LANDAMERICA FINANCIAL GROUP INC
Form POS AM
December 30, 2004
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As filed with the Securities and Exchange Commission on December 30, 2004.

Registration No. 333-118024

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Post-effective Amendment No. 1 to

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

LANDAMERICA FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Virginia	**54-1589611**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

101 Gateway Centre Parkway

Richmond, Virginia 23235-5153

(804) 267-8000

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Copies of Communications to:

Michelle H. Gluck, Esquire

Executive Vice President, General Counsel and Corporate Secretary

LandAmerica Financial Group, Inc.

101 Gateway Centre Parkway

Richmond, Virginia 23235-5153

(804) 267-8000

Robert E. Spicer, Jr., Esquire

Williams Mullen

A Professional Corporation

1021 East Cary Street

Richmond, Virginia 23219

(804) 643-1991

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ¨

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. The selling securityholders named in this prospectus may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and the selling securityholders named in this prospectus are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated December 28, 2004

PROSPECTUS

$125,000,000 Principal Amount of 3.25% Convertible Senior Debentures due 2034

and

2,301,913 Shares of Common Stock Issuable upon Conversion of the Debentures

This prospectus relates to an aggregate principal amount of up to $125,000,000 of our 3.25% Convertible Senior Debentures due 2034 held by the selling securityholders that we identify in this prospectus. This prospectus also relates to up to 2,301,913 shares of our common stock issuable upon conversion of the debentures plus such additional currently indeterminate number of shares of our common stock as are issuable pursuant to the anti-dilution provisions of the debentures. This prospectus will be used by the selling securityholders from time to time to sell their debentures and the shares of our common stock issuable upon conversion of the debentures. We will not receive any proceeds from the sale of these debentures or the underlying shares of our common stock offered by this prospectus.

The principal terms of the debentures include the following:

Interest:	accrues from May 11, 2004 at the rate of 3.25% per annum, payable on each May 15 and November 15, beginning on November 15, 2004.
Maturity Date:	May 15, 2034, unless earlier converted, redeemed or repurchased by us.
Conversion Rate:	18.4153 shares per $1,000 principal amount of debentures, subject to adjustment.
Conversion Options:	by a holder under the following circumstances:

- after June 30, 2004, if the last reported sale price of our common stock is greater than or equal to 125% of the conversion price for a period specified in this prospectus;

- subject to certain limitations, if for the period specified in this prospectus the trading price per debenture is less than 98% of the product of the conversion rate and the last reported sale price of our common stock;

if we call the debentures for redemption;

upon the occurrence of certain corporate transactions; or

if we obtain credit ratings for the debentures, during any period when the credit ratings assigned to the debentures are below the levels specified in this prospectus; upon conversion, we will deliver cash equal to the lesser of the aggregate principal amount of debentures to be converted and our total conversion obligation and common stock in respect of the remainder, if any, of our conversion obligation.

Redemption Options:	by us, in cash, at any time, on or after May 15, 2014 at a price equal to 100% of the principal amount, plus accrued and unpaid interest; by a holder, at a price set forth in this prospectus for cash on May 15, 2014, 2019, 2024, and 2029, or at any time prior to their maturity following a fundamental change as described in this prospectus.
Ranking:	equal in priority with all of our existing and future unsecured and unsubordinated indebtedness; senior in right of payment to all of our existing and future subordinated indebtedness; effectively junior to any of our secured indebtedness to the extent of the assets securing such indebtedness and any of our indebtedness that is guaranteed by our subsidiaries; and payment of principal and interest will be structurally subordinated to the liabilities of our subsidiaries.

The debentures are not listed on any securities exchange. The debentures are designated for trading in the PORTAL market. Our common stock is listed on the New York Stock Exchange under the symbol LFG. The last reported sale price of our common stock on the New York Stock Exchange on December 28, 2004 was $54.88 per share.

See Risk Factors beginning on page 7 for a discussion of certain risks that you should consider in connection with an investment in the debentures.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is December 28, 2004

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We have not, and the selling securityholders have not, authorized anyone to provide you with information different from that contained or incorporated by reference in the prospectus. We are not, and the selling securityholders are not, offering to sell or seeking offers to buy, the securities in any jurisdiction other than where an offer or sale is permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the securities.

In this prospectus, LandAmerica, we, us and our refer to LandAmerica Financial Group, Inc. and its subsidiaries, except where the context otherwise requires or as otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain information contained in this prospectus includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Among other things, these statements relate to our financial condition, results of operation and business. In addition, we and our representatives may from time to time make written or oral forward-looking statements, including statements contained in filings with the Securities and Exchange Commission and in our reports to shareholders. These forward-looking statements are generally identified by the use of words such as we expect, believe, anticipate, estimate or words of similar import. These forward-looking statements involve certain risks and uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Further, any such statement is specifically qualified in its entirety by the cautionary statements and the Risk Factors that appear elsewhere in this prospectus. We do not undertake to update any forward-looking statement that may be made from time to time by or on our behalf.

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SUMMARY

The following summary provides an overview of selected information about us. This summary is qualified in its entirety by the more detailed information, including our consolidated financial statements and related notes thereto, included and incorporated by reference in this prospectus. You should carefully consider the entire prospectus, including the Risk Factors section, before making an investment decision.

Our Company

Overview

We are a national provider of products and services that are used to facilitate the purchase, sale, transfer and financing of residential and commercial real estate. We are one of the largest title insurance underwriters in the United States based on title premium revenues. We also conduct business in Mexico, Canada, the Caribbean, Latin America and Europe.

In addition to our core business of providing title insurance, we provide a range of other services for residential and commercial real estate transactions including title search, examination, document preparation, escrow and closing. For residential real estate transactions, we also provide home inspections. For commercial real estate transactions, we also provide property appraisal and valuation, building, site assessments and other due diligence services, survey coordination, construction disbursement, coordination of national multi-state transactions, tax-deferred real property exchanges pursuant to Section 1031 of the Internal Revenue Code and Uniform Commercial Code products insuring personal property.

We provide our real estate transaction products and services to a broad based customer group that includes lenders, developers, real estate agents, attorneys and property buyers and sellers. In 2003 and 2004, we significantly expanded the products and services that we offer primarily to the mortgage lending community. Through LandAmerica Tax and Flood Services, Inc., formerly known as LERETA Corp., which we acquired in October 2003, we began to offer real estate tax processing services and flood zone certifications to mortgage lenders. Through LandAmerica Credit Services, Inc., a wholly-owned subsidiary of INFO1 Holding Company, Inc., a company we acquired in August 2003, we provide credit reporting to lenders engaged in mortgage origination. We expanded the scope of these credit reporting services through our acquisition of four additional credit reporting companies in 2004. We also provide comprehensive default management services to lenders and mortgage servicing operations through our subsidiary LandAmerica Default Services Company. In 2004, we also began to offer home buyer warranty services and mortgage loan subservicing though our acquisitions of Home Buyers Warranty Company and LoanCare Servicing Center, Inc., respectively.

Business Strategy

Our long-term objective is to enhance our position as a premier, national provider and manager of integrated real estate transaction products and services while maximizing our profitability throughout the real estate market cycle. To accomplish this objective, we are pursuing various business strategies designed to broaden our market position and provide the framework to enhance growth and maximize profitability.

Focusing on the Customer. In 2004, we implemented a customer-focused strategy to increase intimacy with our customers. In conjunction with that strategy, we created leadership positions and teams to support our primary customer groups: agents and direct, commercial and national lenders. With the objective of fostering customer loyalty, these leaders and teams are responsible for ensuring consistent service quality and operational excellence by providing common support platforms and structures for the various markets in which we operate. Further, in 2004, we organized our shared resources to provide direct support to our customer-focused operations. Included in this shared resources organization is a

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new resource, Production and Process Improvement, that provides title production services to our commercial, agency, lender and direct customer groups. Our other shared resources, such as human resources and legal, provide direct support to our internal customers through dedicated business partners. Technology resources, also a shared resource, enables us to provide superior customer service and increase our operational efficiency by offering electronic business solutions and technology support and development of business operations skills to our direct, agency and commercial operations.

Expanding Title Insurance Related Transaction Products and Services. Throughout our customer base, there is increased demand for providers of multiple, diverse real estate transaction products and services. In particular, the large national mortgage lenders increasingly expect that necessary services related to the mortgage financing process be available from and billed by a single source. Our strategy is to continue to expand our array of real estate transaction products and services available to lenders and other customers and the distribution channels through which they are offered.

Expanding Distribution Capabilities. We seek to increase our share of the title insurance market by expanding and enhancing our distribution channels through the hiring and retention of experienced industry professionals with strong local relationships, the opening of new direct offices in markets with the potential for significant transaction volume, acquisitions of title insurance agencies or underwriters and selectively engaging in joint ventures with title insurance agencies in order to strengthen our presence in particularly attractive markets. In the case of the acquisition of agencies or small to medium-size underwriters, we review the agency s or underwriter s profitability, location, growth potential in its existing market, claims experience and, in the case of an underwriter, the adequacy of its reserves.

