to the issuer RSUs.

(6) Amount shown consists of shares contributed by issuer as company match, shares purchased for the reporting person's account and shares acquired through automatic reinvestment of dividends paid as reported in most recent account statement in transactions exempt under rules 16a-3(f)(1)(i)(B) and 16b-3(c).

(7) Option acquired in a pro rata distribution by FAC.

(8) The exercise price is equal to the exercise price of the FAC option held by the reporting person multiplied by \$14.10/\$32.84, which represents the when-issued trading price of the issuer on June 1, 2010 divided by the last FAC trading price.

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- (9) The vesting schedule of the FAC option, vesting in five equal annual increments commencing 12/14/01, the first anniversary of the grant, has been carried over to the issuer options.
- (10) The number of options acquired is equal to the number of FAC options held by the reporting person multiplied by $\$32.84/\14.10 , which represents the last FAC trading price divided by the when-issued trading price of the issuer on June 1, 2010.
- (11) The vesting schedule of the FAC option, vesting in five equal annual increments commencing 12/13/02, the first anniversary of the grant, has been carried over to the issuer options.
- (12) The vesting schedule of the FAC option, vesting in five equal annual increments commencing 02/27/04, the first anniversary of the grant, has been carried over to the issuer options.
- (13) The vesting schedule of the FAC option, vesting in five equal annual increments commencing 02/26/05, the first anniversary of the grant, has been carried over to the issuer options.
- (14) The vesting schedule of the FAC option, vesting in five equal annual increments commencing 02/28/06, the first anniversary of the grant, has been carried over to the issuer options.
- (15) The vesting schedule of the FAC option, vesting in five equal annual increments commencing 12/08/06, the first anniversary of the grant, has been carried over to the issuer options.

Remarks:

Pursuant to 10b5-1 trading plan as described in Footnote 1.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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