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 EXHIBIT 10.1  
  
  
 FORM OF  
  
 AFFILIATE AGREEMENT  
  
  
 THIS AFFILIATE AGREEMENT (this "Agreement") is made and entered into as  
of \_\_\_\_\_\_\_\_\_, 1997, by and between FIDELITY NATIONAL FINANCIAL, INC., a Delaware  
corporation ("Parent") and the stockholder of GRANITE FINANCIAL, INC., a  
Delaware corporation (the "Company"), identified on the signature page hereto  
(the "Affiliate").  
  
 RECITALS:  
  
 A. Parent and the Company are parties to that certain Agreement and Plan  
of Merger, dated as of November 17, 1997 (the "Merger Agreement"), which  
provides for the acquisition of the Company by Parent by means of a merger (the  
"Merger") of a wholly-owned subsidiary of Parent ("Merger Sub") with and into  
the Company (unless otherwise defined herein as the context otherwise requires,  
capitalized terms shall have the respective meanings set forth in the Merger  
Agreement);  
  
  
 B. Affiliate is the record holder and beneficial owner (as defined in  
Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange  
Act")) of and has the right to vote and dispose of the number of shares of the  
outstanding capital stock of the Company indicated on the signature page of this  
Agreement (the "Company Shares"), which Shares will be converted, upon the  
Effective Time of the Merger, into the right to receive shares of Parent Common  
Stock (the "Parent Shares"); and  
  
 C. Affiliate understands that, since the Merger will be accounted for  
using the "pooling of interests" method and the Affiliate is an "affiliate" of  
the Company (within the meaning of Rule 145 under the Securities Act of 1933, as  
amended (the "Securities Act"), the Parent Shares may only be disposed of in  
conformity with the limitations described herein.  
  
 NOW, THEREFORE, for good and valuable consideration, the receipt and  
sufficiency of which is hereby acknowledged, and intending to be legally bound  
hereby, the parties agree as follows:  
  
 1. Agreement to Retain Shares.  
  
 1.1 Transfer and Encumbrance. Affiliate agrees not to transfer,  
sell, exchange, pledge or otherwise dispose of or encumber the Parent Shares or  
any New Shares (as defined in Section 1.2 below) or to make any offer or  
agreement relating thereto, at any time prior to the Expiration Date. As used  
herein, the term "Expiration Date" shall mean the date Parent shall have  
publicly released a report including the combined financial results of Parent  
and the Company for a period of at least 30 days of combined operations of  
Parent and the Company.  
  
 1.2 New Shares. Affiliate agrees that any shares of capital stock  
of the Company or Parent that Affiliate purchases or with respect to which  
Affiliate otherwise acquires beneficial ownership after the date of this  
Agreement and prior to the Expiration Date ("New Shares") shall be subject to  
the terms and conditions of this Agreement to the same extent as if they  
constituted Shares.  
  
  
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 2. Tax Treatment; Rule 145. Affiliate understands and agrees that it is  
intended that the Merger will be treated as a "reorganization" for federal  
income tax purposes. Affiliate further understands and agrees that Affiliate may  
be deemed to be an "affiliate" of the Company within the meaning of Rule 145  
promulgated by the Securities and Exchange Commission (the "SEC") under the  
Securities Act, although nothing contained herein should be construed as an  
admission of such fact.  
  
 3. Reliance Upon Representations, Warranties and Covenants. Affiliate  
has been informed that the treatment of the Merger as a reorganization for  
federal income tax purposes requires that a sufficient number of stockholders of  
the Company maintain a meaningful continuing equity ownership interest in Parent  
after the Merger. Affiliate understands that the representations, warranties and  
covenants of Affiliate set forth herein will be relied upon by Parent, the  
Company and their respective counsel and accounting firms.  
  
 4. Representations, Warranties and Covenants of Affiliate. Affiliate  
represents, warrants and covenants as follows:  
  
 (a) Affiliate has full power and authority to execute this  
Agreement, to make the representations, warranties and covenants herein  
contained and to perform Affiliate's obligations hereunder.  
  
 (b) Set forth below the signatures below is the number of  
Company Shares owned by Affiliate, including all Company Shares as to which  
Affiliate has sole or shared voting or investment power and all rights, options  
and warrants to acquire the shares of capital stock of the Company owned or held  
by Affiliate.  
  
 (c) Affiliate will not sell, transfer, exchange, pledge or  
otherwise dispose of, or make any offer or agreement relating to any of the  
foregoing with respect to, any Parent Shares that Affiliate may acquire in  
connection with the Merger, or any securities that may be paid as a dividend or  
otherwise distributed thereon or with respect thereto or issued or delivered in  
exchange or substitution therefor (all such shares and other securities of  
Parent are sometimes collectively referred to as "Restricted Securities"), or  
any option, right or other interest with respect to any Restricted Securities,  
unless: (i) such transactions is permitted pursuant to Rule 145(c) and 145(d)  
under the Securities Act; (ii) counsel representing Affiliate, which counsel is  
reasonably satisfactory to Parent, shall have advised Parent in a written  
opinion letter satisfactory to Parent and Parent's legal counsel, and upon which  
Parent and its legal counsel may rely, that no registration under the Securities  
Act would be required in connection with the proposed sale, transfer or other  
disposition; (iii) a registration statement under the Securities Act covering  
the Parent Shares proposed to be sold, transferred or otherwise disposed of,  
describing the manner and terms of the proposed sale, transfer or other  
dispositions, and containing a current prospectus, shall have been filed with  
the SEC and made effective under the Securities Act; or (iv) an authorized  
representative of the SEC shall have rendered written advice to Affiliate  
(sought by Affiliate or counsel to Affiliate, with a copy thereof and all other  
related communications delivered to Parent) to the effect that the SEC would  
take no action, or that the staff of the SEC would not recommend that the SEC  
take any action, with respect to the proposed disposition if consummated.  
  