Maintaining Commercial Real Estate Market Strength. Participation in the commercial real estate market partially offsets some of the cyclicality of the residential real estate market, where transaction volumes are more susceptible to changes in interest rates. We maintain our presence in the commercial real estate market primarily due to the financial strength ratings of our underwriting subsidiaries, our strong capital position, the high quality service that we provide and our expertise in handling complex transactions. In particular, the combined capital position of our three principal underwriting subsidiaries enables us to underwrite large commercial policies while purchasing less reinsurance, thus increasing profitability.

Reducing Costs and Expenses. Losses resulting from claims under title insurance policies represent a relatively small part of our overall costs. However, operating costs, the largest portion of expenses relating to providing title insurance, are relatively high compared to other types of insurers. We continue to implement the concept of service centers in which our three principal title operating subsidiaries share a single back office processing center in a geographic region while continuing to market from separate storefronts under different operating names. This concept has reduced our cost per order in the markets where it is operational. In addition, we have several pilot projects underway to automate title production and workflow in our service centers. We provide escrow support from several centralized locations, thereby increasing service levels and improving efficiency. We are also implementing outsourcing and offshore initiatives to streamline operations in areas where it has been determined that the cost/benefit of these initiatives will improve customer service and provide value to our shareholders.

Enhancing Cost Control Flexibility. We manage our personnel expenses to reflect changes in the level of activity in the real estate market. As a result, our employee base expands and contracts over time. Personnel and administrative costs in the title insurance segment do not decrease as rapidly as transactional volumes decrease due to our inability to change headcount in direct correlation to volume changes. Any acquisition also expands our employee base. In order to manage personnel costs more efficiently throughout the real estate cycle, we use temporary or part-time employees where appropriate to staff operations so we can respond more rapidly to changes in real estate activity.

Our principal executive offices are located at 101 Gateway Centre Parkway, Richmond, Virginia 23225-5153. Our telephone number is (804) 267-8000.

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The Offering

Securities Offered by the Selling Securityholders	Up to $125,000,000 principal amount of 3.25% Convertible Senior Debentures due 2034 and up to 2,301,913 shares of our common stock issuable upon conversion of the debentures plus such additional currently indeterminate number of shares of our common stock as are issuable pursuant to the anti-dilution provisions of the debentures. The applicable conversion rate is 18.4153 shares per $1,000 principal amount of debentures.
Use of Proceeds	We will not receive any proceeds from the sale of the debentures or shares, if any, of our common stock issuable on conversion of the debentures by the selling securityholders.
NYSE Common Stock Symbol	LFG
Registration Rights	We filed a shelf registration statement of which this prospectus is a part pursuant to a registration rights agreement, dated May 11, 2004, among the initial purchasers of the debentures and us. We agreed to use our best efforts to keep the registration statement effective until either of the following has occurred: the second anniversary of the original date of issuance of the debentures; or all of the debentures and the common stock issuable upon conversion thereof cease to be outstanding or have been sold either pursuant to the shelf registration statement or pursuant to Rule 144 under the Securities Act or any similar provision then in force.

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Summary of the Debentures

The following summary contains basic information about the debentures and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the debentures, please refer to the section of this prospectus entitled Description of Debentures. For purposes of the description of debentures included in this prospectus, references to the company, issuer, LandAmerica, us, we and our refer only to LandAmerica Financial Group, Inc. and do not include our subsidiaries.

Maturity Date	May 15, 2034, unless earlier converted, redeemed or repurchased.
Ranking	The debentures are our direct, unsecured and unsubordinated obligations and rank equal in priority with all of our existing and future unsecured and unsubordinated indebtedness and senior in right of payment to all of our existing and future subordinated indebtedness. The debentures effectively rank junior to any of our existing and future secured indebtedness and any of our future indebtedness that is guaranteed by our subsidiaries. The debentures are structurally subordinated to all liabilities of our subsidiaries.
Interest	3.25% per annum on the principal amount, payable semiannually in arrears on May 15 and November 15 of each year, beginning November 15, 2004.
Conversion Rights	Holders may convert the debentures into shares of our common stock at the applicable conversion rate of 18.4153 shares per $1,000 principal amount of debentures (equal to a conversion price of approximately $54.30 per share), subject to adjustment, only under the following circumstances:

- during any calendar quarter (and only during such calendar quarter) commencing after June 30, 2004 and before June 30, 2029, if the last reported sale price of our common stock is greater than or equal to 125% of the conversion price for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter;
- at any time on or after July 1, 2029 if the last reported sale price of our common stock on any date on or after June 30, 2029 is greater than or equal to 125% of the conversion price;
- subject to certain limitations, during the five business day period after any five consecutive trading day period in which the trading price per debenture for each day of that period was less than 98% of the product of the conversion rate and the last reported sale price of our common stock;
- if the debentures have been called for redemption by us;
- upon the occurrence of specified corporate transactions described under Description of Debentures Conversion Rights Conversion Upon Specified Corporate Transactions ; or

if we obtain credit ratings with respect to the debentures from Moody s Investors Service, Inc. (Moody s) or Standard & Poor s Rating Services (Standard & Poor s) or both, at any time

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when (i) the long-term credit rating assigned to the debentures by both Moody s and Standard & Poor s (or by either of them if we obtain a credit rating from only one of Moody s or Standard & Poor s) is two or more levels below the credit rating initially assigned to the debentures, (ii) both Moody s and Standard & Poor s have (or either of them has, if we obtain a credit rating from only one of Moody s or Standard & Poor s) discontinued, withdrawn or suspended their ratings with respect to the debentures or (iii) either Moody s or Standard & Poor s has discontinued, withdrawn or suspended its rating with respect to the debentures and the remaining rating is two or more levels below the credit rating initially assigned to the debentures.

Holders will not receive any cash payment or additional shares representing accrued and unpaid interest upon conversion of a debenture, except in limited circumstances. Instead, interest will be deemed paid by the cash and shares, if any, of common stock issued to the holder upon conversion. Debentures called for redemption may be surrendered for conversion prior to the close of business on the second business day immediately preceding the redemption date.

Upon any conversion, we will deliver cash equal to the lesser of the aggregate principal amount of debentures to be converted and our total conversion obligation and shares of our common stock in respect of the remainder, if any, of our conversion obligation. See Description of the Debentures Conversion Rights Payment Upon Conversion.

Sinking Fund	None.
Optional Redemption	Prior to May 15, 2014, the debentures will not be redeemable. On or after May 15, 2014, we may redeem for cash some or all of the debentures, at any time and from time to time, upon at least 30 and no more than 60 days notice for a price equal to 100% of the principal amount of the debentures to be redeemed plus any accrued and unpaid interest to but excluding the redemption date.
Repurchase of Debentures By Us at the Option of the Holder	You may require us to repurchase some or all of your debentures for cash on May 15, 2014, at a repurchase price equal to 100.25%, and on May 15, 2019, May 15, 2024 and May 15, 2029 at a repurchase price equal to 100%, of the principal amount of the debentures being repurchased, plus any accrued and unpaid interest to but excluding the applicable repurchase date.
Fundamental Change	If we undergo a fundamental change (as defined in this prospectus) prior to maturity, holders will have the right, at their option, to require us to repurchase some or all of your debentures for cash at a repurchase price equal to 100% of the principal amount of the debentures being repurchased, plus any accrued and unpaid interest to but excluding the applicable repurchase date.

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Book-Entry Form	The debentures were issued in book-entry form and are represented by global certificates deposited with, or on behalf of, The Depository Trust Company (DTC) and registered in the name of a nominee of DTC. Beneficial interests in any of the debentures are shown on, and transfers are effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities except in limited circumstances.
Convertible Bond Hedge and Warrant Option Transactions	We have entered into a convertible bond hedge transaction with JPMorgan Chase Bank, which is expected to reduce the potential dilution upon any conversion of the debentures. We also have entered into a warrant option transaction and a dividend floor protection agreement with JPMorgan Chase Bank, which we refer to collectively as the warrant option transaction. In connection with hedging these transactions, JPMorgan Chase Bank or its affiliates: purchased our common stock in secondary market transactions prior to the pricing of the debentures; has entered into various over-the-counter derivative transactions with respect to our common stock concurrently with the pricing of the debentures; and may continue to purchase our common stock in secondary market transactions following the pricing of the debentures. Such activities could have had the effect of increasing the price of our common stock prior to and may continue to have such effect following the pricing of the debentures. JPMorgan Chase Bank or its affiliates is likely to modify its hedge positions from time to time prior to any conversion or maturity of the debentures by purchasing and selling shares of our common stock, other of our securities or other instruments it may wish to use in connection with such hedging. In particular, we intend to exercise options we hold under the convertible bond hedge transaction upon any conversion of the debentures. In order to unwind its hedge position with respect to those exercised options, JPMorgan Chase Bank expects to sell shares of our common stock in secondary market transactions or unwind various over-the-counter derivative transactions with respect to our common stock during the cash settlement averaging period for the converted debentures. The effect, if any, of any of these transactions and activities on the market price of our common stock or the debentures will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our common stock and the value of the debentures and, as a result, the number of shares and value of the common stock you will receive upon the conversion of the debentures.

