
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2003

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission file number: 000-50285

FIRST ADVANTAGE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

61-1437565
(I.R.S. Employer
Identification Number)

805 Executive Center Drive West, Suite 300
St. Petersburg, Florida 33702
(Address of principal executive offices, including zip code)

(727) 290-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) Yes No and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 16,043,027 shares of outstanding Class A Common Stock of the registrant as of August 13, 2003.

There were 3,974,840 shares of outstanding Class B Common Stock of the registrant as of August 13, 2003.

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FIRST ADVANTAGE CORPORATION

Form 10-Q for the quarterly period ended June 30, 2003

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Item 1. Financial Statements

First Advantage Corporation
Consolidated Balance Sheets

	June 30, 2003	December 31, 2002
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,194,314	\$ 6,514,108
Accounts receivable (less allowance for doubtful accounts of \$946,412 and \$788,390 in 2003 and 2002, respectively)	19,273,993	13,826,944
Prepaid expenses and other current assets	1,998,234	1,332,186
Total current assets	33,466,541	21,673,238
Property and equipment, net	22,612,804	12,534,476
Goodwill, net	176,980,955	112,618,228
Intangible assets, net	13,224,934	10,606,428
Database development costs, net	6,725,042	6,225,564
Other assets	390,347	349,646
Total assets	\$ 253,400,623	\$ 164,007,580
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 5,214,730	\$ 3,047,348
Accrued liabilities	13,570,898	7,814,401
Due to affiliates	444,200	—
Income taxes payable	347,723	1,576,400
Current portion of long-term debt and capital leases	2,735,964	539,406
Total current liabilities	22,313,515	12,977,555
Long-term debt and capital leases, net of current portion	569,142	650,906
Deferred taxes	4,429,253	4,188,593
Other liabilities	1,671,348	287,430
Total liabilities	28,983,258	18,104,484
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.001 par value; 1,000,000 shares authorized, no shares issued or outstanding	—	—
Class A common stock, \$.001 par value; 75,000,000 shares authorized; 16,027,286 and 0 issued and outstanding as of June 30, 2003 and December 31, 2002, respectively	16,027	—
Class B common stock, \$.001 par value; 25,000,000 shares authorized; 3,974,840 and 1 issued and outstanding as of June 30, 2003 and December 31, 2002, respectively	3,975	—
Additional paid-in capital	217,604,650	141,491,043
Retained earnings	6,792,713	4,412,053
Total stockholders' equity	224,417,365	145,903,096
Total liabilities and stockholders' equity	\$ 253,400,623	\$ 164,007,580

The accompanying notes are an integral part of these consolidated financial statements.

First Advantage Corporation
Consolidated Statements of Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Service revenues	\$ 37,430,897	\$ 24,714,663	\$ 68,971,553	\$ 47,361,901
Cost of service revenues	14,817,737	10,290,719	28,636,705	20,578,485
Gross margin	22,613,160	14,423,944	40,334,848	26,783,416
Salaries and benefits	11,312,129	7,210,793	21,837,110	14,149,608
Other operating expenses	6,100,628	3,876,195	10,815,885	7,227,384
Depreciation and amortization	1,791,043	892,358	3,569,994	1,722,714
Total operating expenses	19,203,800	11,979,346	36,222,989	23,099,706
Income from operations	3,409,360	2,444,598	4,111,859	3,683,710
Interest (expense) income:				
Interest expense	(36,305)	(59,479)	(55,115)	(75,729)
Interest income	9,858	11,505	20,583	35,844
Total interest (expense), net	(26,447)	(47,974)	(34,532)	(39,885)
Income before provisions for income taxes	3,382,913	2,396,624	4,077,327	3,643,825
Provision for income taxes	1,332,331	901,523	1,696,667	1,370,633
Net income	\$ 2,050,582	\$ 1,495,101	\$ 2,380,660	\$ 2,273,192
Per share amounts:				
Basic	\$ 0.10	N/A	\$ 0.12	N/A
Diluted	\$ 0.10	N/A	\$ 0.12	N/A
Weighted-average common shares outstanding:				
Basic	20,002,126	N/A	20,002,126	N/A
Diluted	20,122,023	N/A	20,122,023	N/A

The accompanying notes are an integral part of these consolidated financial statements.

First Advantage Corporation
Consolidated Statement of Changes in Stockholders' Equity
For the Six Months Ended June 30, 2003 (Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Total
Balance at December 31, 2002, as previously reported	1	\$ —	\$ 1,000	\$ —	\$ 1,000
Contribution of FAST Division from First American	—	—	141,490,043	4,412,053	145,902,096
December 31, 2002, as restated	1	\$ —	\$ 141,491,043	\$ 4,412,053	\$ 145,903,096
Net income for 2003	—	—	—	2,380,660	\$ 2,380,660
Contribution from First American – Operations	—	—	10,697,091	—	10,697,091
Contribution from First American – Cash	—	—	5,268,529	—	5,268,529
Class A Shares issued in connection with US SEARCH.com acquisition	16,027,207	16,027	60,147,432	—	60,163,459
Class B Shares issued to First American in connection with US SEARCH.com acquisition	3,974,839	3,975	—	—	3,975
Class A Shares issued in connection with stock option plan	79	—	555	—	555
Balance at June 30, 2003	20,002,126	\$ 20,002	\$ 217,604,650	\$ 6,792,713	\$ 224,417,365

The accompanying notes are an integral part of these consolidated financial statements.

First Advantage Corporation
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2003 and 2002

	For the Six Months Ended June 30,	
	2003	2002
	(unaudited)	(unaudited)
Cash flows from operating activities:		
Net income	\$ 2,380,660	\$ 2,273,192
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,569,994	1,722,714
Change in operating assets and liabilities:		
Accounts receivable	(3,674,946)	(3,183,444)
Prepaid expenses and other current assets	134,456	(650,344)
Other assets	178,503	460,196
Accounts payable	(2,081,093)	723,571
Accrued liabilities	1,433,031	1,746,106
Due to affiliates	746,806	—
Income taxes	(988,017)	2,717,570
Other liabilities	1,409,078	302,084
Net cash provided by operating activities	<u>3,108,472</u>	<u>6,111,645</u>
Cash flows from investing activities:		
Database development costs	(1,133,330)	(1,694,663)
Purchases of property and equipment	(1,253,153)	(3,071,951)
Beginning cash balance of US SEARCH.com	1,004,092	—
Net cash used in investing activities	<u>(1,382,391)</u>	<u>(4,766,614)</u>
Cash flows from financing activities:		
Repayments of term notes	(1,314,959)	(929,368)
Contribution from First American	5,268,529	4,645,856
Class A Shares issued in connection with stock option plan	555	—
Net cash provided by financing activities	<u>3,954,125</u>	<u>3,716,488</u>
Increase in cash and cash equivalents	5,680,206	5,061,519
Cash and cash equivalents at beginning of period	6,514,108	1,286,913
Cash and cash equivalents at end of period	<u>\$ 12,194,314</u>	<u>\$ 6,348,432</u>
Supplemental disclosures of cash information:		
Cash paid for interest	<u>\$ 47,660</u>	<u>\$ 29,072</u>
Non-cash investing and financing activities:		
Operations contributed by First American	<u>\$ 10,697,091</u>	<u>\$ 37,457,033</u>
Shares issued in connection with US SEARCH.com acquisition	<u>\$ 60,167,434</u>	<u>\$ —</u>

The accompanying notes are an integral part of these consolidated financial statements.

FIRST ADVANTAGE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2003 and 2002 (Unaudited)

1. Organization and Nature of Business

First Advantage Corporation (the "Company"), a newly formed holding company, acquired US SEARCH.com and six operating subsidiaries of The First American Corporation ("First American") that formerly comprised its First American Screening Technologies ("FAST") division. The operating subsidiaries include HireCheck, Inc., First American Registry, Inc., Substance Abuse Management, Inc., American Driving Records, Inc., Employee Health Programs, Inc., and SafeRent, Inc. These businesses provide motor vehicle reports, tenant screening, employee background checking and occupational health services. US SEARCH.com provides consumer location and reference services. First American owns approximately 80% of the shares of capital stock of the Company. The Class B common stock owned by First American is entitled to ten votes per share on all matters presented to the stockholders for vote.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial information included in this report has been prepared in accordance with the instructions to Form 10-Q and does not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments are of a normal recurring nature and are considered necessary for a fair presentation of the results for the interim period. This report should be read in conjunction with the Company's Registration Statement on Form S-4 filed on May 14, 2003 with the Securities and Exchange Commission. The accompanying consolidated financial information includes the combined financial information of the FAST division, prepared on the historical cost basis of accounting, as if the merger with the Company was consummated on January 1, 2002.

The Company's operating results for the three months and for the six months ended June 30, 2003, include results for First American's Screening Technologies division from April 1, 2003, and January 1, 2003, respectively, and the results for US SEARCH.com from June 1, 2003. The Company's operating results for the three months and for the six months ended June 30, 2002, include results for First American's Screening Technologies division only.

Operating results for the six months ended June 30, 2003 and 2002 are not necessarily indicative of the results that may be expected for the entire fiscal year.

New Accounting Pronouncements

In April 2003, the FASB issued SFAS 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities". SFAS 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments imbedded in other contracts (collectively referred to as derivatives) and for hedging activities under SFAS 133. This statement is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The provisions of this statement should

FIRST ADVANTAGE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
June 30, 2003 and 2002 (Unaudited)

be applied prospectively. The provisions of this Statement that relate to SFAS 133 Implementation Issues that have been effective for fiscal quarters that began prior to June 15, 2003, should continue to be applied in accordance with their respective effective dates. The Company does not anticipate any significant impact on financial results from adoption of this standard.

In May 2003, the FASB issued SFAS 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity". SFAS 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability. This Statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. It is to be implemented by reporting the cumulative effect of a change in an accounting principle for financial instruments created before the issuance date of the Statement and still existing at the beginning of the interim period of adoption. Restatement is not permitted. The Company does not anticipate any significant impact on financial results from adoption of this standard.

3. Acquisitions

In June 2003, the Company acquired US SEARCH.com for a total purchase price of approximately \$60.2 million. This is based upon an estimate of the fair value of the net assets of the FAST division contributed by First American to First Advantage in the mergers and estimated direct costs of the mergers. The allocation of the purchase price is based upon estimates of the assets and liabilities acquired in accordance with SFAS 141. The acquisition of US SEARCH.com is based on management's consideration of US SEARCH.com's past and expected future performance as well as the potential strategic fit of US SEARCH.com with the long-term goals of First Advantage. The expected long-term growth, market position of US SEARCH.com and expected synergies to be generated by inclusion of US SEARCH.com are the primary factors which gave rise to an acquisition price which resulted in the recognition of goodwill. A full determination of the purchase price allocation will be made within twelve months of the effective acquisition date upon receipt of a final outside valuation analysis of tangible and intangible assets and finalization of the option valuation calculation. It is anticipated that the final purchase price allocation will not differ materially from the preliminary allocations.

