

STEWART INFORMATION SERVICES CORP
Form SC 13G
September 10, 2012

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

SCHEDULE 13G

**Under the Securities Exchange Act of 1934
(Amendment No. 9)**

STEWART INFORMATION SVCS COR

(Name of Issuer)

COM

(Title of Class of Securities)

860372101

(CUSIP Number)

August 31, 2012

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

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The information required in the remainder of this cover page shall not be deemed to be 'filed' for the purpose of Section 18 of the Securities Exchange Act of 1934 ('Act') or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 860372101

Person 1

1. (a) Names of Reporting Persons.
Wells Fargo & Company

(b) Tax ID
41-0449260

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)
(b)

3. SEC Use Only

4. Citizenship or Place of Organization Delaware

Number of
Shares
Beneficially
Owned by
Each Reporting
Person With

5. Sole Voting Power 1,023,659

6. Shared Voting Power 0

7. Sole Dispositive Power 948,571

8. Shared Dispositive Power 0

9. Aggregate Amount Beneficially Owned by Each Reporting Person 1,112,682

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11. Percent of Class Represented by Amount in Row (9) 5.75 %

12. Type of Reporting Person (See Instructions)

HC

Item 1.

- (a) Name of Issuer
STEWART INFORMATION SVCS
COR
- (b) Address of Issuer's Principal Executive Offices
1980 Post Oak Blvd, Houston, TX 77056

Item 2.

- (a) Name of Person Filing
Wells Fargo & Company
- (b) Address of Principal Business Office or, if none, Residence
420 Montgomery Street, San Francisco, CA 94104
- (c) Citizenship
Delaware
- (d) Title of Class of Securities
COM
- (e) CUSIP Number
860372101

Item 3. If this statement is filed pursuant to 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78c)
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).
- (e) An investment adviser in accordance with 240.13d-1(b)(1)(ii)(E);

- (f) An employee benefit plan or endowment fund in accordance with 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with 240.13d-1(b)(1)(ii)(G);
- (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) A non-U.S.institution in accordance with 240.13d-1(b)(1)(ii)(J);
- (k) Group, in accordance with 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S.institution in accordance with 240.13d-1(b)(1)(ii)(J), please specify the type of institution: _____

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned: 1,112,682
- (b) Percent of class: 5.75%
- (c) Number of shares as to which the person has:
 - (i) Sole power to vote or to direct the vote 1,023,659
 - (ii) Shared power to vote or to direct the vote 0
 - (iii) Sole power to dispose or to direct the disposition of 948,571
 - (iv) Shared power to dispose or to direct the disposition of 0

Person 2

- 1. (a) Names of Reporting Persons.
Wells Fargo Funds Management, LLC

(b) Tax ID
94-3382001

-
- 2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization Delaware

Number of
Shares
Beneficially
Owned by
Each Reporting
Person With

5. Sole Voting Power 980,574

6. Shared Voting Power 0

7. Sole Dispositive Power 0

8. Shared Dispositive Power 0

9. Aggregate Amount Beneficially Owned by Each Reporting Person 980,574

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11. Percent of Class Represented by Amount in Row (9) 5.07 %

12. Type of Reporting Person (See Instructions)

IA

Item 1.

- (a) Name of Issuer
STEWART INFORMATION SVCS
COR
- (b) Address of Issuer's Principal Executive Offices
1980 Post Oak Blvd, Houston, TX 77056

Item 2.

- (a) Name of Person Filing
Wells Fargo Funds Management, LLC
- (b) Address of Principal Business Office or, if none, Residence
525 Market Street, San Francisco, CA 94105
- (c) Citizenship
Delaware
- (d) Title of Class of Securities
COM
- (e) CUSIP Number
860372101

Item 3. If this statement is filed pursuant to 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78c)
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
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- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).
- (e) An investment adviser in accordance with 240.13d-1(b)(1)(ii)(E);
]
- (f) An employee benefit plan or endowment fund in accordance with 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with 240.13d-1(b)(1)(ii)(G);
- (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) A non-U.S.institution in accordance with 240.13d-1(b)(1)(ii)(J);
- (k) Group, in accordance with 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S.institution in accordance with 240.13d-1(b)(1)(ii)(J), please specify the type of institution: _____

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned: 980,574
- (b) Percent of class: 5.07%
- (c) Number of shares as to which the person has:
 - (i) Sole power to vote or to direct the vote 980,574
 - (ii) Shared power to vote or to direct the vote 0
 - (iii) Sole power to dispose or to direct the disposition of 0
 - (iv) Shared power to dispose or to direct the disposition of 0

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following.[] .