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RISK FACTORS

You should consider the following risk factors, in addition to the other information presented in this prospectus and the documents incorporated by reference in this prospectus, in evaluating us, our business and an investment in the debentures. Any of the following risks, as well as other risks and uncertainties, could seriously harm our business and financial results and cause the value of the debentures and common stock issuable upon conversion of the debentures to decline, which in turn could cause you to lose all or part of your investment.

Risks Related to Our Business

Our results of operations and financial condition are susceptible to changes in mortgage interest rates and general economic conditions.

The demand for our title insurance and other real estate transaction products and services is dependent upon, among other things, the volume of commercial and residential real estate transactions, including mortgage refinancing transactions. The volume of these transactions has historically been influenced by factors such as interest rates and the state of the overall economy. For example, when interest rates are increasing or during an economic downturn or recession, real estate activity typically declines and we tend to experience lower revenues and profitability. The cyclical nature of our business has caused fluctuations in revenues and profitability in the past and is expected to do so in the future. In addition, changes in interest rates may have an adverse impact on our return on invested cash, the market value of our investment portfolio and interest paid on our bank debt.

Our operating revenues for the year ended December 31, 2003 increased by 32.0% over the prior year, primarily due to a favorable residential mortgage interest rate environment and a large volume of mortgage refinancing transactions. However, except during brief periods in 2004, mortgage interest rates generally have risen, beginning in the third quarter of 2003, and we have experienced a decline in refinancing transactions since such time. For fiscal year 2004, we expect that the level of refinancing transactions will be substantially below the levels experienced in recent years. We began the implementation of a cost reduction program in the fourth quarter of 2003 aimed at reducing staffing and cost levels to a level more consistent with anticipated transaction volumes. In the first quarter of 2004, we announced plans to reduce our cost structure by at least $70 million on an annualized basis. We have implemented reductions to achieve at least the targeted cost savings. Operating results for our 2002 and 2003 fiscal years, including interim periods, should not be viewed as indicative of results for 2004 or any future period.

Our inability to manage successfully our acquisitions of complementary businesses could adversely affect our business, operating results and financial condition.

An element of our business strategy is to expand the services we provide through acquisitions of complementary businesses. During 2003 and 2004, we acquired several companies outside of our traditional business operations, including LandAmerica Tax and Flood Services, Inc., formerly known as LERETA Corp., a national real estate tax payment service and flood hazard certification company, INFO1 Holding Company, Inc., a mortgage credit reporting holding company and parent company of LandAmerica Credit Services, Inc., Orange County Bancorp, a bank holding company, Buyers Home Warranty Company, a home warranty contract company, and LoanCare Servicing Center, Inc., a mortgage loan subservicing company. In addition, several of these companies have expanded their business operations through acquisitions since we acquired them. The businesses of LandAmerica Tax and Flood Services, LandAmerica Credit Services, Orange County Bancorp, Buyers Home Warranty and LoanCare Servicing Center are different from each other and from the business of providing title insurance and related services. We also may in the future acquire other businesses outside of our traditional business operations, although no assurances can be given that we will do so or that we will continue to acquire such companies at the levels previously experienced. Such acquisitions involve a number of special risks, including our inexperience in managing businesses that provide products and services beyond our traditional business, new regulatory requirements, diversion of management s attention, failure to retain key acquired personnel, failure to effectively integrate operations, company cultures and services, increased costs to improve managerial, operational, financial and administrative systems, legal liabilities, and amortization of acquired intangible assets. In addition, there can be no assurance that acquired businesses will achieve anticipated levels of revenues, earnings or performance. The failure to manage our acquisitions successfully could materially and adversely affect our business, operating results and financial condition.

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Competition in our industry affects our revenues.

The business of providing real estate transaction products and services is very competitive. Competition for residential title insurance business is based primarily on price and quality of service. With respect to national and regional mortgage lenders, service quality includes a large distribution network and the ability to deliver a broad array of real estate services quickly, efficiently and through a single point of contact. Competition for commercial title business is based primarily on price, service, expertise in complex transactions and the size and financial strength of the insurer. Title insurance underwriters also compete for agents on the basis of service and commission levels. Although we are one of the largest providers of real estate transaction products and services in the United States, four other companies Fidelity National Financial, Inc., The First American Corporation, Old Republic International Corporation and Stewart Information Services, Inc. have the size, capital base and agency networks to compete effectively with our products and services. In addition, some of our competitors may have, or will have in the future, greater capital and other resources than ours. Competition among the major providers of real estate transaction products and services and any new entrants could adversely affect our revenues and profitability.

Significant industry changes and new product and service introductions require timely and cost-effective responses.

As a national provider of real estate transaction products and services, we participate in an industry that is subject to significant change, frequent new product and service introductions and evolving industry standards. In addition, alternatives to traditional title insurance, such as lien protection products, have emerged in recent years. We believe that our future success will depend on our ability to anticipate changes in technology and customer preferences and to offer products and services that meet evolving standards on a timely and cost-effective basis. The development and implementation of new products and services may require significant capital expenditures and other resources. There is a risk that customers may not accept our new product and service offerings and we may not successfully identify new product and service opportunities or develop and introduce new products and services in a timely and cost-effective manner. In addition, products and services that our competitors and other real estate industry participants develop or introduce may render certain of our products and services obsolete or noncompetitive. Advances in technology could also reduce the useful lives of our products, preventing us from recovering fully our investment in particular products and services. As a result, our inability to anticipate industry changes and to respond with competitive and profitable products and services may have a material adverse effect on our business, operating results or financial condition.

We may not succeed in implementing our strategy of becoming a major provider of real estate transaction management services.

One of our business strategies is to expand our capabilities to manage the delivery of multiple services required in real estate transactions through a centralized source, and to significantly grow the volume of transactions that we manage. There is a risk that our transaction management services may fail to gain market acceptance, particularly from the large national mortgage originators. Furthermore, there are relatively low barriers to entry into the market for real estate transaction management, as opposed to the regulated title insurance business, which may result in a large number of competitors, including large national mortgage originators and others having substantially greater financial resources.

Our insurance and banking subsidiaries are subject to government regulation.

Our insurance subsidiaries are subject to regulation by the state insurance authorities of the various states in which they transact business. These regulations are generally intended for the protection of policyholders rather than security holders. The nature and extent of these regulations vary from jurisdiction to jurisdiction, but typically involve:

regulation of dividend payments and other transactions between affiliates;

prior approval of the acquisition and control of an insurance company or of any company controlling an insurance company;

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- regulation of certain transactions entered into by an insurance company with any of its affiliates;
- approval of premium rates for insurance;
- standards of solvency and minimum amounts of capital surplus that must be maintained;
- limitations on types and amounts of investments;
- restrictions on the size of risks that may be insured by a single company;
- licensing of insurers and agents;
- deposits of securities for the benefit of policyholders;
- approval of policy forms;
- methods of accounting;
- establishing reserves for losses and loss adjustment expenses;
- regulation of underwriting and marketing practices;
- regulation of reinsurance; and
- filing of annual and other reports with respect to financial condition and other matters.

These regulations may impede, or impose burdensome conditions on, rate increases or other actions that we might want to take to enhance our operating results. In addition, state regulatory examiners perform periodic examinations of insurance companies.

Our banking subsidiaries, Orange County Bancorp and Centennial Bank, its wholly-owned subsidiary, are subject to regulation and supervision by the Federal Reserve Bank, the Federal Deposit Insurance Corporation and the California Department of Financial Institutions. Banking regulations are intended primarily to protect depositors and the federal deposit insurance funds and not stockholders. Regulatory requirements affect, among other things, our banking subsidiaries lending practices, capital level, investment practices, dividend policies and growth.

Our litigation risks include substantial claims by large classes of claimants.

We are from time to time involved in litigation arising in the ordinary course of our business. In addition, we currently are and have in the past been subject to claims and litigation not arising in the ordinary course of business from large classes of claimants seeking substantial damages. Material pending legal proceedings not arising in the ordinary course of business are disclosed in our filings with the Securities and Exchange Commission and are incorporated by reference in this prospectus. An unfavorable outcome in any class action suit or similar litigation against us could have a material adverse effect on our financial position or results of operations.