The purchase price is as follows:

Fair value of FAST Division net assets	\$173,000,000
Fair value of 20% of the FAST Division net assets contributed	\$ 34,600,000
Net cash infusion from First American	295,263
Estimated merger related closing costs	6,772,254
Cash loaned to US SEARCH.com by First American	1,447,600
Total consideration paid by First American for 80% of US SEARCH.com	\$ 43,115,117
Value of 100% of US SEARCH.com	\$ 53,893,896
Value of vested options and outstanding warrants of US SEARCH.com	6,273,538
Purchase Price	\$ 60,167,434

FIRST ADVANTAGE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
June 30, 2003 and 2002 (Unaudited)

The allocation of the purchase price is as follows:

Goodwill	\$53,791,969
Identifiable intangible assets	3,000,000
Reserve for fair value of operating leases	(1,369,656)
Technology	8,700,000
Net Assets, acquired	(4,181,944)
Other	227,065
	<hr/>
	\$60,167,434
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The estimated fair value of the net assets of the FAST division was determined by First American at the date of the merger agreement based on the actual purchase price paid by First American for each of Employee Health Programs, Inc. and SafeRent, Inc. in the fourth quarter of 2002 and a valuation of the remaining FAST division companies undertaken as part of impairment testing required by SFAS 142.

At December 31, 2002, all of the Company's goodwill was allocated to the Business Screening and Information segment. Prior to the merger with US SEARCH.com, the Company's reporting units for purposes of allocating goodwill and testing for impairment were pre-employment and drug screening, tenant screening and motor vehicle reporting. Goodwill in the amount of \$53,791,969 was acquired in connection with the merger with US SEARCH.com. It is anticipated that this goodwill will be allocated to a new reporting unit (Consumer Services) and to the previous reporting units based on the relative benefits from the synergies anticipated from the merger. At June 30, 2003, this goodwill has not been allocated to the aforementioned reporting units, pending the completion of a fair value analysis of each of the reporting units by an independent third party.

FIRST ADVANTAGE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
June 30, 2003 and 2002 (Unaudited)

Pro forma results of operations assuming the acquisitions of Employee Health Programs, Inc., SafeRent, Inc., and US SEARCH.com were consummated on January 1, 2002 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Service revenues	\$ 42,493,369	\$ 39,759,671	\$ 82,113,391	\$ 75,417,959
Net income (loss)	\$ 1,221,749	\$ (1,252,960)	\$ 639,733	\$ (3,108,016)
Earnings per share:				
Basic	\$ 0.06		\$ 0.03	
Diluted	\$ 0.06		\$ 0.03	
Weighted-average common shares outstanding:				
Basic	20,002,126		20,002,126	
Diluted	20,122,023		20,122,023	

The changes in the carrying amount of goodwill and intangible assets are as follows for the six months ending June 30, 2003:

	Goodwill	Intangible Assets
Balance, at December 31, 2002	\$112,618,228	\$10,606,428
Acquisitions	53,791,969	3,000,000
Payment of contingent purchase price	10,697,091	—
Amortization	—	(508,901)
Other adjustments	(126,333)	127,407
Balance, at June 30, 2003	\$176,980,955	\$13,224,934

FIRST ADVANTAGE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
June 30, 2003 and 2002 (Unaudited)

4. Debt

Long-term debt consists of the following at June 30, 2003:

Term note:	
Interest rate of 5%, principal and interest payments monthly of \$50,000 until November 2003, principal and interest payments thereafter of \$126,667, matures December 2004	\$1,697,038
Revolving Loan Facility:	
Interest at prime plus 1.50% (5.50% at June 30, 2003), matures August 2003	1,500,000
Capital leases:	
Various interest rates and maturities through 2005	108,068
	<hr/>
	3,305,106
Less current portion of long-term debt	2,735,964
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	\$ 569,142
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5. Earnings Per Share

Pursuant to the provisions of SFAS 128 "Earnings Per Share", basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of shares of common stock and common stock equivalents outstanding during the period. Dilutive common stock equivalents represent shares issuable upon assumed exercise of stock options and warrants. The calculation of the weighted average common shares outstanding is based on the issuance of shares as of June 5, 2003.

6. Related Parties

First American and certain affiliates provide legal, financial, technology and other administrative services to the Company. The Company recognized other operating expenses of \$225,000 and \$453,367 for the three months ended June 30, 2003 and 2002, respectively and \$681,807 and \$815,180 for the six months ended June 30, 2003 and 2002, respectively, relating to these services. The Company and First American entered into a services agreement pursuant to which First American will provide certain financial, administrative and managerial support services to the Company. Human resources systems and payroll systems and support, network services and financial systems will be provided at an annual cost of \$150,000, \$100,000 and \$50,000, respectively. Legal and tax support, human resources support, investor relations and corporate communications support, accounting and financial management support, strategic planning and general management support will be provided at an annual cost of \$600,000 plus reasonable out of pocket expenses. In addition, certain other services including pension and 401(k) expenses, corporate and medical insurance, personal property leasing and company car programs will be provided at actual cost. The agreement was implemented on April 1, 2003. Prior to April 1, 2003, the amounts allocated to the Company were based on reasonable assumptions (primarily usage, time incurred and number of employees) as to the proportion of the services used by the Company in

FIRST ADVANTAGE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
June 30, 2003 and 2002 (Unaudited)

relation to the actual costs incurred by First American and affiliates in providing the services.

First American contributed certain operations relating to businesses acquired and has also forgiven certain amounts owed by the Company in connection with the acquisitions and in the funding of operations of the Company. Net assets, in connection with acquisitions, contributed to the Company by First American totaled \$10,697,091 and \$37,457,033 for the six months ended June 30, 2003 and 2002, respectively. These amounts have been treated as additional paid-in capital in the accompanying financial statements. Amounts contributed to the Company by First American to fund operations were \$5,268,529 and \$4,645,603 for the six months ended June 30, 2003 and 2002, respectively.

7. Stock Compensation Plans

Incentive Compensation Plan

The Company's board of directors has adopted the 2003 First Advantage Incentive Compensation Plan. The plan is intended to promote the long-term success of the Company and increase stockholder value by attracting, motivating, and retaining key employees of the Company and its subsidiaries and affiliates, and by motivating consultants who provide significant services to the Company and its subsidiaries and affiliates. To achieve this purpose, the plan allows the granting of stock options, stock appreciation rights, restricted stock awards, performance unit awards, performance share awards and cash-based awards to eligible persons.

Subject to adjustment for certain changes in the Company's capitalization, a total of 3.0 million shares of First Advantage Class A common stock is available for issuance under the plan. The plan is administered by the compensation committee of the board of directors of the Company, or another committee appointed by the Company's board.

Upon the occurrence of a change of control transaction (as defined in the plan), generally all awards under the plan accelerate, all restrictions are lifted and all performance goals are achieved, subject to certain limitations. The committee may provide that any award, the payment of which was deferred under the plan, will be paid or distributed as of, or promptly following, a change of control transaction. The committee may also provide that any awards subject to any such acceleration, payment, adjustment or conversion cannot be exercised after, or will terminate as of, a change of control transaction.

In June 2003, stock options to purchase 928,500 shares of the Company's common stock were granted under the First Advantage Corporation 2003 Incentive Compensation Plan Inc. The Company accounts for these stock options in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related Interpretations (APB 25). Accordingly, the Company does not recognize compensation cost in connection with these plans, as all

FIRST ADVANTAGE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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options granted under these plans had an exercise price equal to the market value of the Company's common stock on the date of grant.

In December 2002, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure," which amends SFAS 123, "Accounting for Stock-Based Compensation," and provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based compensation. Furthermore, SFAS 148 requires more prominent and frequent disclosures in financial statements about the effects of stock-based compensation. The Company adopted SFAS 148 as of January 1, 2003 with respect to the disclosure requirements. The Company has elected to continue accounting for stock-based compensation using the intrinsic value method prescribed in APB 25 and related interpretations. If the Company had elected or was required to apply the fair value recognition provisions of SFAS 123 to stock-based employee compensation, net income and net income per share would have been reduced to the pro forma amounts indicated in the following table.

	<u>Three Months Ended</u> <u>June 30, 2003</u>	<u>Six Months Ended</u> <u>June 30, 2003</u>
Net income, as reported	\$ 2,050,582	\$ 2,380,660
Less: stock based compensation expense, net of tax	199,636	199,636
Pro forma net income	<u>\$ 1,850,946</u>	<u>\$ 2,181,024</u>
Earnings per share:		
Basic, as reported	\$ 0.10	\$ 0.12
Basic, pro forma	\$ 0.09	\$ 0.11
Diluted, as reported	\$ 0.10	\$ 0.12
Diluted, pro forma	\$ 0.09	\$ 0.11

Warrants and Options to Purchase Class A Common Stock, Assumed in the Merger

The Company agreed to assume the obligations of US SEARCH.com contained in all warrants to purchase common stock of US SEARCH.com outstanding on the closing date of the merger. Pursuant to the merger agreement and the terms of the warrants, the holders of the warrants are entitled to receive upon exercise thereof 0.04 of a share of First Advantage Class A common stock for each share of US SEARCH.com common stock that such warrant holder would have been entitled to receive pursuant to the warrant prior to the closing of the merger. As of June 30, 2003, the Company had outstanding warrants to purchase up to 347,392 shares of its common stock at exercise prices ranging from \$0.25 to \$29.50 per share.

FIRST ADVANTAGE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
June 30, 2003 and 2002 (Unaudited)

All outstanding stock options, stock appreciation rights, limited stock appreciation rights and stock purchase rights of US SEARCH.com were assumed by the Company and converted automatically into options to purchase shares of First Advantage Class A common stock calculated in accordance with the exchange ratio, rounded down to the nearest whole share. The exercise price is equal to the exercise price per share of US SEARCH.com common stock divided by the exchange ratio, rounded down to the nearest whole cent. The outstanding stock options, stock appreciation rights, limited stock appreciation rights and stock purchase rights of US SEARCH.com otherwise continue to be exercisable and vest subject to the terms and conditions applicable to them before the mergers. However, all outstanding stock options issued to US SEARCH.com employees and directors pursuant to the US SEARCH.com Amended and Restated 1998 Stock Incentive Plan and all outstanding stock options issued to US SEARCH.com's non-employee directors pursuant to the US SEARCH.com 1999 Non-Employee Directors' Stock Option Plan accelerated and became fully vested upon the occurrence of the mergers. As of June 30, 2003, the Company had outstanding options (previously issued by US SEARCH.com) to purchase up to 787,081 shares of its common stock at exercise prices ranging from \$7.00 to \$242.25 per share.