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not applicable

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person.

See Exhibit B

Item 8. Identification and Classification of Members of the Group

Not applicable.

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

September 10, 2012

SIGNATURE

Date

/s/ Jane E. Washington

Signature

Jane E. Washington, Vice President Trust Operations

Name/Title

Exhibit A

EXPLANATORY NOTE

This Schedule 13G is filed by Wells Fargo & Company on its own behalf and on behalf of any subsidiaries listed in Exhibit B. Aggregate beneficial ownership reported by Wells Fargo & Company under Item 9 on page 2 is on a consolidated basis and includes any beneficial ownership separately reported herein by a subsidiary.

Exhibit B

The Schedule 13G to which this attachment is appended is filed by Wells Fargo & Company on behalf of the following subsidiaries:

Wells Capital Management Incorporated (1)

Wells Fargo Advisors, LLC (2)

Wells Fargo Funds Management, LLC (1)

Wells Fargo Bank, N.A. (3)

(1) Classified as a registered investment advisor in accordance with Regulation 13d-1(b)(1)(ii)(E). (2) Classified as a broker dealer in accordance with Regulation 13d-1(b)(1)(ii)(A). (3) Classified as a bank in accordance with Regulation 13d-1(b)(1)(ii)(B).

**Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations
(See 18 U.S.C. 1001)**

ALIGN="right" COLSPAN="1" VALIGN="bottom">223 193

Southeast U.S., in thousands of short green tons

926 1,080 3,377 3,507

Real Estate

Acres sold

Development

4,606 2,411 5,357 4,937

Rural

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1,426 7,930 13,699 22,107

Northwest U.S.

58 44 62 275

Total

6,090 10,385 19,118 27,319

Performance Fibers

Sales Volume

Cellulose specialties, in thousands of metric tons

112 120 337 340

Absorbent materials, in thousands of metric tons

68 65 196 201

Production as a percent of capacity

101.9% 100.9% 100.1% 100.2%

Lumber

Sales volume, in millions of board feet

91 89 267 262

The following table provides sales and operating income (loss) by geographic location:

	Three Months Ended		Nine Months Ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Geographical Data (Non-U.S.)				
Sales				
New Zealand	\$ 8.5	\$ 13.1	\$ 22.2	\$ 36.1
Other	3.5	1.6	11.7	7.1
Total	\$ 12.0	\$ 14.7	\$ 33.9	\$ 43.2
Operating income (loss)				
New Zealand	\$ (0.1)	\$ 1.5	\$ (1.5)	\$ 3.0
Other	(0.3)	(0.8)	(1.2)	(1.4)
Total	\$ (0.4)	\$ 0.7	\$ (2.7)	\$ 1.6

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Timber

Sales				
Northwest U.S.	\$ 24.4	\$ 18.8	\$ 86.7	\$ 71.1
Southeast U.S.	17.2	19.1	65.7	61.6
New Zealand	2.7	7.5	7.4	19.2
Total	\$ 44.3	\$ 45.4	\$ 159.8	\$ 151.9
Operating income				
Northwest U.S.	\$ 12.6	\$ 8.8	\$ 50.0	\$ 41.2
Southeast U.S.	4.3	5.9	22.0	18.1
New Zealand	0.2	1.7	(1.3)	3.9
Total	\$ 17.1	\$ 16.4	\$ 70.7	\$ 63.2

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Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

We are exposed to various market risks, including changes in interest rates, commodity prices and foreign exchange rates. Our objective is to minimize the economic impact of these market risks. We use derivatives in accordance with policies and procedures approved by the Finance Committee of the Board of Directors; derivatives are managed by a senior executive committee whose responsibilities include initiating, managing and monitoring resulting exposures. We do not enter into financial instruments for trading or speculative purposes.

Cyclical pricing of commodity market paper pulp ultimately influences prices of the Absorbent Materials product line in the Performance Fibers business. However, since we are a non-integrated producer of specialized Performance Fibers for non-papermaking end uses, our high-value product mix tends to lag (on both the upturn and downturn) commodity paper pulp prices with peaks and valleys that are less severe.

The fair market value of our long-term fixed interest rate debt is subject to interest rate risk; however, we intend to hold most of our debt until maturity. We periodically enter into interest rate swap agreements to manage exposure to interest rate changes. These swaps involve the exchange of fixed and variable interest rate payments without exchanging principal amounts. At September 30, 2006, we had two interest rate swap agreements, both maturing in 2007, which resulted in a liability with a fair market value of \$2.1 million. Generally, the fair market value of fixed-interest rate debt will increase as interest rates fall and decrease as interest rates rise.