Risks Related to the Debentures

We may not have the ability to raise the funds necessary to repurchase the debentures upon a fundamental change or on any other repurchase date, as required by the indenture governing the debentures.

On May 15, 2014, May 15, 2019, May 15, 2024 and May 15, 2029, or following a fundamental change as described under Description of Debentures Repurchase of Debentures by Us at the Option of the Holder Upon a Fundamental Change, holders of debentures may require us to repurchase their debentures for cash. A fundamental change may also constitute an event of default or prepayment under, and result in the acceleration of the maturity of, our then-existing indebtedness. In addition, we believe the repurchase of the debentures upon a fundamental change could constitute an event of default under our outstanding notes due 2006, 2008 and 2011 and our credit facility. We cannot assure you that we will have sufficient financial resources, or will be able to arrange financing, to pay the repurchase price in cash with respect to any debentures tendered by holders for repurchase on any of these dates or upon a fundamental change. In addition, restrictions in our then-existing credit facilities or other indebtedness may not allow us to repurchase the debentures. Our failure to repurchase the debentures when required would result in an event of default with respect to the debentures.

Upon any conversion of the debentures, you may receive less proceeds than expected because the value of our common stock may decline between the day that you exercise your conversion right and the day the conversion value of your debentures is determined.

The conversion value that you will receive upon any conversion of your debentures is determined by the average of the closing prices per share of our common stock on the New York Stock Exchange for ten consecutive trading days. If we have issued a notice of redemption, this ten-trading day period will end on the redemption date. Accordingly, if you exercise your conversion rights soon after our issuance of a notice of redemption, the ten consecutive trading days may not begin for several weeks thereafter. If you exercise your conversion rights prior to our having issued a notice of redemption, the ten trading day period will begin on the second trading day immediately following the day you deliver your conversion notice to the conversion agent. If the price of our common stock decreases after we receive your notice of conversion and prior to the end of the applicable ten-trading day period, the conversion value you receive will be adversely affected.

In addition, in connection with the convertible bond hedge transaction, we intend to exercise options thereunder whenever debentures are converted. In order to unwind its hedge position with respect to those exercised options, JPMorgan Chase Bank expects to sell shares of our common stock in secondary market transactions or unwind various over-the-counter derivative transactions with respect to our common stock during the cash settlement averaging period for the converted debentures. These sales may adversely affect the value of our common stock and, as a result, the conversion value you receive for your converted debentures.

The trading prices of the debentures could be significantly affected by the trading prices of our common stock.

We expect that the trading prices of the debentures in the secondary market, if such market develops, will be significantly affected by the trading prices of our common stock, the general level of interest rates and our credit quality. This may result in greater volatility in the trading prices of the debentures than would be expected for nonconvertible debt securities.

It is impossible to predict whether the price of our common stock or interest rates will rise or fall. Trading prices of our common stock will be influenced by our operating results and prospects and by economic, financial, regulatory and other factors. In addition, general market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, and sales of substantial amounts of common stock by us in the market after the offering of the debentures, or the perception that such sales may occur, could affect the price of our common stock.

Our holding company structure may adversely affect our ability to meet our debt service obligations under the debentures.

Substantially all of our consolidated assets are held by our subsidiaries. Accordingly, our cash flow and our ability to service our debt, including the debentures, depends on the results of operations of our subsidiaries and upon the ability of our subsidiaries to provide us cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the debentures. Certain of our subsidiaries are subject to state insurance laws and regulations that restrict their ability to pay dividends to us. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make payments on the debentures or to make any funds available for that purpose. In addition, dividends, loans or other distributions from our subsidiaries to us may be subject to contractual and other restrictions and are subject to other business considerations.

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In a number of states, certain of our insurance subsidiaries are subject to regulations that require minimum amounts of statutory surplus. Under these and other such statutory regulations, approximately $103.1 million of the net assets of our consolidated insurance subsidiaries was available for dividends, loans or advances to us during 2004. We have received approximately $69.0 million of this 2004 amount in dividends from our insurance subsidiaries as of September 30, 2004. In addition to the minimum statutory surplus requirements described above, these insurance subsidiaries are also subject to state regulations that require that the payment of any extraordinary dividends receive prior approval of the insurance regulators of such states. See Dividend Policy.

Our banking subsidiaries also are subject to regulations that require minimum capital levels and restrict their ability to pay dividends and make loans to us. In addition, as a condition to our receipt of regulatory approval for our acquisition of Orange County Bancorp, the Federal Deposit Insurance Corporation required that Centennial Bank be prohibited from paying dividends until May 2006 and that we contribute $8.0 million of capital to Centennial Bank over a two year period.

The debentures will be effectively subordinated to the liabilities of our subsidiaries and any of our future secured indebtedness and future indebtedness that is guaranteed by our subsidiaries.

The debentures will be effectively subordinated to all existing and future liabilities of our subsidiaries and any of our future indebtedness that is guaranteed by our subsidiaries. These liabilities may include indebtedness, trade payables, guarantees, lease obligations and letter of credit obligations. As of September 30, 2004, our subsidiaries had approximately $1,389.0 million in liabilities, including approximately $51.0 million of borrowings from the Federal Home Loan Bank and $9.0 million in trust preferred stock that are secured by subsidiary assets, and our subsidiaries did not guaranty any of our debt. In addition, the debentures are not secured by any of our assets or those of our subsidiaries and will be effectively subordinated to any of our future secured debt. The debentures do not restrict us from incurring secured debt in the future or having our subsidiaries guaranty our indebtedness.

An active trading market for the debentures may not develop.

The debentures are a new issue of securities for which there is currently no public market. We do not intend to list the debentures on any national securities exchange or automated quotation system. Although the debentures were sold to qualified institutional buyers under Rule 144A, which means the debentures are eligible for trading on the PORTAL market, we cannot assure you that an active or sustained trading market for the debentures will develop or that the holders will be able to sell their debentures. The initial purchasers have informed us that they intend to make a market in the debentures. However, the initial purchasers may cease their marketmaking at any time.

Moreover, even if you are able to sell your debentures, we cannot assure you as to the price at which any sales will be made. Future trading prices of the debentures will depend on many factors, including, among other things, prevailing interest rates, our operating results, the price of our common stock and the market for similar securities. Historically, the market for convertible debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the debentures will be subject to disruptions which may have a negative effect on the holders of the debentures, regardless of our prospects or financial performance.

We may issue additional shares of common stock and thereby materially and adversely affect the price of our common stock.

We are not restricted from issuing additional common stock, or securities convertible into or exchangeable for common stock, prior to maturity of the debentures. If we issue additional shares of common stock or such convertible or exchangeable securities, the price of our common stock and, in turn, the price of the debentures may be materially and adversely affected.

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Our articles of incorporation and bylaw provisions, and several other factors, could limit another party s ability to acquire us and could deprive you of the opportunity to obtain a takeover premium for your shares of common stock.

Provisions in our articles of incorporation and bylaws, and under Virginia corporation law, may make it difficult for another company to acquire us and for you to receive any related takeover premium for our common stock. See Description of Capital Stock.

These provisions include a staggered Board of Directors, the absence of cumulative voting in the election of directors, the authorization by our board of directors of 200,000 shares of Series A Junior Participating Preferred Stock in connection with our rights agreement and the ability of our board of directors to issue up to 4,800,000 additional shares of preferred stock, the terms of which may be determined by the board at the time of issuance without further action by shareholders. The terms of the Series A Junior Participating Preferred Stock include, and the terms of any other preferred stock may include, voting rights, including the right to vote as a series on particular matters, conversion and redemption rights and preferences as to dividends and liquidation. No shares of preferred stock are currently outstanding and we have no present plans for the issuance of any preferred stock. The issuance of any preferred stock, however, could materially adversely affect the rights of holders of our common stock, and therefore could reduce its value. In addition, specific rights granted to future holders of preferred stock could be used to restrict our ability to merge with, or sell assets to, a third party. The ability of the board of directors to issue preferred stock could delay, discourage, prevent or make it more difficult or costly to acquire us or effect a change in control in our board of directors.

Our bylaws contain provisions regulating the introduction of business at annual shareholders meetings by anyone other than the board of directors.

The conditional conversion features of the debentures could result in you receiving less than the value of the cash and shares, if any, of common stock into which a debenture is convertible.

The debentures are convertible into cash and shares, if any, of common stock only if specified conditions are met. If the specific conditions for conversion are not met, you may not be able to receive the value of the cash and shares, if any, of common stock into which the debentures would otherwise be convertible.

Conversion of the debentures will dilute the ownership interest of existing shareholders.

The conversion of some or all of the debentures will dilute the ownership interests of existing shareholders. Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the debentures may encourage short selling by market participants because the conversion of the debentures could depress the price of our common stock.