The following table summarizes information about stock options and warrants outstanding at June 30, 2003:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Shares	Weighted Avg Remaining Contractual Life in Years	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
\$ 7.00 - \$ 12.50	192,694	3.0	\$ 11.94	174,915	\$ 12.09
\$12.51 - \$ 25.00	1,263,683	8.4	\$ 21.80	305,248	\$ 22.71
\$25.01 - \$ 50.00	151,517	4.7	\$ 40.82	144,543	\$ 41.20
\$50.01 - \$242.25	107,687	2.9	\$ 157.78	107,562	\$ 157.88
	1,715,581			732,268	

Range of Exercise Prices	Warrants Outstanding and Exercisable		
	Shares	Weighted Avg Remaining Contractual Life in Years	Weighted Average Exercise Price
\$ 0.25 - \$22.50	128,016	5.55	\$ 14.54
\$22.51 - \$26.00	216,376	3.02	\$ 26.00
\$26.01 - \$29.50	3,000	3.65	\$ 29.38
	347,392		

FIRST ADVANTAGE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
June 30, 2003 and 2002 (Unaudited)

Employee Stock Purchase Plan

The Company's board of directors approved the First Advantage Corporation 2003 Employee Stock Purchase Plan. The plan, which is intended to qualify under Section 423 of the Internal Revenue Code, allows eligible employees to purchase First Advantage Class A common stock through payroll deductions for 85% of the fair market value of the First Advantage Class A common stock. Participation in the plan is voluntary. Eligible employees may participate by authorizing payroll deductions of up to 15% of their base pay for each payroll period. At the end of each one-month offering period, each participant will receive an amount of First Advantage Class A common stock equal to the sum of that participant's payroll deductions during such period divided by 85% of the fair market value of the common stock at the end of the period. No employee may participate in the plan if such employee owns or would own after the purchase of options under the plan, 5% or more of the voting power of all classes of First Advantage stock. Shares of First Advantage Class A common stock issued under the plan must be held for a period of one year. A total of 1.0 million shares of First Advantage Class A common stock is reserved for issuance under the plan. The plan became operative in August 2003.

8. Segment Information

The Company provides business information and related products and services. The Company's principal businesses are concentrated in two primary markets, Business Screening and Information, and Consumer Services. The Business Screening and Information segment includes tenant screening, employee background checking, motor vehicle reports and occupational health services. The Consumer Services segment provides consumer location and reference services. The Consumer Services segment was acquired in June 2003, as part of the US SEARCH.com merger.

The following table sets forth segment information for the six and three months ended June 30, 2003 and 2002. The information included for the Consumer Services segment is for the one month ended June 30, 2003.

FIRST ADVANTAGE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
June 30, 2003 and 2002 (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Service Revenues				
Business Screening and Information	\$ 35,882,879	\$ 24,714,663	\$ 67,423,535	\$ 47,361,901
Consumer Services	1,548,018	—	1,548,018	—
Corporate	—	—	—	—
Consolidated	\$ 37,430,897	\$ 24,714,663	\$ 68,971,553	\$ 47,361,901
Depreciation & Amortization				
Business Screening and Information	\$ 1,558,187	\$ 892,358	\$ 3,337,138	\$ 1,722,714
Consumer Services	232,856	—	232,856	—
Corporate	—	—	—	—
Consolidated	\$ 1,791,043	\$ 892,358	\$ 3,569,994	\$ 1,722,714
Income Before Taxes				
Business Screening and Information	\$ 4,410,976	\$ 2,396,624	\$ 6,263,777	\$ 3,643,825
Consumer Services	18,394	—	18,394	—
Corporate	(1,046,457)	—	(2,204,844)	—
Consolidated	\$ 3,382,913	\$ 2,396,624	\$ 4,077,327	\$ 3,643,825

9. Subsequent Events

On July 31, 2003, the Company entered into a \$15 million loan agreement with a bank (the "Loan Agreement"). The outstanding principal balance under the related Note cannot exceed the lesser of \$15 million or 80% of eligible accounts receivable, as defined in the Loan Agreement. The Note bears interest at the 30-day LIBOR rate plus an applicable margin ranging from 1.25% per annum to 2.5% per annum. The Loan Agreement provides that the Company must adhere to certain financial covenants. One of the financial covenants requires the maintenance of a "Funded Debt to EBITDA" ratio not to exceed 2.5 to 1.0. Funded Debt is defined as all outstanding liabilities for borrowed money and other interest bearing liabilities less the non-current portion of subordinated liabilities. EBITDA, as defined in the Loan Agreement, means net income less income or plus losses from discontinued operations and extraordinary items, plus all of the following: income taxes, interest expense, depreciation, amortization, depletion and other non-cash charges. A second financial covenant requires that the Company maintain a "Debt Service Coverage Ratio", as defined in the Loan Agreement, of at least 1.5 to 1.

On July 31, 2003, the Company entered into a Promissory Note with First American. The loan evidenced by the Promissory Note is a \$10 million unsecured revolving loan, with interest payable monthly. The principal balance of the Promissory Note is payable on July 31, 2006. The Promissory Note is subordinated to the \$15 million bank debt and bears interest at the rate payable under the \$15 million bank debt plus 0.5% per annum.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

First Advantage was created by the June 5, 2003 merger of The First American Corporation's Screening Technologies division with US SEARCH.com, Inc. First Advantage provides business information and related products and services. First Advantage's principal businesses are concentrated in two primary markets, Business Screening and Information, and Consumer Services. The Business Screening and Information segment includes tenant screening, employee background checking, motor vehicle reports and occupational health services. The Consumer Services segment provides consumer location and reference services. The Consumer Services segment was acquired in June 2003, as part of the US SEARCH.com, Inc. merger.

First Advantage earns revenue in the form of fees from the reports generated through its database of information and by searches performed. First Advantage generally enters into agreements with customers under which they pay a fixed fee per report generated. First Advantage recognizes this revenue when reports have been prepared and delivered.

First Advantage's expenses consist primarily of compensation and benefits costs for employees, data acquisition costs, occupancy and related costs, selling, general and administrative expenses associated with operating its business, income taxes and debt service obligations. First Advantage's expenses are likely to increase with increasing revenue levels.

Critical Accounting Policies and Estimates

First Advantage's discussion and analysis of financial condition and results of operations is based upon its unaudited interim consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles. The results of operations for the three and six months ended June 30, 2003 include the results of The First American Corporation's Screening Technologies division from April 1, 2003 and January 1, 2003, respectively and the results for US SEARCH.com from June 1, 2003. The results of operations for the three and six months ended June 30, 2002 include the results of the First American Corporation's Screening Technologies division from April 1, 2002 and January 1, 2002, respectively.

First Advantage believes the following are the more critical accounting policies that impact its financial statements, some of which are based on management's best estimates available at the time of preparation. Other accounting policies also have a significant effect on First Advantage's consolidated financial statements, and some of these policies also require the use of estimates and assumptions. Although First Advantage believes that its estimates and assumptions are reasonable, actual results may differ.

Revenue Recognition

Revenue is recognized at the time of delivery of the reports as First Advantage has no ongoing obligation after delivery.

Allowance for Uncollectible Receivables

The allowance for all probable uncollectible receivables is based on a combination of historical data, cash payment trends, specific customer issues, write-off trends, general economic conditions and other factors. These factors are continuously monitored by management to arrive at an estimate for the amount of accounts receivable that may ultimately be uncollectible. In circumstances where First Advantage is aware of a specific customer's inability to meet its financial obligations, First Advantage records a specific allowance for bad debts against amounts due to reduce the net recognized receivable to the amount it reasonably believes will be collected. This analysis requires making significant estimates, and changes in facts and circumstances could result in material changes in the allowance for uncollectible receivables.

Capitalized Software Development Costs

First Advantage capitalizes costs associated with developing software for internal use, which costs primarily include salaries of developers. Direct costs incurred in the development of software are capitalized once the preliminary project stage is completed, management has committed to funding the project, and completion and use of the software for its intended purpose are probable. First Advantage ceases capitalization of development costs once the software has been substantially completed and is ready for its intended use.

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Database Development Costs

Database development costs represents expenditures associated with First Advantage's databases of information for customer usage. The costs are capitalized from the time technological feasibility is established until the information is ready for use.

Impairment of Intangible and Long-Lived Assets

First Advantage evaluates goodwill and intangibles for impairment based on undiscounted projected future cash flows and determined that no adjustment was necessary. However, if future actual results do not meet expectations, First Advantage may be required to record an impairment charge, the amount of which could be material to results of operations.

The following table sets forth, for the periods indicated, the percentages that certain items of income and expenses bear to revenue for such periods. Interim results are not necessarily indicative of results for a full year:

	For the three months ended June 30,		For the six months ended June 30,	
	2003	2002	2003	2002
Service revenues	100.0%	100.0%	100.0%	100.0%
Cost of service revenues	39.6%	41.6%	41.5%	43.4%
Gross margin	60.4%	58.4%	58.5%	56.6%
Salaries and benefits	30.2%	29.2%	31.7%	29.9%
Other operating expenses	16.3%	15.7%	15.7%	15.3%
Depreciation and amortization	4.8%	3.6%	5.2%	3.6%
Income from operations	9.1%	9.9%	6.0%	7.8%
Other (expense) income:				
Interest expense	-0.1%	-0.2%	-0.1%	-0.2%
Interest income	0.0%	0.0%	0.0%	0.1%
Total interest expense, net	-0.1%	-0.2%	-0.1%	-0.1%
Income before provision for income taxes	9.0%	9.7%	5.9%	7.7%
Provision for income taxes	3.6%	3.6%	2.5%	2.9%
Net income	5.5%	6.0%	3.5%	4.8%

Three Months Ended June 30, 2003 Compared to Three Months Ended June 30, 2002

Service Revenues

Service revenues for the three months ended June 30, 2003 increased \$12.7 million or 51.5% to \$37.4 million from \$24.7 million during the same period in 2002. The increase is primarily due to strategic acquisitions made in fourth quarter of 2002 and in 2003. The acquisitions accounted for approximately \$10.5 million of total service revenues during the quarter ended June 30, 2003. Service revenues at existing operations increased approximately \$2.2 million due to additional volumes of business in response to expanded marketing efforts.

Cost of Revenues

Cost of revenues is comprised of fees paid to third parties, including fees paid to laboratories for drug testing, access fees for county and state criminal data, and fees paid to states for motor vehicle records. Cost of revenues for the three months ended June 30, 2003 increased \$4.5 million or 44% to \$14.8 million from \$10.3 million during the same period in 2002. \$3.6 million of the increase is due to the effect of acquisitions made in the fourth quarter of 2002 and in 2003. Cost of revenues as a percentage of service revenues decreased from 41.6% to 39.6%. The decrease in cost of revenues is due to additional volumes of business noted above.