We periodically enter into commodity forward contracts to fix some of our fuel oil and natural gas costs. The forward contracts partially mitigate the risk of a change in Performance Fibers margins resulting from an increase or decrease in these energy costs. A hypothetical 10 percent increase/decrease in the prevailing market price of natural gas and fuel oil would result in a change of \$0.1 million and \$0.6 million, respectively, in our annual pre-tax income. We do not enter into commodity forwards for trading or speculative purposes. The net amounts paid or received under the contracts are recognized as an adjustment to fuel oil or natural gas expense. Our natural gas and fuel oil contracts do not qualify for hedge accounting and as such mark-to-market adjustments are recorded in Other operating income, net. See Note 10 - *Financial Instruments* for outstanding forward contracts at September 30, 2006 as well as gains and losses recognized from such contracts.

Primarily all of our revenues and expenses are U.S. dollar-denominated. However, the JV is subject to the risks of foreign currency fluctuations (See Note 8 - *Joint Venture Investment* for additional information on the JV). At September 30, 2006, there were no outstanding forward foreign currency contracts to purchase New Zealand dollars.

For a full description of our market risk, please refer to Item 7, *Management Discussion and Analysis of Financial Condition and Results of Operations*, in the 2005 Annual Report on Form 10-K.

Item 4. Controls and Procedures

Rayonier management is responsible for establishing and maintaining adequate disclosure controls and procedures. Disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(c) and 15d-15(c) of the Securities Exchange Act of 1934 (the Exchange Act)), are designed with the objective of ensuring that information required to be disclosed by the Company in reports filed under the Exchange Act, such as this quarterly report on Form 10-Q, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Because of the inherent limitations in all control systems, no control evaluation can provide absolute assurance that all control exceptions and instances of fraud have been prevented or detected on a timely basis. Even systems determined to be effective can provide only reasonable assurance that their objectives are achieved.

Based on an evaluation as of the end of the period covered by this quarterly report on Form 10-Q, our management, including the Chief Executive Officer and Co-Principal Financial Officers, concluded that the design and operation of the disclosure controls and procedures were effective as of September 30, 2006.

In the quarter ended September 30, 2006, based upon the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 of the Exchange Act, there were no changes in our internal controls over financial reporting that would materially affect or are reasonably likely to affect our internal control over financial reporting.

Table of Contents**PART II. OTHER INFORMATION****Item 1. Legal Proceedings**

See Notes 12 and 13 of the Notes to Condensed Consolidated Financial Statements set forth in Part I of this Report, which are hereby incorporated by reference.

Item 1A. Risk Factors

There were no material changes from the risk factors previously disclosed in our Form 10-K for the year ended December 31, 2005. For a full description of these risk factors, please refer to Item 1A, *Risk Factors*, in the 2005 Annual Report on Form 10-K. In addition, please refer to Item 2, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, for a description of other factors that could affect the Company's financial condition and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The Company is authorized, through its common share repurchase program, to repurchase 2,445,045 and 2,066,763 shares as of September 30, 2006 and 2005, respectively.

The following chart provides the required disclosures with regard to stock repurchases:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs
July 1, 2006 to July 31, 2006	1,443*	\$ 37.44		
August 1, 2006 to August 31, 2006		\$		
September 1, 2006 to September 30, 2006		\$		
Total	1,443			

* The Company issued 1,443 shares of restricted stock to a member of its Board of Directors on July 21, 2006.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of security holders of Rayonier during the third quarter of 2006.

Item 5. Other Information

Not applicable.

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Item 6. Exhibits

10.1	Five Year Revolving Credit Agreement among Rayonier Inc., Rayonier TRS Holdings Inc., and Rayonier Forest Resources, L.P. as borrowers, and the lenders and issuing banks from time to time parties thereto	Incorporated by reference from Exhibit 10.1 of the Registrant's August 10, 2006 Form 8-K
12	Statement re: computation of ratios	Filed herewith
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act	Filed herewith
31.2	Certification of the Co-Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act	Filed herewith
31.3	Certification of the Co-Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act	Filed herewith
32	Certification pursuant to Section 906 of the Sarbanes-Oxley Act	Furnished herewith

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SIGNATURE

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RAYONIER INC. (Registrant)

BY: /s/ HANS E. VANDEN NOORT
Hans E. Vanden Noort
Senior Vice President and
Chief Accounting Officer

October 26, 2006