The convertible bond hedge and warrant option transactions may affect the value of the debentures and our common stock.

We have entered into a convertible bond hedge transaction with JPMorgan Chase Bank, which is expected to reduce the potential dilution upon conversion of the debentures. We also have entered into a warrant option transaction with JPMorgan Chase Bank. In connection with hedging these transactions, JPMorgan Chase Bank or its affiliates:

- purchased our common stock in secondary market transactions prior to the pricing of the debentures;
- has entered into various over-the-counter derivative transactions with respect to our common stock concurrently with the pricing of the debentures; and
- may continue to purchase our common stock in secondary market transactions following the pricing of the debentures.

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Such activities could have had the effect of increasing the price of our common stock prior to and may continue to have such effect following the pricing of the debentures. JPMorgan Chase Bank or its affiliates is likely to modify its hedge positions from time to time prior to conversion or maturity of the debentures by purchasing and selling shares of our common stock, other of our securities or other instruments it may wish to use in connection with such hedging. In particular, we intend to exercise options we hold under the convertible bond hedge transaction whenever debentures are converted. In order to unwind its hedge position with respect to those exercised options, JPMorgan Chase Bank expects to sell shares of our common stock in secondary market transactions or unwind various over-the-counter derivative transactions with respect to our common stock during the cash settlement averaging period for the converted debentures. The effect, if any, of any of these transactions and activities on the market price of our common stock or the debentures will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our common stock and the value of the debentures and, as a result, the number of shares and value of the common stock you will receive upon the conversion of the debentures.

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RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges is computed by dividing fixed charges into earnings. Earnings is defined as pre-tax income from continuing operations before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees, adjusted by adding fixed charges and distributed income of equity investees. Fixed charges are composed of interest expensed and the estimated interest component of rental expense.

The following table presents our historical ratios of earnings to fixed charges for each of the periods indicated:

	Nine months ended September 30,	Years ended December 31,				
	2004	2003	2002	2001	2000	1999
Ratio	5.94x	10.19x	9.05x	4.32x	(1)	4.34x

(1) In 2000, our earnings were not sufficient to cover our fixed charges due to non-cash charges to earnings of $177.8 million associated with a change in our method of assessing the recoverability of goodwill. The amount of the earnings deficiency was $70.5 million.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the debentures or the shares, if any, of our common stock issuable upon conversion of the debentures by the selling securityholders.

The selling securityholders will pay any underwriting discounts and commissions and expenses incurred by the selling securityholders for brokerage, accounting, tax or legal services or any other expenses incurred by the selling securityholders in disposing of the shares. We will bear all other costs, fees and expenses incurred in effecting the registration of the shares covered by this prospectus, including, without limitation, all registration and filing fees, New York Stock Exchange listing fees, if any, and fees and expenses of our counsel and our accountants.

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DIVIDEND POLICY

Our current dividend policy anticipates the payment of quarterly dividends in the future. The declaration and payment of dividends to holders of our common stock will be in the discretion of our Board of Directors, will be subject to contractual restrictions contained in a loan agreement, as described below, and will be dependent upon our future earnings, financial condition and capital requirements, as well as other factors. The payment of quarterly dividends in the future under our current dividend policy will result in adjustments to the applicable conversion rate. See Description of Debentures Conversion Rate Adjustment.

Because we are a holding company, our ability to pay dividends will depend largely on the earnings of, and cash flow available from, our subsidiaries. In a number of states, certain of our insurance subsidiaries are subject to regulations that require minimum amounts of statutory surplus. Under these and other such statutory regulations, approximately $103.1 million of the net assets of our consolidated insurance subsidiaries was available for dividends, loans or advances to us during 2004. We have received approximately $69.0 million of this 2004 amount in dividends from our insurance subsidiaries as of September 30, 2004.

The following table summarizes the insurance laws and regulations that restrict the amount of dividends that Commonwealth Land Title Insurance Company, Lawyers Title Insurance Corporation and Transnation Title Insurance Company are permitted to distribute to us in the 12-month period ending December 31, 2004 without prior regulatory approval:

Subsidiary	Regulatory Agency	Regulatory Limitation	Financial Limitation (1)
Commonwealth	Pennsylvania Department of Insurance	Payment of dividends or distributions may not exceed the greater of: 10% of such insurer s surplus as of the preceding year end, or the net income of such insurer for such preceding year.	$ 70.6 million
Lawyers Title	Virginia Bureau of Insurance	Payment of dividends or distributions $26.5 millions limited to the lesser of: 10% of such insurer s surplus as of the preceding December 31, or the net income, not including realized capital gains, of such insurer for the preceding calendar year.	$ 26.5 million

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Transnation	Arizona Department of Insurance	Payment of dividends or distributions $5.9 million is limited to the lesser of: 10% of such insurer s surplus as of the preceding December 31, or such insurer s net investment income for the preceding calendar year.	$ 5.9 million

(1) Based on statutory financial results for the year ended December 31, 2003.

In addition to regulatory restrictions, our ability to declare dividends is subject to restrictions under our $200.0 million credit facility, dated as of November 6, 2003, as amended, with a syndicate of banks led by SunTrust Bank. Our credit facility generally limits the aggregate amount of all cash dividends and stock repurchases (other than through a Rabbi Trust) by us to 40% of our cumulative consolidated net income arising after December 31, 2002. As of September 30, 2004, approximately $59.8 million was available for the payment of dividends and stock repurchases by us under our credit facility. Management does not believe that the restrictions contained in our credit facility will, in the foreseeable future, adversely affect our ability to pay cash dividends at the current dividend rate.

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SELLING SECURITYHOLDERS

We issued the debentures covered by this prospectus in private placements on May 11, 2004. The debentures were resold by the initial purchasers to qualified institutional buyers under Rule 144A under the Securities Act. These qualified institutional buyers are the selling securityholders, and they may offer and sell the debentures and the shares of our common stock into which the debentures are convertible pursuant to this prospectus.

The following table sets forth information with respect to the selling securityholders and the principal amount of debentures and the number of shares of our common stock issuable upon conversion of the debentures that are beneficially owned by each selling securityholder and that may be offered and sold from time to time pursuant to this prospectus. We will set forth updated information, including information about substitute or additional selling securityholders, in prospectus supplements or amendments to this prospectus, as appropriate.

Unless otherwise indicated, none of the selling securityholders has held any position or office with, or has otherwise had a material relationship with us, or any of our subsidiaries, within the past three years. From time to time the selling securityholders may hold other securities that we have issued.

	Debentures		Common Stock (Issuable Upon Conversion of the Debentures)	
Full Legal Name of Selling Securityholder	**Principal Amount Beneficially Owned Prior to this Offering**	**Principal Amount Beneficially Owned After Completion of this Offering(1)**	**Shares Beneficially Owned Prior to this Offering(2)**	**Shares Beneficially Owned After Completion of this Offering(1)**
Akela Capital Master Fund, Ltd.	$ 13,500,000	0	248,607	0
Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd.	5,430,000	0	99,995	0
Argent Classic Convertible Arbitrage Fund II, L.P.	110,000	0	2,026	0
Argent Classic Convertible Arbitrage Fund, L.P.	1,130,000	0	20,809	0
Argent LowLev Convertible Arbitrage Fund II, LLC	70,000	0	1,289	0
Argent LowLev Convertible Arbitrage Fund, LLC	1,140,000	0	20,993	0
Argent LowLev Convertible Arbitrage Fund, Ltd.	6,930,000	0	127,618	0
Black Diamond Convertible Offshore LDC	2,138,000	0	39,372	0
Black Diamond Offshore Ltd.	1,656,000	0	30,496	0
BNP Paribas Equity Strategies, SNC	2,430,000	0	44,749	0
Class C Trading Company, Ltd.	310,000	0	5,709	0
CooperNeff Convertible Strategies (Cayman) Master Fund, LP	2,016,000	0	37,125	0
Custom Investments PCC, Ltd.	390,000	0	7,182	0
Deephaven Domestic Convertible Trading Ltd.	1,916,000	0	35,284	0