Salaries and Benefits

Salaries and benefits, for the three months ended June 30, 2003, increased by \$4.1 million, or 57%, to \$11.3 million from \$7.2 million during the same period in 2002. Approximately \$3.2 million of the increase is due to additional salaries and benefits as a result of acquisitions. The balance of the increase is due to additional volumes at existing businesses.

Other Operating Expenses

Other operating expenses for the three months ended June 30, 2003 increased \$2.2 million or 57.4% to \$6.1 million from \$3.9 million during the same period in 2002. Approximately \$2.1 million of this increase is due to additional facilities and operating expenses associated with the acquisitions noted above.

Depreciation and Amortization

Depreciation and amortization expense was \$1.8 million for the three months ended June 30, 2003, compared to \$900 thousand in the three months ended June 30, 2002. The increase of \$900 thousand is primarily due to the acquisitions noted above.

Income Taxes

Provision for income taxes for the three months ended June 30, 2003 was \$1.3 million (an effective rate of 39.4%) compared to a provision of \$902 thousand (an

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effective rate of 37.6%) during the same period in 2002. This change is primarily due to the changes in income from operations related to the operating factors discussed above.

Six Months Ended June 30, 2003 Compared to the Six Months Ended June 30, 2002

Service Revenues

Service revenues for the six months ended June 30, 2003 increased \$21.6 million or 45.6% to \$69 million from \$47.4 million during the same period in 2002. The increase is primarily due to strategic acquisitions made in the fourth quarter of 2002 and in 2003. The acquisitions accounted for approximately \$17.3 million of total service revenues during the six months ended June 30, 2003. Service revenues at existing operations increased approximately \$4.3 million due to additional volumes of business in response to expanded marketing efforts.

Cost of Revenues

Cost of revenues is comprised of fees paid to third parties, including fees paid to laboratories for drug testing, access fees for county and state criminal data, and fees paid to states for motor vehicle records. Cost of revenues for the six months ended June 30, 2003 increased \$8.0 million or 39.2% to \$28.6 million from \$20.6 million during the same period in 2002. The increase is due to the effect of acquisitions made during the fourth quarter of 2002 and in 2003. Cost of revenues as a percentage of service revenues decreased from 43.4% to 41.5%.

Salaries and Benefits

Salaries and benefits increased by \$7.7 million or 54.3% for the six months ended June 30, 2003 when compared to the six months ended June 30, 2002. Approximately \$5.9 million of the increase is due to acquisitions made in the fourth quarter of 2002 and 2003. The balance of the increase is due to additional volumes at existing businesses.

Other Operating Expenses

Other operating expenses for the six months ended June 30, 2003 increased \$3.6 million or 50.0% to \$10.8 million from \$7.2 million during the same period in 2002. Approximately \$3.2 million of this increase is due to additional facilities and operating expenses associated with the acquisitions noted above.

Depreciation and Amortization

Depreciation and amortization expense was \$3.6 million for the six months ended June 30, 2003, compared to \$1.7 million in the six months ended June 30, 2002. The increase of \$1.9 million is primarily due to the acquisitions noted above.

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Income Taxes

Provision for income taxes for the six months ended June 30, 2003 was \$1.7 million (an effective rate of 41.6%) compared to a provision of \$1.4 million (an effective rate of 37.6%) during the same period in 2002. This change is primarily due to the changes in income from operations related to the operating factors discussed

Liquidity and Capital Resources

First Advantage's primary source of liquidity is cash flow from operations and contributions from its parent, The First American Corporation. As of June 30, 2003, cash and cash equivalents have increased to \$12.2 million from \$6.5 million as of December 31, 2002.

Cash provided by operations was \$3.1 million for the six months ended June 30, 2003 as compared to \$6.1 million for the same period in 2002.

Cash used in investing activities was \$1.4 million for the six months ended June 30, 2003 as compared to \$4.8 million for the same period in 2002. Cash was used primarily to purchase computer hardware, software and database development costs.

Cash provided by financing activities was \$4.0 for the six months ended June 30, 2003 as compared to \$3.7 million for the same period in 2002. The First American Corporation contributed cash of approximately \$5.3 million the six months ended June 30, 2003 and \$4.6 million for the same period in 2002. Although The First American Corporation has provided contributions in the past to support acquisitions and operations of First Advantage, there can be no assurance of future contributions. Pursuant to a standstill agreement to be entered into between The First American Corporation and First Advantage, a majority of disinterested directors of First Advantage must approve of all transactions between The First American Corporation or its affiliates and First Advantage, except for loans of up to \$1.0 million.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") was \$5.2 million and \$7.7 million for the three and six months ended June 30, 2003. EBITDA is not a measure of financial performance under generally accepted accounting principles nor is it presented as a substitute for net income or net cash provided from operations. First Advantage has included EBITDA data because such data is used by management to compare its performance to its competitors. EBITDA is also used by management to assess the on-going operations of the business. In addition, certain investors and creditors use EBITDA to analyze operating performance, liquidity and the debt service capability of the business. A reconciliation of EBITDA to net income for the three and six months ended June 30, 2003 is as follows:

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	Six Moths Ended June 30, 2003	Three Months Ended June 30, 2003
Net income	\$2,380,660	\$2,050,582
Provision for income taxes	1,696,667	1,332,331
Interest expense	55,115	36,305
Depreciation & amortization	3,569,994	1,791,043
Earnings before interest, taxes, depreciation and amortization (EBITDA)	<u>\$7,702,436</u>	<u>\$5,210,261</u>

First Advantage has entered into various capital leases, which have varying payments and interest rates. Approximately \$108,000 is outstanding at June 30, 2003 relating to capital leases.

First Advantage also leases certain office facilities, automobiles and equipment under operating leases, which, for the most part, are renewable. The majority of these leases also provide that First Advantage will pay insurance and taxes.

Debt consists primarily of bank debt of \$1.5 million and acquisition debt of \$ 1.7 million both assumed in conjunction with the merger with US SEARCH.com Inc. The bank debt is due on August 31, 2003.

On July 31, 2003 First Advantage entered into a \$15 million loan agreement with a bank (the "Loan Agreement"). The outstanding principal balance under the related Note cannot exceed the lesser of \$15 million or 80% of eligible accounts receivable, as defined in the Loan Agreement. The Note bears interest at the 30-day LIBOR rate plus an applicable margin ranging from 1.25% per annum to 2.5% per annum. The Loan Agreement provides that the First Advantage must adhere to certain financial covenants. One of the financial covenants requires the maintenance of a "Funded Debt to EBITDA" ratio not to exceed 2.5 to 1.0. Funded Debt is defined as all outstanding liabilities for borrowed money and other interest bearing liabilities less the non-current portion of subordinated liabilities. EBITDA, as defined in the Loan Agreement, means net income less income or plus losses from discontinued operations and extraordinary items, plus all of the following; income taxes, interest expense, depreciation, amortization, depletion and other non-cash charges. A second financial covenant requires that the company maintain a "Debt Service Coverage Ratio", as defined in the Loan Agreement, of at least 1.5 to 1.

On July 31, 2003 First Advantage entered into a Promissory Note with The First American Corporation. The loan evidenced by the Promissory Note is a \$10 million unsecured revolving loan, with interest payable monthly. The principal balance of the Promissory Note is payable on July 31, 2006. The Promissory Note is subordinated to the \$15 million bank debt and bears interest at the rate payable under the \$15 million bank debt plus 0.5% per annum.

First Advantage and The First American Corporation entered into a services agreement pursuant to which The First American Corporation will provide certain

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financial, administrative and managerial support services to First Advantage. Human resources systems and payroll systems and support, network services and financial systems will be provided at an annual cost of \$150,000, \$100,000 and \$50,000, respectively. Legal and tax support, human resources support, investor relations and corporate communications support, accounting and financial management support, strategic planning and general management support will be provided at an annual cost of \$600,000 plus reasonable out of pocket expenses. In addition, certain other services including pension and 401(k) expenses, corporate and medical insurance, personal property leasing and company car programs will be provided at actual cost. Pursuant to the services agreement, The First American Corporation may make one or more loans to First Advantage on mutually agreeable terms without first obtaining the approval of a majority of disinterested directors of First Advantage; provided that the interest rate on the loans may not exceed prime plus 2.75% and the aggregate amount of the loans may not exceed \$1.0 million. The services agreement commenced on the effective date of the merger and continues for one year. The services agreement will continue for successive six-month periods thereafter unless either First Advantage or The First American Corporation advises the other in writing, no later than 30 days before the expiration of a six-month period, that the services agreement will not be extended.

First Advantage filed a Registration Statement with the Securities and Exchange Commission for the issuance of up to 4,000,000 shares of our Class A common stock, par value \$.001 per share, from time to time as full or partial consideration for the acquisition of businesses, assets or securities of other business entities. The Registration Statement was declared effective on July 14, 2003

First Advantage has historically sought to acquire other businesses as part of its program of strategic growth. First Advantage continues to evaluate acquisitions in order to capitalize on the consolidation occurring in the industry and expects to fund such acquisitions from available sources of liquidity.

While uncertainties within First Advantage's industry exist, management is not aware of any trends or events likely to have a material adverse effect on liquidity or the accompanying financial statements. First Advantage believes that based on current levels of operations and anticipated growth, First Advantage's cash flow from operations, together with available sources of liquidity, will be sufficient to fund operations, anticipated capital expenditures, make required payments of principal and interest on debt, and satisfy other long-term contractual commitments. The following is a schedule of long-term contractual commitments (as of June 30, 2003) over the periods in which they are expected to be paid.

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	2003	2004	2005	2006	2007	Thereafter	Total
Minimum contract purchase commitments	\$2,193,459	\$ 757,839	\$ 68,325	\$ 25,992	\$ 984	\$ —	\$ 3,046,599
Operating leases	2,640,779	4,198,871	2,586,812	1,520,483	1,030,646	458,552	12,436,143
Long-term debt	2,091,458	1,105,580	—	—	—	—	3,197,038
Capital leases	69,145	36,026	2,897	—	—	—	108,068
Total	\$6,994,841	\$6,098,316	\$2,658,034	\$1,546,475	\$1,031,630	\$458,552	\$18,787,848

Note of Caution Regarding Forward Looking Statements

Certain statements made in this quarterly report, including those relating to sufficiency of cash flows and other sources of liquidity, are forward-looking. Risks and uncertainties exist that may cause results to differ materially from those set forth in these forward-looking statements. Factors that could cause the anticipated results to differ from those described in the forward-looking statements include: general volatility of the capital markets and the market price of the company's Class A common stock; the company's ability to successfully raise capital; the company's ability to integrate the businesses brought together in the June 5, 2003, merger with US SEARCH.com, Inc. and The First American Corporation's Screening Technologies division; the company's ability to identify and complete acquisitions and successfully integrate businesses it acquires; changes in applicable government regulations; the degree and nature of the company's competition; increases in the company's expenses; continued consolidation among the company's competitors and customers; unanticipated technological changes and requirements; and the company's ability to identify suppliers of quality and cost-effective data. The forward-looking statements speak only as of the date they are made. The company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We considered the provision of Financial Reporting Release No. 48 "Disclosure of Accounting Policies for Derivative Financial Instruments and Derivative Commodity Instruments, and Disclosure of Quantitative and Qualitative Information about Market Risk Inherent In Derivative Financial Instruments, Other Financial Instruments and Derivative Commodity Instruments". We had no holdings of derivative financial instruments at June 30, 2003.