 (d) Affiliate is not aware of, or participating in, any   
present plan or intention (a "Plan") on the part of the Company's stockholders  
to sell, transfer, exchange, pledge or otherwise dispose of, including a  
distribution by a partnership to its partners, or a corporation to its  
stockholders, or any other transaction which results in a reduction in the risk  
of ownership (any of the foregoing, a "Sale") of Parent Shares to be issued in  
the Merger such that the aggregate fair market value, as of the Effective Time  
of the Merger, of the Parent Shares subject to such Sales would exceed fifty  
percent (50%) of the aggregate fair market value of all shares of outstanding  
shares of the Company immediately prior to the Merger. For purposes of the  
preceding sentence, Parent Shares (i) which are exchanged for cash in lieu of  
fractional Parent Shares or (ii) with respect to which a pre-Merger Sale occurs  
in a Related Transaction (as defined below), shall be considered to be Company  
  
  
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Shares that are exchanged for Parent Shares in the Merger and then disposed of  
pursuant to a Plan. A Sale of Parent Shares shall be considered to have occurred  
pursuant to a Plan if, among other things, such Sale occurs in a Related  
Transaction. For purposes of this Section 4(d), a "Related Transaction" shall  
mean a transaction that is in contemplation of, or related or pursuant to, the  
Merger or the Merger Agreement. If any of Affiliate's representations in this  
subsection (d) cease to be true at any time prior to the Effective Time of the  
Merger, Affiliate will deliver to each of the Company and Parent, prior to the  
Effective Time of the Merger, a written statement to that effect, signed by  
Affiliate.  
  
 5. Rules 144 and 145. From and after the Effective Time of the Merger  
and for so long as is necessary in order to permit Affiliate to sell the Parent  
Shares held by Affiliate pursuant to Rule 145 and, to the extent applicable,  
Rule 144 under the Securities Act, Parent will use its reasonable efforts to  
file on a timely basis all reports required to be filed by it pursuant to  
Section 13 of the Securities Exchange Act of 1934, as amended, referred to in  
paragraph (c)(1) of Rule 144 under the Securities Act, in order to permit  
Affiliate to sell the Parent Shares held by it pursuant to the terms and  
conditions of Rule 145 and the applicable provisions of Rule 144.  
  
 6. Limited Resales. Affiliate understands that, in addition to the  
restrictions imposed under Section 4 of this Agreement, the provisions of Rule  
145 limit Affiliate's public resales of Restricted Securities.  
  
 7. Legends. Affiliate also understands and agrees that stop transfer  
instructions will be given to Parent's transfer agent with respect to  
certificates evidencing the Restricted Securities and that there will be placed  
on the certificate evidencing the Restricted Securities legends stating in  
substance:  
  
 "THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD,  
 PLEDGED, EXCHANGED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT IN  
 ACCORDANCE WITH THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS  
 AMENDED, AND THE OTHER CONDITIONS SPECIFIED IN THAT CERTAIN AFFILIATE  
 AGREEMENT DATED AS OF NOVEMBER \_\_, 1997 BETWEEN THE ISSUER AND THE  
 STOCKHOLDER, A COPY OF WHICH AFFILIATE AGREEMENT MAY BE INSPECTED BY THE  
 HOLDER OF THIS CERTIFICATE AT THE PRINCIPAL OFFICES OF THE ISSUER."  
  
 After the Expiration Date, Parent agrees to remove the above legend, and  
replace such legend with the following legend:  
  
 "THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD,  
 PLEDGED, EXCHANGED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT IN  
 ACCORDANCE WITH THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS  
 AMENDED."  
  
 Parent agrees to remove promptly such stop transfer instructions and  
legend upon full compliance with this Agreement by the undersigned, including,  
without limitation, a sale or transfer of Parent Shares permitted under Section  
4(c) above.  
  
 8. Termination. This Agreement shall be terminated and shall be of no  
further force and effect upon the termination of the Merger Agreement in  
accordance with the terms thereof.  
  
 9. Counterparts. This Agreement shall be executed in one or more  
counterparts, each of which shall be deemed an original, and all of which  
together shall constitute one instrument.  
  
  
  
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 10. Binding Agreement. This Agreement will inure to the benefit of and  
be binding upon and enforceable against the parties and their successors and  
assigns, including administrators, executors, representatives, heirs, legatees  
and devisees of Affiliate and pledgees holding Restricted Securities as  
collateral.  
  
 11. Waiver. No waiver by any party hereto of any condition or of any  
breach of any provision of this Agreement shall be effective unless in writing  
and signed by each party hereto.  
  
 12. Governing Law. This Agreement shall be governed by and construed,  
interpreted and enforced in accordance with the laws of the State of Delaware.  
  
 13. Attorneys' Fees. In the event of any legal actions or proceeding to  
enforce of interpret the provisions hereof, the prevailing party shall be  
entitled to reasonable attorney's fees, whether or not the proceeding results in  
a final judgment.  
  
 14. Effect of Headings. The Section headings herein are for convenience  
only and shall not affect the construction or interpretation of this Agreement.  
  
  
 IN WITNESS WHEREOF, the parties have caused this Agreement to be duly  
executed on the day and year first above written.  
  
  
  
  
 FIDELITY NATIONAL FINANCIAL, INC.  
  
  
 By:  
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 Name:  
 Title:  
  
  
  
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 Name of Affiliate:  
 Affiliate's Address for Notice:  
  
 Company Shares beneficially owned:  
 Shares of Common Stock:  
 Shares subject to:  
 Options:  
 Warrants:  
 Other Rights:  
  
  
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