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Full Legal Name of Selling Securityholder	Debentures: Principal Amount Beneficially Owned Prior to this Offering	Debentures: Principal Amount Beneficially Owned After Completion of this Offering(1)	Common Stock (Issuable Upon Conversion of the Debentures): Shares Beneficially Owned Prior to this Offering(2)	Common Stock (Issuable Upon Conversion of the Debentures): Shares Beneficially Owned After Completion of this Offering(1)
Deutsche Bank Securities, Inc. (3)	8,500,000	0	528,539(4)	372,009(4)
Double Black Diamond Offshore LDC	8,940,000	0	164,633	0
Global Bermuda Limited Partnership	400,000	0	7,366	0
HFR CA Global Select Master Trust Account	390,000	0	7,182	0
JMG Capital Partners, L.P.	8,750,000	0	161,134	0
JMG Triton Offshore Fund, Ltd.	8,750,000	0	161,134	0
Lakeshore International, Inc.	1,600,000	0	29,464	0
Lyxor Master Fund Ref: Argent/LowLev CB c/o Argent	1,030,000	0	18,968	0
Lyxor/Convertible Arbitrage Fund Limited	402,000	0	7,403	0
National Bank of Canada c/o Putnam Lovell NBF Securities, Inc.	2,000,000	0	36,831	0
Partners Group Alternative Strategies PCC LTD	500,000	0	9,208	0
RBC Alternative Assets, LP	275,000	0	5,064	0
Sage Capital Management, LLC	4,925,000	0	90,695	0
Silver Convertible Arbitrage Fund, LDC	370,000	0	6,814	0
Singlehedge US Convertible Arbitrage Fund	654,000	0	12,044	0
Sphinx Convertible Arbitrage SPC c/o Deephaven	84,000	0	1,547	0
Sturgeon Limited	498,000	0	9,171	0
Waterstone Market Neutral MAC51, Ltd.	1,100,000	0	20,257	0
Waterstone Market Neutral Master Fund, Ltd.	13,900,000	0	255,973	0
Worldwide Transactions, Ltd.	266,000	0	4,898	0
Xavex Convertible Arbitrage 10 Fund	480,000	0	8,839	0

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Full Legal Name of Selling Securityholder	Debentures: Principal Amount Beneficially Owned Prior to this Offering	Debentures: Principal Amount Beneficially Owned After Completion of this Offering(1)	Common Stock (Issuable Upon Conversion of the Debentures): Shares Beneficially Owned Prior to this Offering(2)	Common Stock (Issuable Upon Conversion of the Debentures): Shares Beneficially Owned After Completion of this Offering(1)
Xavex Convertible Arbitrage 2 Fund	220,000	0	4,051	0
Any other holder of debentures or future transferee, pledgee, donee or successor of any such holder (5)(6)	21,800,000	0	401,453	0
TOTAL	$ 125,000,000	$ 0	2,673,922(4)	372,009(4)

(1) We do not know when or in what amounts a selling securityholder may offer the debentures or shares of common stock for sale. The selling securityholders might not sell any or all of the debentures or shares offered by this prospectus. Because the selling securityholders may offer all or some of the debentures or shares pursuant to this offering, we cannot estimate the number of the debentures or shares that will be held by the selling securityholders after completion of the offering. However, for purposes of this table, we have assumed that, after completion of the offering, none of the debentures or shares covered by this prospectus will be held by the selling securityholders.

(2) Amounts assume conversion of all the securityholders debentures at the applicable conversion rate of 18.4153 shares of common stock per $1,000 principal amount of debentures. However, the conversion rate is subject to adjustment as described under Description of Debentures Conversion Rights. As a result, the amount of common stock issuable upon conversion of the debentures may increase or decrease in the future. For presentation purposes, we have rounded the number of shares issuable upon conversion of the debentures to the nearest whole number. However, we will pay cash for all fractional shares of common stock issuable upon conversion of the debentures.

(3) Deutsche Bank Securities, Inc. acts as the portfolio manager of certain of our investment securities.

(4) Amounts include 372,009 shares of our common stock that Deutsche Bank Securities, Inc. has informed us that it holds. Such shares of common stock are not covered by this prospectus.

(5) From time to time, as applicable, we will identify such selling securityholders in amendments to this registration statement of which this prospectus is a part.

(6) Amounts assume that any other holders of debentures, or any future transferee, pledgee, donee or successor of any such other holders of debentures, do not beneficially own any shares of our common stock other than the shares of our common stock issuable upon conversion of the debentures.

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DESCRIPTION OF DEBENTURES

We issued the debentures under an indenture to be dated as of May 11, 2004, between us and JPMorgan Chase Bank, as trustee. The debentures and the shares of common stock issuable upon conversion of the debentures are covered by a registration rights agreement. You may request a copy of the indenture and the registration rights agreement from the trustee.

The following description is a summary of the material provisions of the debentures, the indenture and the registration rights agreement and does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the debentures and the indenture, including the definitions of certain terms used in the indenture, and to all provisions of the registration rights agreement. Wherever particular provisions or defined terms of the indenture or form of debenture are referred to, these provisions or defined terms are incorporated in this prospectus by reference. We urge you to read the indenture because it, and not this description, defines your rights as a holder of the debentures.

As used in this Description of Debentures section, references to LandAmerica, we, our or us refer solely to LandAmerica Financial Group, I and not to our subsidiaries.

General

The debentures will mature on May 15, 2034 unless earlier converted, redeemed or repurchased. You have the option, subject to fulfillment of certain conditions and during the periods described below, to convert your debentures into cash and shares, if any, of our common stock at the applicable conversion rate of 18.4153 shares of common stock per $1,000 principal amount of debentures. This is equivalent to a conversion price of approximately $54.30 per share of common stock. The conversion rate is subject to adjustment if certain events occur. Upon conversion of a debenture, we will deliver cash equal to the lesser of the aggregate principal amount of debentures to be converted and our total conversion obligation and common stock in respect of the remainder, if any, of our conversion obligation. You will not receive any cash payment for interest (or additional amounts, if any) accrued and unpaid to the conversion date except under the limited circumstances described below.

If any interest payment date, maturity date, redemption date or repurchase date (including upon the occurrence of a fundamental change, as described below) falls on a day that is not a business day, the required payment will be made on the next succeeding business day with the same force and effect as if made on the date that the payment was due, and no additional interest will accrue on that payment for the period from and after the interest payment date, maturity date, redemption date or repurchase date (including upon the occurrence of a fundamental change, as described below), as the case may be, to that next succeeding business day.

Substantially all of our consolidated assets are held by our subsidiaries. Accordingly, our cash flow and our ability to service our debt, including the debentures, depends on the results of operations of our subsidiaries and upon the ability of our subsidiaries to provide us cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the debentures. Certain of our subsidiaries are subject to state insurance laws and regulations that restrict their ability to pay dividends to us. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make payments on the debentures or to make any funds available for that purpose. In addition, dividends, loans or other distributions from our subsidiaries to us may be subject to contractual and other restrictions and are subject to other business considerations.

In a number of states, certain of our insurance subsidiaries are subject to regulations that require minimum amounts of statutory surplus. Under these and other such statutory regulations, approximately $103.1 million of the net assets of our consolidated insurance subsidiaries was available for dividends, loans or advances to us during 2004. We have received approximately $69.0 million of this 2004 amount in dividends from our insurance

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subsidiaries as of September 30, 2004. In addition to the minimum statutory surplus requirements described above, these insurance subsidiaries are also subject to state regulations that require that the payment of any extraordinary dividends receive prior approval of the insurance regulators of such states. See Dividend Policy.

The debentures are issued only in denominations of $1,000 principal amount and integral multiples thereof. References to a debenture or each debenture in this prospectus refer to $1,000 principal amount of the debentures. The debentures are limited to $125,000,000 aggregate principal amount.

As used in this prospectus, business day means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in The City of New York.

When we refer to common stock, we mean the common stock, without par value, of LandAmerica Financial Group, Inc., which is the only outstanding class of our capital stock.

Ranking

The debentures are our direct, unsecured and unsubordinated obligations. The debentures rank equal in priority with all of our existing and future unsecured and unsubordinated indebtedness and senior in right of payment to all of our existing and future subordinated indebtedness. The debentures effectively rank junior to any of our future secured indebtedness and any of our future indebtedness guaranteed by our subsidiaries. In addition, our rights and the rights of our creditors, including the holders of the debentures, to participate in the assets of a subsidiary during its liquidation or reorganization are effectively subordinated to all existing and future liabilities of that subsidiary, including guarantees by the subsidiary of our future indebtedness. As of September 30, 2004, we had senior debt of $390.0 million, none of which was secured or guaranteed by our subsidiaries. At such date, our subsidiaries had approximately $1,389.0 million in liabilities, including approximately $51.0 million of borrowings from the Federal Home Loan Bank and $9.0 million in trust preferred stock that are secured by subsidiary assets.

Interest

The debentures bear interest at a rate of 3.25% per annum. Interest (including additional amounts, if any) shall be payable semi-annually in arrears on May 15 and November 15 of each year, commencing November 15, 2004.

Interest on a debenture (including additional amounts, if any) will be paid to the person in whose name the debenture is registered at the close of business on the May 1 or November 1, as the case may be (each, a record date), immediately preceding the relevant interest payment date (whether or not such day is a business day). Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will accrue from May 11, 2004 or from the most recent date to which interest has been paid or duly provided for.