Item 4. Controls and Procedures

Based upon an evaluation by the Company's President and Chief Financial Officer within 90 days prior to the filing date of this Quarterly Report on Form 10-Q, they have concluded that the Company's disclosure controls and procedures as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934, as amended, are effective for gathering, analyzing and disclosing the information the Company is required to disclose in its reports filed under such Act.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation referred to above.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities and Use of Proceeds

In connection with the June 5, 2003 merger of the Company with the Screening Technologies division of The First American Corporation and with US SEARCH.com, Inc., the Company amended its Certificate of Incorporation. Prior to the amendment, the Company was authorized to issue up to 1,000 shares of a single class of common stock, which was entitled to one vote per share. The amendment authorized the Company to issue up to 1,000,000 shares of preferred stock, 75,000,000 shares of Class A common stock, which is entitled to one vote per share, and 25,000,000 shares of Class B common stock, which is entitled to ten votes per share. In the June 5, 2003 merger The First American Corporation received Class B shares representing approximately 80% of the total issued and outstanding common stock of the Company on such date. The former stockholders of US SEARCH.com, Inc. received Class A shares representing approximately the remaining 20%.

Item 3. Defaults upon Senior Securities

None

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

The Company's sole stockholder unanimously elected Parker Kennedy, Brent Cohen, J. David Chatham, Barry Connelly, Lawrence D. Lenihan, Jr., Donald Nickelson, Donald Robert and David Walker to the board of directors of the Company in an Action by Written Consent of the Sole Stockholder of First Advantage Corporation dated June 4, 2003. The appointments became effective upon the consummation of the merger of The First American Corporation's Screening Technologies division and US SEARCH.com, Inc. with the Company, which occurred on June 5, 2003. John W. Long, who was previously elected to the board of directors of the Company, continued as a director.

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- | | |
|------|---|
| 10 | Employment Agreement, dated August 4, 2003, between First Advantage Corporation and David Wachtel |
| 31.1 | Certification pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certifications pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certifications pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 99.1 | Loan Agreement, made as of the 31st day of July, 2003 by and between First Advantage Corporation and Bank of America, N.A. |
| 99.2 | Promissory Note, made July 31, 2003, by First Advantage Corporation to the order of Bank of America, N.A. |
| 99.3 | Security Agreement, made as of the 31st day of July, 2003 by First Advantage Corporation and Bank of America, N.A. |
| 99.4 | Security Agreement, made as of the 31st day of July, 2003 by SafeRent, Inc., Employee Health Program, Inc., Substance Abuse Management, Inc., HireCheck, Inc., American Driving Records, Inc., First American Registry, Inc., US SEARCH.com, Inc. and Bank of America, N.A. |
| 99.5 | Promissory Note, made July 31, 2003, by First Advantage Corporation to the order of The First American Corporation |

(b) Reports on Form 8-K

During the three months ended June 30, 2002, the Company filed the following reports on Form 8-K:

- (i) Form 8-K, filed on June 6, 2003, with respect to the announcement of the closing of the merger with the Screening Technologies division of The First American Corporation and US SEARCH.com, Inc., incorporating by reference the following financial statements and financial information from pre-effective amendment number 5 to the Company's registration statement on Form S-4 (No. 333-102565):
 - (A) audited combined balance sheets, statements of operations, changes in stockholder's equity and cash flows of the FAST division as of December 31, 2002 and 2001, and the results of operations and cash flows of the FAST division for each of the three years in the period ended December 31, 2002;
 - (B) unaudited balance sheet of SafeRent, Inc. for the year ended December 31, 2001, unaudited balance sheet, statement of operations, statement of changes in owners' equity and statement of cash flows of SafeRent, Inc. for the nine months ended September 30, 2002, unaudited statement of operations and statement of cash flows of SafeRent, Inc. for the nine months ended September 30, 2001, and balance sheets, statements of operations, statements of owners' equity and statements of cash flows of SafeRent, Inc. for the years ended December 31, 2001 (unaudited) and 2000;
 - (C) balance sheet of Employee Health Programs, Inc. for the year ended December 31, 2001, unaudited balance sheet, statement of income, statement of changes in stockholders' equity and statement of cash flows of Employee Health Programs, Inc. for the nine months ended September 30, 2002, unaudited statements of income and statements of cash flows of Employee Health Programs, Inc. for the nine months ended September 30, 2001, and balance sheets, statements of income, statements of stockholders' equity and statements of cash flows of Employee Health Programs, Inc. for the years ended December 31, 2001 and 2000;
 - (D) balance sheet, income statement, statement of changes in stockholders' equity and statement of cash flows of Substance Abuse Management, Inc. for the year ended December 31, 2000;
 - (E) balance sheets, income statements, statements of changes in stockholders' equity and statements of cash flows of American Driving Records, Inc. for the years ended December 31, 2001 and 2000;
 - (F) the audited consolidated balance sheets and the related consolidated statements of operations, stockholders' equity (deficit) and cash

flows of US SEARCH.com Inc. and its subsidiary at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002; and

- (G) the unaudited pro forma combined financial statements for the FAST division and US SEARCH.com Inc. for the year ended December 31, 2002.
- (ii) Form 8-K, filed on June 10, 2003, with respect to the announcement of the departure of the president of the Company.
- (iii) Form 8-K, filed on June 18, 2003, with respect to the naming of officers of the Company.

SIGNATURES

Pursuant to the requirements 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.

FIRST ADVANTAGE CORPORATION
(Registrant)

Date: August 13, 2003

By: /s/ JOHN LONG

John Long
Chief Executive Officer

By: /s/ JOHN LAMSON

John Lamson
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
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32.2	Certifications pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Loan Agreement, made as of the 31st day of July, 2003 by and between First Advantage Corporation and Bank of America, N.A.
99.2	Promissory Note, made July 31, 2003, by First Advantage Corporation to the order of Bank of America, N.A.
99.3	Security Agreement, made as of the 31st day of July, 2003 by First Advantage Corporation and Bank of America, N.A.
99.4	Security Agreement, made as of the 31st day of July, 2003 by SafeRent, Inc., Employee Health Program, Inc., Substance Abuse Management, Inc., HireCheck, Inc., American Driving Records, Inc., First American Registry, Inc., US SEARCH.com, Inc. and Bank of America, N.A.
99.5	Promissory Note, made July 31, 2003, by First Advantage Corporation to the order of The First American Corporation

[FIRST ADVANTAGE CORPORATION LOGO APPEARS HERE]

August 4, 2003

Dear David:

The First Advantage Corporation (the "Company") is pleased to offer you employment as Chief Technology Officer of the Company, effective on the date indicated above and ending December 31, 2005 (the "Term"), on the terms and conditions set forth in this agreement (the "Agreement"). Upon the expiration of the Term, this Agreement will not be renewed and, similar to other senior executives of the Company, you will be employed at-will, subject to the Severance Covenant (as defined below).

During the Term, you shall devote your full business time, energy and ability exclusively to the business and interests of the Company at such address (subject to usual and ordinary travel requirements) in the greater Los Angeles, California metropolitan area (including, for the avoidance of doubt, cities other than Los Angeles) as the Company shall determine; provided, however, that without your consent your office will not be at a location that is greater than 20 miles from your current office at 5401 Beethoven Street, Los Angeles, California (the "Current Location"). You will report to the Chief Operating Officer of the Company (the "COO") and shall perform the duties and have the authority customarily associated with the positions set forth above, including any such duties as may be assigned to you by the COO, the President of the Company (the "President"), the Chief Executive Officer of the Company (the "CEO") or the Board of Directors which are consistent with your position as Chief Technology Officer.

During the Term, your base salary will be \$250,000 per year, pro rata for any partial pay period during the Term, less standard deductions and withholdings, paid in accordance with the Company's standard payroll procedures. You will be eligible for salary increases as approved in the sole and unfettered direction of the compensation committee (the "Compensation Committee") of the Board of Directors or if there is no Compensation Committee, the Board of Directors.

For the calendar year 2003, you will receive a minimum bonus of \$100,000, paid at such time as the bonuses paid to other senior executive of the Company are paid. For the calendar years 2004 and 2005, you will be paid a bonus equal to the sum of

- (a) the lesser of (i) the product of 0.01 and the pre-tax net income of the Company (as defined in accordance with generally accepted accounting principles), excluding the effects of expenses directly resulting from the acquisition of US SEARCH.com Inc. by the Company ("Adjusted Pre-Tax Income"), for such year and (ii) \$250,000 and

(b) the product of 0.005 and Adjusted Pre-Tax Income for such year in excess of \$25,000,000, if any;

provided, however, that in the event the calculation in subparagraph (a) above results in a negative number, the bonus payable for the calendar year 2004 or 2005, respectively, pursuant to this sentence shall be \$0. Such bonus will be paid at such time as the bonuses paid to other senior executives of the Company are paid for such calendar year; provided, however, that if your employment with the Company terminates after the end of the calendar year 2003, 2004 or 2005, as the case may be, but prior to the time bonuses are paid to senior executives of the Company for such calendar year, you shall be paid your bonus for such calendar year as soon as practicable after your termination of employment. For the avoidance of doubt, if you remain employed by the Company after the Term, all salary and bonuses shall be determined and paid in the sole and unfettered discretion of the Compensation Committee or, if there is no Compensation Committee, the Board of Directors.

During the Term, the Company shall pay you a car allowance of \$900 per month, pro rata for any partial month during the Term.

You will be granted an option to purchase 40,000 shares of the Class A common stock of the Company on the same terms as option grants made to other senior executives of the Company around such time and otherwise subject to the First Advantage Corporation 2003 Incentive Compensation Plan and the option agreement to be executed by you and the Company; provided, however, that the strike price with respect to such options shall be the mean between the high and low trading price of Class A common stock of the Company on the Nasdaq National Market System as of the date of this agreement; provided, further, that if the Company terminates your employment without Cause (as defined below) during the Term, or if you terminate your employment with the Company for Good Reason (as defined below) during the Term, or if you retire or otherwise voluntarily terminate your employment with the Company such options, to the extent vested as of the date of such termination, may be exercised by you at any time prior to the first anniversary of the date of such termination; provided, further, that if the Company terminates your employment for Cause such options, to the extent vested as of the date of such termination, may be exercised by you at any time prior to the 30 day anniversary of the date of such termination; provided, further, that your rights upon a Change of Control (as defined in the Option Plan) shall be as specified in Article XIV of the Option Plan as the Option Plan existed on the date hereof (a copy of which is attached hereto as Exhibit A), without giving effect to any subsequent amendments or modifications thereto (including, without limitation, to the definition of "Change of Control" therein).

