

VALDES MAX O
Form 4
March 09, 2011

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 *
VALDES MAX O

(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)

03/07/2011

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)

EVP & Chief Financial Officer

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 03/07/2011 | | F | | 1,438 | D | \$ 15.96 |
| Common Stock | 03/07/2011 | | S | | 9,282 | D | \$ 15.98 |
| Common Stock | 03/08/2011 | | J | V | 2,070 (3) | D | \$ 0 |
| | | | | | | | 82,427 |
| | | | | | | | 73,145 |
| | | | | | | | 71,075 |
| | | | | | | | D (1) |
| | | | | | | | D (2) |
| | | | | | | | D (4) (5) (6) (7) |

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

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number.

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 Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Employee Stock Option (Right to Buy) | \$ 20.4 | | | | | 12/08/2006 ⁽⁸⁾ 12/08/2015 | Common Stock | 46,581 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| VALDES MAX O 1 FIRST AMERICAN WAY SANTA ANA, CA 92707 | | | EVP & Chief Financial Officer | |

Signatures

/s/ Greg L. Smith, Attorney-in-Fact for Max O. Valdes

03/09/2011

__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) Payment of tax liability by withholding securities incident to the vesting of restricted stock units.
The price reported is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$15.90 to \$16.01, 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.
- (2) Exchanged pursuant to a domestic relations agreement.
- (3) Transferred pursuant to a domestic relations agreement.
- (4) Includes 4,003 unvested restricted stock units ("RSUs") acquired in a pro rata distribution by The First American Corporation ("FAC") on account of an original grant of 7,657 FAC RSUs, of which 3,360 were unvested at the time of the distribution and shares acquired through

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automatic dividend reinvestment. 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 8,193 unvested RSUs acquired in a pro rata distribution by FAC on account of an original grant of 8,030 FAC RSUs, of which 5,184 were unvested at the time of the distribution and shares acquired through automatic dividend reinvestment. The vesting schedule of the FAC RSUs, vesting in five equal annual increments commencing 03/04/09, the first anniversary of the grant, has been carried over to the issuer RSUs.

(6) Includes 15,362 unvested RSUs acquired in a pro rata distribution by FAC on account of an original grant of 9,372 FAC RSUs on 03/04/09 and a grant of 1,084 FAC RSUs on 06/22/09, of which 8,672 were unvested at the time of the distribution and shares acquired through automatic dividend reinvestment. The vesting schedule of each of the FAC RSUs, vesting in five equal annual increments commencing 03/04/10, the first anniversary of the grant, has been carried over to the issuer RSUs.

(7) Includes 22,876 unvested RSUs acquired in a pro rata distribution by FAC on account of an original grant of 12,051 FAC RSUs, of which 12,123 were unvested at the time of the distribution and shares acquired through automatic dividend reinvestment. 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.

(8) 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.

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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