Optional Redemption by Us

No sinking fund is provided for the debentures. Prior to May 15, 2014, the debentures will not be redeemable. On or after May 15, 2014, we may redeem the debentures in whole or in part at any time for a redemption price in cash equal to 100% of the principal amount of the debentures to be redeemed, plus any accrued and unpaid interest (including additional amounts, if any) to but excluding the redemption date.

If the redemption date is an interest payment date, interest (including additional amounts, if any) shall be paid on such interest payment date to the record holder on the relevant record date.

We will provide not less than 30 nor more than 60 days notice of redemption by mail to each registered holder of debentures to be redeemed. If the redemption notice is given and funds are deposited as required, then interest will cease to accrue on and after the redemption date on those debentures or portions of debentures called for redemption.

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If we decide to redeem fewer than all of the outstanding debentures, the trustee will select the debentures to be redeemed (in principal amounts of $1,000 or integral multiples thereof) by lot, on a pro rata basis or by another method the trustee considers fair and appropriate. If the trustee selects a portion of your debentures for partial redemption and you convert a portion of your debentures, the converted portion will be deemed to be from the portion selected for redemption.

We may not redeem the debentures if we have failed to pay any interest (including additional amounts, if any) on the debentures when due and such failure to pay is continuing. We will notify all of the holders if we redeem any of the debentures.

Conversion Rights

Subject to the conditions and during the periods described below, you may convert each of your debentures into cash and shares, if any, of our common stock initially at the applicable conversion rate of 18.4153 shares of common stock per $1,000 principal amount of debentures (equivalent to a conversion price of approximately $54.30 per share of common stock based on the issue price per debenture). The conversion rate and the equivalent conversion price in effect at any given time are referred to as the applicable conversion rate and the applicable conversion price, respectively, and will be subject to adjustment as described below. The initial conversion rate was 18.3763 shares per $1,000 principal amount of debentures. You may convert fewer than all of your debentures so long as the debentures converted are an integral multiple of $1,000 principal amount.

You may convert your debentures into cash and shares, if any, of our common stock only in the following circumstances, which are described in more detail below, and to the following extent:

- in whole or in part, upon satisfaction of the market price condition;
- in whole or in part, upon satisfaction of the trading price condition;
- if any of your debentures are called for redemption, those debentures that have been so called;
- in whole or in part, upon the occurrence of specified corporate transactions; or
- in whole or in part, if a credit ratings event occurs.

If we call your debentures for redemption, you may convert the debentures only until the close of business on the second business day prior to the redemption date unless we fail to pay the redemption price. If you have already delivered a repurchase election with respect to a debenture as described under either Repurchase of Debentures by Us at the Option of the Holder or Repurchase of Debentures by Us at the Option of the Holder upon a Fundamental Change, you may not surrender that debenture for conversion until you have withdrawn the repurchase election in accordance with the indenture.

Upon conversion, you will not receive any cash payment of interest unless such conversion occurs between a regular record date and the interest payment date to which it relates but you will receive any additional amounts. We will not issue fractional common shares upon conversion of debentures. Instead, we will pay cash in lieu of fractional shares based on the last reported sale price of the common stock on the trading day prior to the conversion date. Our delivery to you of cash and shares, if any, of our common stock into which a debenture is convertible will be deemed to satisfy our obligation to pay:

- the principal amount of the debenture; and
- accrued but unpaid interest to but excluding the conversion date.

As a result, accrued but unpaid interest to but excluding the conversion date will be deemed to be paid in full rather than cancelled, extinguished or forfeited. For a discussion of your tax treatment upon receipt of cash and shares, if any, of our common stock upon conversion, see Material United States Federal Income Tax Considerations.

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Notwithstanding the preceding paragraph, if debentures are converted after the close of business on a record date, holders of such debentures at the close of business on the record date will receive the interest payable on such debentures on the corresponding interest payment date notwithstanding the conversion. Debentures, upon surrender for conversion during the period from the close of business on any regular record date to the opening of business on the immediately following interest payment date, must be accompanied by funds equal to the amount of interest payable on the debentures so converted; *provided* that no such payment need be made (1) if we have specified a redemption date that is after a record date and on or prior to the next interest payment date, (2) if we have specified a redemption date following a fundamental change that is after a record date and on or prior to the next interest payment date or (3) to the extent of any overdue interest if any overdue interest exists at the time of conversion with respect to such debenture.

If you convert debentures, we will pay any documentary, stamp or similar issue or transfer tax due on the issue of shares, if any, of our common stock upon the conversion, unless the tax is due because you request the shares to be issued or delivered to another person, in which case you will pay that tax.

Conversion Procedures

To convert your debenture into cash and shares, if any, of our common stock you must do the following:

- complete and manually sign the conversion notice on the back of the debenture, or a facsimile of the conversion notice, and deliver this irrevocable notice to the conversion agent;
- surrender the debenture to the conversion agent;
- if required, furnish appropriate endorsements and transfer documents;
- if required, pay all transfer or similar taxes; and
- if required, pay funds equal to interest payable on the next interest payment date.

The date you comply with these requirements is the conversion date under the indenture. If your interest is a beneficial interest in a global debenture, to convert you must comply with the last three requirements listed above and comply with the depositary s procedures for converting a beneficial interest in a global debenture.

The conversion agent will, on your behalf, convert the debentures into cash and shares of our common stock, to the extent our conversion obligation is satisfied in common stock. See Payment Upon Conversion. You may obtain copies of the required form of the conversion notice from the conversion agent.

Payment upon Conversion

Upon conversion we will deliver to holders in respect of each $1,000 aggregate principal amount of debentures being converted a Settlement Amount consisting of (1) cash equal to the lesser of $1,000 and the Conversion Value, and (2) to the extent the Conversion Value exceeds $1,000, a number of shares equal to the sum of, for each day of the 10-day Cash Settlement Averaging Period, (A) 10% of the difference between the Conversion Value and $1,000, divided by (B) the last reported sale price of our common stock for such day.

Conversion Value means the product of (1) the applicable conversion rate and (2) the average of the last reported sale prices (as defined below under Conversion Upon Satisfaction of Market Price Condition) of our common stock for the ten consecutive trading days during the Cash Settlement Averaging Period.

The Cash Settlement Averaging Period with respect to any debentures means the 10 consecutive trading days beginning on the second trading day after you deliver your conversion notice to the conversion agent, except that with respect to any notice of conversion received after the date of issuance of a notice of redemption as described under Optional Redemption by Us, the Cash Settlement Averaging Period means the 10 consecutive trading days immediately preceding the applicable redemption date.

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Trading day means a day during which trading in our common stock generally occurs and a closing price for our common stock is provided on the New York Stock Exchange or, if our common stock is not listed on the New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which our common stock is then listed or, if our common stock is not listed on a U.S. national or regional securities exchange, on the principal other market on which our common stock is then traded.

We will deliver the Settlement Amount to converting holders on the business day immediately following the last day of the Cash Settlement Averaging Period.

We will deliver cash in lieu of any fractional shares of common stock issuable in connection with payment of the Settlement Amount.

Conversion Upon Satisfaction of Market Price Condition

You may surrender your debentures for conversion into cash and shares, if any, of our common stock (1) in any calendar quarter commencing after June 30, 2004 and before June 30, 2029 (and only during such calendar quarter) if the last reported sale price of our common stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous calendar quarter is greater than or equal to 125% of the applicable conversion price per share of our common stock on such last trading day and (2) at any time on or after July 1, 2029 if the last reported sale price of our common stock on any date on or after June 30, 2029 is greater than or equal to 125% of the conversion price.

The last reported sale price of our common stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and asked prices or, if more than one in either case, the average of the average bid and the average asked prices) on such date as reported in composite transactions for the principal U.S. securities exchange on which our common stock is traded or, if our common stock is not listed on a U.S. national or regional securities exchange, as reported by the Nasdaq National Market. If our common stock is not listed for trading on a U.S. national or regional securities exchange and not reported by the Nasdaq National Market on the relevant date, the last reported sale price will be the last quoted bid price for our common stock in the over-the-counter market on the relevant date as reported by the National Quotation Bureau Incorporated or similar organization. If our common stock is not so quoted, the last reported sale price will be the average of the mid-point of the last bid and asked prices for our common stock on the relevant date from each of at least three independent nationally recognized investment banking firms selected by us for this purpose.

Conversion Upon Satisfaction of Trading Price Condition

You may surrender your debentures for conversion into cash and shares, if any, of our common stock during the five business day period after any five consecutive trading day period in which the trading price per debenture, as determined following a request by a holder of debentures in accordance with the procedures described below, for each day of that period was less than 98% of the product of the conversion rate and the last reported sale price of our common stock for each day during such period (the 98% Trading Exception); provided that if, on the date of any conversion pursuant to the 98% Trading Exception, the closing sale price of our common stock is greater than the conversion price but less than 125% thereof, then you will receive, in lieu of cash and common stock based on the conversion rate, an amount in cash equal to the principal amount of the debentures converted, plus accrued and unpaid interest to the conversion date.