During the Term, you shall be entitled to receive all other benefits of employment generally available to other similar employees of the Company when and as you become eligible for them, including medical, dental, life and disability insurance benefits. The Company reserves the right to modify, suspend or discontinue any and all of the above benefit plans, policies, and practices at any time without notice to or recourse by you, so long as such action is taken generally with respect to other similarly situated employees of the Company and does not single you out. You shall be entitled to four weeks vacation per year, which shall accrue and carry-over in accordance with the policies and practices of the Company applicable to similarly situated employees of the Company.

During the Term, to the extent that such expenditures satisfy the criteria under the Internal Revenue Code for deductibility by the Company (whether or not fully deductible) for federal income tax purposes as ordinary and necessary business expenses, the Company shall reimburse you for reasonable business expenses in accordance with the policies and procedures established from time to time with respect to similarly situated employees of the Company.

You agree that all processes, inventions, patents, copyrights, trademarks and other intangible rights that may be conceived or developed by you, either alone or with others, during the Term and after the Term while you are employed by the Company or any of its affiliates, whether or not conceived or developed during your working hours, and with respect to which the equipment, supplies, facilities or trade secret information of the Company or any of its affiliates was used, or that relate at the time of conception or reduction to practice of the invention to the business of the Company or any of its affiliates or to the Company's or any of its affiliate's actual or demonstrably anticipated research and development, or that result from any work performed by you for the Company or any of its affiliates, shall be the sole property of the Company. You shall disclose to the Company all inventions conceived during the Term, during any time you are employed by the Company or any of its affiliates subsequent to the Term and for one year thereafter, whether or not the property of the Company or any of its affiliates under the terms of the preceding sentence, provided that such disclosure shall be received by the Company in confidence. You shall execute all documents, including patent applications and assignments, reasonably required by Company to establish the Company's rights under this paragraph. This paragraph shall survive the termination of this Agreement, whether by expiration of the Term or otherwise.

Because of your employment by the Company, you will have access to trade secrets and confidential information about the Company and its affiliates, their products, their customers and their methods of doing business. Such information is considered secret and is disclosed to you in confidence. During and after your employment by the Company, whether pursuant to this Agreement or otherwise, you shall not directly or indirectly disclose or use any such information except as required in the course of your employment by the Company. This paragraph shall survive the termination of this Agreement, whether by expiration of the Term or otherwise.

By accepting this Agreement, you represent and warrant that you are not a party to any agreement with any third party or prior employer that would conflict with or inhibit your performance of your duties with the Company.

If (a) the Company terminates your employment without Cause during the Term or (b) you terminate your employment with the Company for Good Reason during the Term, the Company will provide you with the following severance benefits, provided that you provide the Company with a signed general release of all claims substantially in the form set forth as Exhibit B:

- (i) continuation of your base salary, subject to standard payroll deductions and withholdings, payable on the Company's regular payroll dates, for the greater of the remainder of the Term and twelve (12) months;
- (ii) payment within 15 business days of the date of termination an amount equal to the product of (a) the bonus paid you for service during the calendar year immediately

preceding the date of termination and (b) the quotient derived from the division of the number of days elapsed in the calendar year during which the date of termination occurs by 365; and

- (iii) reimbursement to you of your COBRA premiums for the greater of twelve months or the remainder of the Term; provided, however, that the Company's obligations under this subsection shall terminate when you become eligible for health insurance benefits at the expense of a new employer; provided, further, that if (i) you are entitled to reimbursement of your COBRA premiums for the remainder of the Term, and (ii) your right to COBRA coverage is exhausted prior to the end of the Term, the Company will reimburse you for the cost of securing individual health insurance coverage for the remainder of such Term, up to the dollar amount previously provided to you for reimbursement of your COBRA premiums.

For purposes of this Agreement, "Good Reason" shall mean, without your express written consent, any of the following circumstances:

- (i) a significant adverse alteration in the nature or status of your responsibilities or the conditions of your employment or if the Board of Directors fails to appoint you as Chief Technology Officer of the Company;
- (ii) the reduction of your annual base salary as the same may be increased from time to time except for across-the-board salary reductions similarly affecting all senior management personnel;
- (iii) unless known to you and accepted by you, relocation of your offices at which you are principally employed to a location more than 20 miles from the Current Location; or
- (iv) the failure to pay to you any portion of your then current compensation within seven (7) days of the date such compensation is due.

Any severance benefits provided to you by the Company will not be reduced in any way by compensation or benefits received (or foregone) by you from sources other than the Company.

At any time the Company may terminate this Agreement (i) for Cause, (ii) as a result of your death or (iii) if you resign from the Company other than for Good Reason, in which case (except as provided in the paragraph immediately following) all compensation and unvested benefits will cease immediately, subject to the Company's obligations under COBRA and other applicable laws, rules and regulations, and subject to Company's officers insurance and indemnity obligations to you hereunder.

For a period beginning on the six month anniversary of the date of this agreement and ending five business days later, you shall have the right to resign from the Company and terminate this agreement effective sixty days after the date on which the Company receives the Termination Notice (as defined below), in which case (a) the Company will pay you, within five business days of the effective date of such termination, cash in the amount of \$100,000 and (b) all

compensation and unvested benefits will cease immediately, subject to the Company's obligations under COBRA and other applicable laws, rules and regulations, and subject to Company's officers insurance and indemnity obligations to you hereunder. This right shall only be exercised by delivery of written notice to such effect to the Company (the "Termination Notice"), which notice must be delivered by fax or hand and received by the Company within the five business day period set forth above at the following address: First Advantage Corporation, 1 First American Way, Santa Ana, California 92707, Fax: 714-800-3325, Attention: Kenneth D. DeGiorgio, General Counsel.

As used in this Agreement, "Cause" means (i) your willful and recurring failure or refusal to perform specific directives of the President, the CEO, the COO or the Board of Directors, when such directives are consistent with the scope and nature of your duties and responsibilities as set forth in this Agreement; (ii) your conviction of any crime involving fraud, misrepresentation, moral turpitude or any felony; (iii) participation in a fraud or embezzlement against the Company; or (iv) material breach of this Agreement if such breach continues after timely written notice to you of such breach and your failure to cure same within 30 business days after your receipt of such notice.

If you become Disabled during your employment with Company, the Company may, in its discretion, terminate your employment. In addition to any disability insurance benefits to which you may be entitled upon such disability, the Company will continue to pay your base salary then in effect for a period of six months, even if such six-month term extends beyond the portion of the Term which remained on the date you were terminated for disability. For purposes of this Agreement, "Disabled" means your inability due to mental or physical illness or injury to perform your duties under this Agreement in your normal and regular manner for four consecutive full calendar months or for 80 percent or more of the normal working days during six consecutive full calendar months.

If after the expiration of the Term you remain employed by the Company or any of its subsidiaries and the Company terminates your employment for any reason other than your death, retirement or for Cause (as defined above), provided that you first resign your position, if any, on the Board of Directors and you provide the Company with a signed general release of all claims substantially in the form set forth as Exhibit B, the Company shall (a) continue to pay you your base salary, subject to standard payroll deductions and withholdings, payable on the Company's regular payroll dates, for twelve (12) months and (b) pay you, within 15 business days of the date of termination, an amount equal to the product of (i) the bonus paid you for service during the calendar year immediately preceding the date of termination and (ii) the quotient derived from the division of the number of days elapsed in the calendar year during which the date of termination occurs by 365. If after the expiration of the Term you remain employed by the Company or any of its subsidiaries and the Company terminates your employment because you have become Disabled (as defined above), in addition to any disability insurance benefits to which you may be entitled upon such disability, the Company will continue to pay your base salary then in effect for a period of six months. This paragraph shall survive the termination of this Agreement, whether by expiration of the Term or otherwise.

To ensure rapid and economical resolution of any disputes that may arise under this Agreement, you and the Company agree to first try to resolve the dispute with the help of a mutually agreed

upon mediator in Los Angeles, California. Any costs and fees, other than attorneys' fees and costs associated with the mediation (which shall be paid by the Company), shall be shared equally by you and the Company. If it proves impossible to arrive at a mutually satisfactory solution through mediation, the parties agree to submit the dispute to binding arbitration in Los Angeles, California. The parties agree that the binding arbitration will be conducted under the rules of the American Arbitration Association. Judgment upon the award rendered by the Arbitrator may be entered in any court with jurisdiction to do so. In the event that the prevailing party in arbitration seeks enforcement of the arbitration award in a court of law, the prevailing party in that court action will be entitled to be reimbursed for its costs and attorneys' fees.

During and after the Term and your employment, the Company will indemnify you and hold you harmless from and against any and all costs, liability and necessary expenses from any claim by any person with respect to, or in any way related to, your employment with the Company, to the maximum extent permitted by law. Notwithstanding this Agreement or any termination of your employment with the Company pursuant to this Agreement or otherwise, you will be entitled to coverage under the officers' liability coverage maintained by the Company, as in effect or as may be subsequently replaced or modified, to the same extent as other officers and directors of the Company.

This Agreement and the exhibits attached hereto, constitute the complete, final and exclusive embodiment of the entire agreement between you and the Company with respect to the terms and conditions of your employment; provided, however, that nothing in this Agreement shall effect any stock options granted to you by US SEARCH.com Inc. ("US SEARCH"); provided, further, that for the avoidance of doubt any employment agreement between US SEARCH and you, including, without limitation, that certain letter agreement, dated May 1, 2000, is hereby terminated and of no further force and effect. This Agreement is entered into without reliance upon any promise, warranty or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties, representations or agreements. This Agreement may not be amended or modified except by a written instrument signed by you and a duly authorized representative of the Company. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of the Agreement. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement will be governed by, and construed in accordance with, the laws of the State of California, without giving effect to any choice of law or conflict of law rules or provisions that could cause the application of the laws of any jurisdiction other than the State of California.

YOU AND THE COMPANY AGREE THAT THE FOREGOING ARBITRATION PROCEDURE SHALL BE THE EXCLUSIVE MEANS OF RESOLVING ANY ARBITRABLE DISPUTE AND THAT NO OTHER ACTION WILL BE BROUGHT BY EMPLOYEE IN ANY COURT OR OTHER FORUM. THIS AGREEMENT IS A WAIVER OF ALL RIGHTS TO A CIVIL COURT ACTION AND APPEAL FOR AN ARBITRABLE DISPUTE; ONLY THE ARBITRATOR, NOT A JUDGE OR JURY, WILL DECIDE SUCH DISPUTE.

