

**Tax Basis Information Statement**  
Related To The June 1, 2010 Spin-Off Transaction  
For FAF And CLGX Common Stock



*First American*

## TAX BASIS INFORMATION STATEMENT RELATED TO THE JUNE 1, 2010 SPIN-OFF TRANSACTION FOR FAF AND CLGX COMMON STOCK

In connection with the spin-off of its Financial Services businesses, on June 1, 2010, The First American Corporation (“FAC”) distributed one share of the new First American Financial Corporation common stock (“FAF”) for each share of FAC common stock outstanding to shareholders of record as of the close of business on May 26, 2010. Cash was issued in lieu of any fractional shares owned by investors at that time. As part of the transaction, FAC also assumed the name CoreLogic, Inc. (“CLGX”)

This letter includes a general explanation of the application of certain U.S. Federal income tax laws and Treasury regulations related to the distribution of FAF common stock to former FAC shareholders. It does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular shareholders. ***Investors are urged to consult with their own tax advisor regarding the particular consequences of the distribution of FAF common stock in their own specific circumstances, including the applicability and effect of all U.S. Federal, state and local and foreign tax laws. We also urge you to read the information statement dated May 26, 2010, filed with the SEC as Exhibit 99.1 to FAF’s Current Report on Form 8-K filed on May 28, 2010, including pages 36-40 under the heading “Certain U.S. Federal Income Tax Consequences of the Distribution.” You may access the information statement at [www.firstam.com](http://www.firstam.com).***

If you did not receive the distribution of FAF common stock on June 1, 2010, this notice does not apply to you. Additionally, this notice does not apply to shares of former FAC common stock sold, exchanged, or otherwise disposed of prior to June 1, 2010.

### GENERAL TAX INFORMATION

FAC received a private letter ruling from the Internal Revenue Service and an opinion from Deloitte Tax LLP (which is not binding on the IRS) to the effect that the distribution of FAF common stock qualifies as a tax-free distribution for U.S. Federal income tax purposes. As a result, you will generally not recognize a gain or loss on the receipt of FAF common stock, except in connection with any cash received in lieu of fractional shares.

### TAX BASIS ALLOCATION

As a consequence of the distribution, U.S. federal income tax law requires that you allocate the tax basis in your former FAC shares immediately before the distribution between your former FAC shares (now “CLGX”) and your newly received FAF shares. If you purchased your former FAC shares for cash, the tax basis for your former FAC shares will generally equal the cost of these shares including commissions and other fees. If you received your former FAC shares as a gift, through an employee compensation arrangement, or through some other means, *we recommend that you consult your own tax advisor to determine your tax basis in these shares.* If you acquired your shares at different times, you will need to make separate tax basis calculations for each group of shares based on their fair market values at the time you acquired the shares.

The allocation of the tax basis between shares of CLGX and FAF is based on their relative fair market values on the day of the distribution. U.S. Federal income tax law does not specify how to determine these fair market values. One approach for determining fair market values is to utilize the closing prices for CLGX and FAF trading on a “when-issued” basis, as quoted on the New York Stock Exchange on the June 1, 2010 distribution date, which closing prices were \$18.76 and \$14.10, respectively. You are not bound by this approach and might choose, in consultation with your tax advisor, to use another approach to determine the fair market values for the common shares of CLGX and FAF.

**Tax Basis Information Statement Related To The June 1, 2010  
Spin-Off Transaction For FAF And CLGX Common Stock**

Based on the closing “when-issued” prices on the distribution date, 57.09% of your pre-distribution tax basis should be allocated to your common shares of CLGX (including any fractional share interest), and 42.91% should be allocated to your common shares of FAF (including any fractional share interest). As a convenience to former FAC shareholders, an example of this approach is illustrated below.

**One Method of Tax Basis Allocation**

<u>June 1, 2010 Distribution Date:</u>	<u>Basis Allocation</u>	
CLGX “when issued” closing price	\$18.76	57.09%
FAF “when issued” closing price	<u>\$14.10</u>	<u>42.91%</u>
	\$32.86	100.0%

Hypothetical Example

Number of former FAC shares owned	1,000
Existing tax basis	<u>\$ 30.00</u>
Total tax basis	\$30,000

<u>Stock</u>	<u>Shares</u>	<u>Closing Price June 1, 2010</u>	<u>Tax Basis Allocation (%)</u>	<u>Tax Basis Allocation (\$)</u>	<u>Tax Basis Per Share</u>
CLGX	1,000	\$18.76	57.09%	\$17,127	\$17.13
FAF	1,000	\$14.10	42.91%	<u>\$12,873</u>	<u>\$12.87</u>
				\$30,000	\$30.00

The tax basis in a fractional share may be computed by multiplying the allocated tax basis per share by the fraction of the share sold. The gain or loss for cash received in lieu of fractional shares is then calculated relative to this tax basis and is subject to long term or short term capital gain or loss tax treatment depending on the holding period of the former FAC shares.

Pursuant to U.S. Treasury regulations, investors are required to retain a permanent record of information regarding the amount, basis, and fair market value of the stock received in the distribution of FAF shares, and to make such records available to any authorized IRS officers and employees upon request.

In addition, certain former FAC shareholders (i.e., those shareholders who, immediately before the June 1, 2010 distribution, owned 5% or more of former FAC common stock, or owned former FAC securities with an aggregate tax basis of \$1 million dollars or more) who received shares of FAF common stock in the distribution are required to include a statement related to the distribution in their U.S. Federal income tax returns for the year in which the distribution occurs. *Please consult your tax advisor with respect to the form and content of the required statement.*