The trading price of a debenture on any date of determination shall be determined by us and shall be the average of the secondary market bid quotations per debenture obtained by the bid solicitation agent for $5,000,000 aggregate principal amount of debentures at approximately 4:00 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers we select, provided that if at least two such bids cannot reasonably be obtained by the trustee, but one such bid can reasonably be obtained by the trustee, this one bid will be used. If the trustee cannot reasonably obtain at least one bid for $5,000,000 original principal amount of the debentures from a nationally recognized securities dealer, or in our reasonable

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judgment, the bid quotations are not indicative of the secondary market value of the debentures, then the trading price per debenture will be deemed to be less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate.

In connection with any conversion upon satisfaction of the above trading price condition, the trustee shall have no obligation to determine the trading price of the debentures unless we have requested such determination; and we shall have no obligation to make such request unless you provide us with reasonable evidence that the trading price per debenture would be less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate. At such time, we shall instruct the trustee to determine the trading price of the debentures beginning on the next trading day and on each successive trading day until the trading price per debenture is greater than or equal to 98% of the product of the last reported sale price of our common stock and the applicable conversion rate.

Conversion Upon Notice of Redemption

If we call any or all of the debentures for redemption, you may convert any of your debentures that have been called for redemption into cash and shares, if any, of our common stock at any time prior to the close of business on the second business day prior to the redemption date.

Conversion Upon Specified Corporate Transactions

If we elect to:

- distribute to all holders of our common stock rights or warrants entitling them to subscribe for or purchase, for a period expiring within 45 days after the date of the distribution, shares of our common stock at less than the last reported sale price of a share of our common stock on the trading day immediately preceding the declaration date of the distribution; or

- distribute to all holders of our common stock, assets, debt securities or rights to purchase our securities, which distribution has a per share value as determined by our board of directors exceeding 5% of the last reported sale price of our common stock on the trading day immediately preceding the declaration date for such distribution,

we must notify holders of the debentures at least 20 business days prior to the ex-dividend date for such distribution. Once we have given such notice, holders may surrender their debentures for conversion at any time until the earlier of the close of business on the business day immediately prior to the ex-dividend date or any announcement that such distribution will not take place. No holder may exercise this right to convert if the holder otherwise will participate in the distribution without conversion. The ex-dividend date is the first date upon which a sale of the common stock does not automatically transfer the right to receive the relevant distribution from the seller of the common stock to its buyer.

In addition, if we are a party to a consolidation, merger, binding share exchange or transfer of all or substantially all of our assets, in each case pursuant to which our common stock would be converted into cash or property other than securities, a holder may surrender debentures for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until and including the date which is 15 days after the actual effective date of such transaction. If we engage in certain reclassifications of our common stock or are a party to a consolidation, merger, binding share exchange or transfer of all or substantially all of our assets, in each case pursuant to which our common stock is converted into cash, securities or other property, then at the effective time of the transaction, the right to convert a debenture into cash and shares, if any, of our common stock will be changed into a right to convert a debenture into the kind and amount of cash, securities or other property which a holder would have received if the holder had converted its debentures immediately prior to the applicable record date for such transaction. If we engage in any transaction described in the preceding sentence, the conversion rate will not be adjusted. If the transaction also constitutes a fundamental change, a holder can require us to redeem all or a portion of its debentures as described under Repurchase of Debentures by Us at the Option of the Holder Upon a Fundamental Change.

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Conversion Upon Credit Ratings Event

If we obtain a credit rating for the debentures from Moody s Investors Service, Inc. (Moody s) or Standard & Poor s Rating Services (Standard & Poor s) or both, then you will have the right to surrender your debentures for conversion into cash and shares, if any, of our common stock prior to maturity as follows:

- if we obtain a credit rating for the debentures from both Moody s and Standard & Poor s, at any time when (i) the long-term credit rating assigned to the debentures by both Moody s and Standard & Poor s is two or more levels below the credit rating initially assigned to the debentures, (ii) both Moody s and Standard & Poor s have discontinued, withdrawn or suspended their ratings with respect to the debentures or (iii) either Moody s or Standard & Poor s has discontinued, withdrawn or suspended its rating with respect to the debentures and the remaining rating is two or more levels below the credit rating initially assigned to the debentures; or

- if we obtain a credit rating for the debentures from only one of Moody s and Standard & Poor s, at any time when (i) the long-term credit rating assigned to the debentures by such rating agency is two or more levels below the credit rating initially assigned to the debentures or (ii) such rating agency has discontinued, withdrawn or suspended its rating.

The debentures have not been assigned a credit rating by any rating agency. We have no obligation to obtain a credit rating for the debentures, and these provisions do not apply to any credit rating that we have not requested.

Conversion Rate Adjustments

The conversion rate will be adjusted as described below, except that we will not make any adjustments to the conversion rate if holders of the debentures participate in any of the transactions described below without having to convert their debentures.

(1) If we issue shares of our common stock as a dividend or distribution on shares of our common stock, or if we effect a share split or share combination, the conversion rate will be adjusted based on the following formula:

$$CR^1 = CR_0 \times \frac{OS^1}{OS_0}$$

where,

CR_0 =	the conversion rate in effect immediately prior to such event
CR^1 =	the conversion rate in effect immediately after such event
OS_0 =	the number of our shares of common stock outstanding immediately prior to such event
OS^1 =	the number of our shares of common stock outstanding immediately after such event

(2) If we issue to all or substantially all holders of our common stock any rights or warrants entitling them for a period of not more than 45 days to subscribe for or purchase shares of our common stock, or securities convertible into shares of our common stock, at a price per share or a conversion price per share less than the sale price of shares of our common stock on the business day immediately preceding the time of announcement of such issuance, the conversion rate will be adjusted based on the following formula (provided that the conversion rate will be readjusted to the extent that such rights or warrants are not exercised prior to their expiration):

$$CR^1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

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where,

CR_0 =	the conversion rate in effect immediately prior to such event
CR^1 =	the conversion rate in effect immediately after such event
OS_0 =	the number of shares of our common stock outstanding immediately prior to such event
X =	the total number of shares of our common stock issuable pursuant to such rights
Y =	the number of shares of our common stock equal to the aggregate price payable to exercise such rights divided by the average of the last reported sale prices of our common stock for the ten consecutive trading days prior to the business day immediately preceding the record date for the issuance of such rights

(3) If we distribute shares of our capital stock, evidences of our indebtedness or other assets or property of ours to all or substantially all holders of our common stock, excluding:

dividends, distributions and rights or warrants referred to in clause (1) or (2) above; and

dividends or distributions paid exclusively in cash;

then the conversion rate will be adjusted based on the following formula:

$$CR^1 = CR_0 \quad \times \quad \frac{SP_0}{SP_0 \quad FMV}$$

where,

CR_0 =	the conversion rate in effect immediately prior to such distribution
CR^1 =	the conversion rate in effect immediately after such distribution
SP_0 =	the average of the last reported sale prices of our common stock for the ten days prior to the business day immediately preceding the record date for such distribution
FMV =	the fair market value (as determined by our board of directors) of the shares of capital stock, evidences of indebtedness, assets or property distributed with respect to each outstanding share of our common stock on the record date for such distribution

With respect to an adjustment pursuant to this clause (3) where there has been a payment of a dividend or other distribution on our common stock or shares of capital stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit, which we refer to as a spin-off, the conversion rate in effect immediately before the close of business on the record date fixed for determination of shareholders entitled to receive the distribution will be increased based on the following formula:

$$CR^1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR_0 =	the conversion rate in effect immediately prior to such distribution
CR^1 =	the conversion rate in effect immediately after such distribution
FMV_0 =	the average of the last reported sale prices of the capital stock or similar equity interest distributed to holders of our common stock applicable to one share of our common stock over the first 10 trading days after the effective date of the spin-off
MP_0 =	the average of the last reported sale prices of our common stock over the first 10 consecutive trading days after the effective date of the spin-off

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The adjustment to the conversion rate under the preceding paragraph will occur on the tenth trading day from, and including, the effective date of the spin-off.

(4) If we make any cash dividend or distribution during any of our quarterly fiscal periods to all or substantially all holders of our common stock, in an aggregate amount that, together with other cash dividends or distributions made during such quarterly fiscal period, exceeds the product of $0.10 (appropriately adjusted from time to time for any share dividends on or subdivisions of our common stock) multiplied by the number of shares of common stock outstanding on the record date for such distribution, the conversion rate will be adjusted based on the following formula:

$$CR^1 = CR_0 \quad \mathrm{x} \quad \frac{SP_0}{SP_0 \quad C}$$