As required by law, this offer of employment is subject to satisfactory proof of your right to work in the United States.

Please acknowledge and agree to the foregoing by countersigning below.

Very truly yours,

FIRST ADVANTAGE CORPORATION

By: /s/ Kenneth D. DeGiorgio

Name: Kenneth D. DeGiorgio
Title: Executive Vice President

ACKNOWLEDGED AND AGREED AS OF THE DATE FIRST WRITTEN ABOVE:

/s/ David C. Wachtel

David C. Wachtel

Chief Executive Officer

I, John Long, Chief Executive Officer of FIRST ADVANTAGE CORPORATION, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FIRST ADVANTAGE CORPORATION;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 13, 2003

/s/ JOHN LONG

John Long
Chief Executive Officer

Chief Financial Officer

I, John Lamson, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FIRST ADVANTAGE CORPORATION;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 13, 2003

/s/ JOHN LAMSON

John Lamson
Chief Financial Officer

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. ss. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of FIRST ADVANTAGE CORPORATION (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2003 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2003

/s/ JOHN LONG

John Long
Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. ss. 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. ss. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of FIRST ADVANTAGE CORPORATION (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2003 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2003

/s/ JOHN LAMSON

John Lamson
Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. ss. 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

LOAN AGREEMENT

THIS AGREEMENT is made as of the 31st day of July, 2003, by and between FIRST ADVANTAGE CORPORATION, doing business in Florida as FIRST ADVANTAGE HOLDING, INC. (the "Borrower"), a Delaware corporation, and BANK OF AMERICA, N.A. (the "Bank").

Recitals

The Borrower wishes to obtain credit from the Bank on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the parties agree as follows:

ARTICLE I

BORROWING AND PAYMENT

1.01 Revolving Line of Credit.

(a) The Bank hereby establishes in favor of the Borrower a revolving line of credit (the "Line of Credit"). The Borrower shall be entitled to borrow, repay and reborrow funds under the Line of Credit in accordance with the terms hereof so long as the total principal amount owed to the Bank under the Line of Credit does not exceed \$15,000,000.00 (or such lesser amount as is set forth herein) during the Revolving Period. The Bank's obligation to make advances hereunder shall terminate at the expiration of the Revolving Period.

(b) The Borrower's indebtedness under the Line of Credit shall be evidenced by a promissory note (as amended, extended or renewed from time to time, the "Note") of even date herewith executed by the Borrower in favor of the Bank in the original principal amount of \$15,000,000.00. The Note shall bear interest at the rate set forth therein and shall be payable as set forth therein.

(c) The Bank shall make each advance under the Line of Credit upon written or telephonic notice from the Borrower to the Bank requesting an advance. The notice shall specify the date for which the advance is requested (which must be a Business Day) and the amount of the advance. The Bank must receive the notice prior to 12:00 noon (Eastern time) on the Business Day of the advance. Alternatively, the Borrower may request advances by drawing checks on a deposit account that is linked to the credit facility hereunder in accordance with disbursement arrangements that are mutually satisfactory to the parties. The Bank will make each requested advance available to the Borrower not later than the close of business on the Business Day of the request by crediting the Borrower's account maintained with the Bank in the amount of the advance if as of such time: (i) the Bank's obligation to make advances hereunder has not terminated or expired; (ii) a Default or Event of Default has not occurred; and (iii) all conditions to the advance set forth herein or in any other Loan

Documents have been satisfied. The Bank may rely upon any written or telephonic notice given by any person that the Bank in good faith believes is an authorized representative of the Borrower without the necessity of any independent investigation. If any telephonic notice conflicts with a written confirmation, the telephonic notice shall govern if the Bank has acted in reliance thereon.

(d) For purposes hereof, the term "Revolving Period" shall mean a period commencing on the date hereof and terminating on July 31, 2005.

1.02 Borrowing Limitations.

(a) Notwithstanding any contrary provisions contained herein, the outstanding principal balance under the Note shall not at any time exceed the lesser of: (i) \$15,000,000.00; or (ii) the Borrowing Base (as defined herein) then in effect.

(b) For purposes hereof, the "Borrowing Base" shall mean 80% of the face amount of Eligible Receivables. For purposes hereof, "Eligible Receivables" shall mean all trade generated accounts receivable then outstanding for services and for goods, merchandise and other items of tangible Property (collectively, "Products") sold in the ordinary course of business by the Borrower or any Included Subsidiary. Eligible Receivables shall not in any event include any account receivable if or with respect to which: (aa) the account is outstanding: (i) 60 days or more after the due date; or (ii) 90 days past the invoice date; (bb) the account receivable is owed by a customer who is 60 days or more past the due date on 25% or more of its obligations owed to the Borrower or any Included Subsidiary (in which event all receivables owed by the customer to the Borrower or such Included Subsidiary shall be deemed ineligible); (cc) the obligor under the receivable is also a creditor or supplier of the Borrower or any Included Subsidiary or is otherwise subject to potential offset (in which case the amount of the receivable shall be reduced, for eligibility purposes, by the amount owed by the Borrower or such Included Subsidiary to such obligor); (dd) the customer and its Affiliates account for more than 20% of all of the accounts receivable of the Borrower or any Included Subsidiary then outstanding on an aggregate basis (in which case the amount in excess of the applicable percentage shall be deemed ineligible); (ee) the customer is located outside the continental United States unless the sale is on letter of credit, guaranty or other terms reasonably satisfactory in each case to the Bank; (ff) the customer is an officer, director, employee, shareholder or other Affiliate of the Borrower or any Included Subsidiary; (gg) the customer or account debtor is any United States federal governmental authority, department or agency; (hh) the account receivable represents interest or finance charges assessed to an account debtor; (ii) the account receivable is owed under or with respect to an invoice issued with cash or C.O.D. terms; (jj) an invoice has not been issued; (kk) delivery of the Products or performance of the services has not been completed; (ll) the invoice is conditional or restricts collection rights or assignments in any respect; (mm) the invoice permits payment: (i) more than 30 days after the invoice date (except, however, that the Bank may in its discretion permit extended terms sales to be included in Eligible Receivables in such amount as the Bank in its discretion may from time to time approve); (ii)

in any currency other than United States Dollars; or (iii) at any location outside the United States; (nn) the obligation to pay is evidenced by chattel paper or any note or other instrument (unless duly endorsed and delivered to the Bank); (oo) the Products or services have been rejected, returned or disputed in any way, whether in whole or in part, in which event the receivable shall be ineligible to the extent of such rejection, return or dispute; (pp) the customer has attempted to renegotiate the invoiced price or asserted any right of reduction, set-off, recoupment, counterclaim or defense (to the extent of the amount of such attempted renegotiation or asserted right of reduction, set-off, recoupment, counterclaim or defense); (qq) the Bank does not have a perfected first priority security interest in the receivable; (rr) the invoice or corresponding account receivable is the subject of any financing statement, Lien or other encumbrance other than in favor of the Bank that are subordinate to the Bank's Lines and other than Permitted Liens; or (ss) the customer has commenced any bankruptcy or insolvency proceeding or the Bank otherwise reasonably determines that the customer is not paying such customers bills as they become due.

(c) The Bank has the right to deem any receivable as ineligible for lending purposes if such receivable is not adequately documented by the books and records of the Borrower or the Included Subsidiary, as applicable. If at any time the outstanding principal balance under the Note exceeds the Borrowing Base then in effect, the Borrower shall, not later than the next Business Day, repay the Line of Credit in the amount of such excess. The Borrower authorizes the Bank to charge any deposit account of the Borrower (other than accounts maintained by the Borrower with the Bank solely for payroll purposes and identified to the Bank as such) with the Bank for the amount of any such excess, provided that such charge to the account does not result in a negative balance in such account. The Borrower shall not be entitled to obtain any advance under the Revolving Note or other credit hereunder if the advance or credit would result in a violation of the lending limits set forth herein. The Borrower shall deliver a borrowing base certificate to the Bank demonstrating compliance with the lending limits set forth herein (together with attachments with supporting documentation including inventory schedules and accounts receivable agings): (i) on a monthly basis (not later than 15 Business Days after the end of each calendar month); and (ii) at such other times as the Bank in its discretion may request.

(d) The Borrower acknowledges that the Borrowing Base may be monitored by the Bank or the Bank's asset based lending group (the "ABL Group"). The Borrower shall: (i) fully cooperate with the Bank and the ABL Group in connection with any exam, audit or review of the receivables or inventory of the Borrower and the Included Subsidiaries, provided, however, that the Bank agrees to use its reasonable efforts to minimize disruption of the business of the Borrower and its Subsidiaries during any such exam, audit or review; (ii) instruct and permit the Bank and the ABL Group to have such access to the books, records and premises of the Borrower and the Included Subsidiaries as the Bank or the ABL Group may reasonably require in connection with any such exam, audit or review; and (iii) provided that the Bank, in its sole but reasonable discretion, based upon the Bank's review of the Borrower's inventory and aging schedules or the Bank's field exams, the Bank reasonably believes that the Borrower has not provided materially accurate and materially

complete information with respect to any customers or vendors, instruct and permit such customers and vendors to provide such information to the Bank and the ABL Group as the Bank or the ABL Group may require in connection with any such exam, audit or review (and the Borrower hereby consents to any inquiries that the Bank or the ABL Group may make of such customers and vendors in connection with any such exam, audit or inquiry). The Borrower acknowledges that, unless as Event of Default has occurred and is continuing, the ABL Group intends to conduct field exams on an annual basis to ensure compliance with the Borrowing Base requirements, provided that the ABL Group may, in its discretion, adjust the frequency of such examinations, provided, however, that unless an Event of Default shall have occurred and be continuing, such examinations shall not be conducted more frequently than on quarterly basis. The Borrower shall pay such reasonable and documented fees as the Bank may from time to time assess for examinations conducted by the ABL Group.

1.03 Loan Documents. The Obligations (the "Obligations") now or hereafter evidenced by the Note shall: (a) be secured by a first priority lien pursuant to the security agreement (as amended or restated from time to time, the "Borrower Security Agreement") of even date herewith executed by the Borrower in favor of the Bank covering the Borrower's accounts receivable and other assets described therein; and (b) be secured by a first priority lien pursuant to such security agreements (collectively, as amended or restated from time to time, the "Subsidiary Security Agreements"), executed by each domestic Subsidiary in favor of the Bank covering the assets described therein. The Borrower and each Subsidiary shall execute and deliver such financing statements and other documents as the Bank may reasonably request to perfect and continue perfection of the Bank's liens.

1.04 Facility Fees.

(a) The Borrower shall pay the Bank a non-refundable closing fee of \$37,500.00 on the date hereof.

(b) The Borrower shall pay the Bank a fee equal to the 0.25% per annum (calculated on the basis of a 365/366 day year) of the daily average unused: (i) from the date hereof through January 31, 2004, the unused amount of the Borrowing Base (as defined herein); and (ii) from and after January 31, 2004, the unused amount of the Line of Credit. For purposes of this subparagraph, the unused amount of the Line of Credit shall be calculated without giving effect to any borrowing base limitations. The Borrower shall pay the fee: (i) quarterly in arrears within 15 days after each fiscal quarter end (commencing on October 15, 2003), the amount of such fee to be on a pro rata basis for each such calendar quarter; and (ii) on the termination or expiration of the Line of Credit for the pro rate portion of such fee for the quarter in which the Line of Credit terminates or expires.

1.05 Interpretation.

(a) Certain terms used herein shall have the meanings ascribed thereto in Appendix I attached hereto.

(b) The definitions set forth in Appendix I attached hereto are equally applicable to both the singular and plural forms of the terms defined. The words "hereof", "herein" and "hereunder" when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

(c) The Borrower shall cause its Subsidiaries to comply with all covenants and agreements imposed upon the Subsidiaries herein. Each provision set forth herein obligating (or purportedly obligating) any Subsidiary to take, or refrain from taking, any action shall obligate the Borrower to cause such Subsidiary to take, or refrain from taking, such action.

ARTICLE II

CONDITIONS

2.01 Conditions to Initial Advance. The obligation of the Bank to make an initial extension of credit hereunder is subject, without limitation, to satisfaction of the following conditions precedent:

(a) The Bank shall have received on or before the date hereof and the date of such extension of credit in form reasonably satisfactory to it: (i) the duly executed Loan Documents; (ii) such evidence of corporate authorization from the Borrower and each Subsidiary as the Bank may reasonably require; (iii) good standing certificates indicating that the Borrower and each Subsidiary are in good standing in their respective states of incorporation and in any other states where they are required to qualify to do business (except where the failure to be so qualified would not have a Material Adverse Effect); and (iv) certified articles of incorporation, bylaws or other applicable organizational documents of the Borrower and each Subsidiary.

(b) The Bank shall have received on or before the date hereof from attorneys for the Borrower reasonably acceptable to the Bank, an opinion addressed to the Bank in form attached hereto as Appendix 1.

(c) The Borrower shall have provided evidence satisfactory to the Bank that the Borrower's balance sheet as of the date of the initial extension of credit hereunder will not differ in any material adverse respect from the pro forma balance sheet dated March 31, 2003, provided by the Borrower to the Bank.

2.02 Conditions to Advances. The obligation of the Bank to make any advances hereunder or under the Note is subject, without limitation, to satisfaction of the following additional conditions precedent:

(a) The representations and warranties of the Borrower and each Subsidiary set forth in this Agreement and in the Loan Documents shall be true and correct in all material respects on and as of the date of each such advance or extension of credit.

(b) On the date of each such advance or extension of credit, the Borrower shall be in compliance with all the material terms and provisions set forth in this Agreement on its part to be observed or performed, and no Default or Event of Default shall be continuing hereunder.

2.03 Other Documents. The Bank shall have received on or before the date hereof or the date of any advance or credit extension hereunder such other documents or items as the Bank may reasonably request.

ARTICLE III

AFFIRMATIVE COVENANTS

3.01 Financial Statements. The Borrower will deliver to the Bank the following:

(a) Within forty-five (45) days after the end of each quarter of the Borrower's fiscal year (other than the last quarter of each fiscal year), a balance sheet, income statement and statement of cash flows for the Borrower and its Subsidiaries on a consolidated and consolidating basis (except for statements of cash flows which will be on a consolidated basis only) as of the end of and for such period in reasonable detail certified by the chief financial officer or other senior financial officer of the Borrower.

(b) Within one hundred twenty (120) days after the end of each fiscal year of the Borrower, a balance sheet, income statement and statement of cash flows for the Borrower and its Subsidiaries on a consolidated and consolidating basis (except for statement of cash flows which shall be on a consolidated basis only) as of the end of and for such period in reasonable detail and such consolidated balance sheet, income statement and statement of cash flows for the Borrower and its Subsidiaries shall be audited and certified.

(c) Within fifteen (15) business days after the end of each month, an accounts receivable aging schedules for the Borrower and each Subsidiary as of the end of such month certified as to accuracy to the Bank by the chief financial officer or other senior financial officer of the Borrower.

(d) Promptly upon receipt thereof, copies of all management letters submitted to the Borrower by independent certified public accountants in connection with each annual or interim audit of the books of the Borrower by such accountants.

(e) With each delivery required under subparagraphs (a) and (b) above, a compliance certificate, in form acceptable to the Bank, executed by the chief financial officer

or other senior financial officer of the Borrower demonstrating compliance with the financial covenants set forth in the Loan Documents.

(f) Not later than three Business Days after the Borrower becomes aware of the occurrence of any Default or Event of Default, a notice thereof, specifying the nature thereof.

(g) Not later than three Business Days of becoming available, a copy of all: (i) reports, registration statements and other materials publicly filed by the Borrower or any subsidiary with the Securities and Exchange Commission; (ii) offering circulars made in connection with any distribution or sale of the Borrower's securities in connection with any capital raising activity; and (iii) notices, proxy statements and other materials mailed or distributed to the Borrower's shareholders.

(h) Such other material information as the Bank may from time to time reasonably request.

3.02 Financial Information. All financial information submitted by the Borrower or any Subsidiary hereunder shall be prepared in accordance with GAAP as in effect from time to time. The Borrower and its Included Subsidiaries will maintain books of account in accordance with GAAP.

3.03 Taxes and Other Charges. The Borrower and its Subsidiaries, as applicable, will pay and discharge or cause to be paid and discharged all taxes, charges, liabilities or claims of any type at any time assessed against or incurred by the Borrower or any Subsidiary, or that could become a lien against the Borrower or such Subsidiary or any of their properties if not paid when due. Nothing in this subsection shall require the payment of any such sum if the Borrower or such Subsidiary, as applicable, by appropriate proceedings contests the same in good faith and so long as the Borrower or such Subsidiary, as the case may be, maintains adequate reserves therefor.

3.04 Insurance. The Borrower and its Subsidiaries will maintain adequate insurance with responsible insurers with coverage normally obtained by businesses similar to that of the Borrower or its Subsidiaries, but covering at least: (i) damage to physical property from fire and other hazards for the full insurable value of such property; (ii) liability on account of injury to persons; and (iii) insurance against theft, forgery or embezzlement or other illegal acts of officers or employees in reasonable amounts. The Borrower and its Subsidiaries shall in all events maintain insurance on Collateral to the extent required by the Collateral Documents. If requested by the Bank, the Borrower will provide the Bank, within ninety (90) days after the end of each fiscal year, a certificate of the Borrower specifying the types and amounts of insurance in force and the insurers of each risk covered by such insurance.

3.05 Maintenance of Corporate Existence. Except as otherwise permitted herein, the Borrower and its Subsidiaries will do or cause to be done all things necessary to preserve and keep in full force and effect their existence, material franchises, material rights and material privileges as corporations under the laws of their states of incorporation and any other jurisdiction where the conduct of their business or the ownership of their properties would require them to be qualified to

do business (except where the failure to be so qualified would not have a Material Adverse Effect). Notwithstanding the foregoing: (i) Subsidiaries that are not Included Subsidiaries may merge into other wholly owned Subsidiaries of the Borrower that are not Included Subsidiaries; (ii) Included Subsidiaries may merge into the Borrower or into other Included Subsidiaries provided that notice is provided to the Bank of such merger; and (iii) a Subsidiary may merge into an Included Subsidiary or the Borrower provided that such Included Subsidiary or the Borrower, as the case may be is the surviving entity, provided that the Bank is provided notice of such merger, and such merger does not result in a Default or Event of Default hereunder.

3.06 Use of Proceeds. The funds borrowed under the Note shall be used for working capital purposes, for Permitted Acquisitions and for such other purposes as the Bank may approve from time to time.

3.07 Notice of Litigation. Not later than five (5) Business Days after the commencement thereof, the Borrower shall furnish the Bank notice of all material actions, suits and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Borrower or any Subsidiary with respect to which an adverse determination against the Borrower or such Subsidiary could have a Material Adverse Effect.

3.08 Maintenance of Properties. The Borrower and each Subsidiary shall maintain, preserve and keep its property, plant and equipment in good repair, working order and condition (ordinary wear and tear excepted) and shall from time to time make all needful and proper repairs, renewals, replacements, additions and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained.

3.09 ERISA. The Borrower and each Subsidiary shall promptly pay and discharge all obligations and liabilities arising under ERISA of a character that if unpaid or unperformed could reasonably be expected to result in the imposition of a Lien against any of its Property. The Borrower and each Subsidiary shall notify the Bank within five Business Days of: (a) the occurrence of any reportable event (as defined in ERISA) with respect to a Plan; (b) receipt of any notice from the PBGC of its intention to seek termination of any Plan or appointment of a trustee therefor; (c) its intention to terminate or withdraw from any Plan; and (d) the occurrence of any event with respect to any Plan that would result in the incurrence by the Borrower or any Subsidiary of any material liability, fine or penalty, or any material increase in the contingent liability of the Borrower or any Subsidiary with respect to any Plan or any post-retirement Welfare Plan benefit.

3.10 Other Events. The Borrower shall promptly notify the Bank of any material default under or violation of any material agreement, law or regulation to which the Borrower or any Subsidiary is a party or by which it is bound, if such default or violation could result in a Material Adverse Effect. The Borrower and its Subsidiaries shall promptly perform all of their material obligations under any material agreements to which any of them is a party, and each of them shall use its best efforts to ensure compliance by other parties in all material respects with such agreements.

3.11 Compliance with Laws. The Borrower and its Subsidiaries shall comply in all material respects at all times with all statutes, regulations, orders and judgments to which they, or any of them, are subject, the non-compliance with which could result in a Material Adverse Effect.

3.12 Access. The Bank (by any of its officers, employees or agents) shall have the right, exercisable as frequently as the Bank reasonably determines to be appropriate, to inspect and make extracts from all of the records, files and books of account of the Borrower or its Subsidiaries, provided that, in exercising its rights under this Section, the Bank shall use reasonable efforts to minimize the disruption to the business of the Borrower and its Subsidiaries. All reasonable and documented costs, fees and expenses incurred by the Bank, or for which the Bank has become obligated, in connection with any such inspection or verification shall be payable by the Borrower to the Bank.

3.13 Deposits. The Borrower shall maintain substantially all of its deposit accounts with the Bank.

3.14 Further Assurances. If at any time counsel for the Bank is of the reasonable opinion that any portion of the Obligations is not secured by a first priority Lien on the Collateral, subject only to Permitted Liens and to any other exceptions described herein or in the Collateral Documents, and has so advised the Bank in writing, then the Borrower and the Subsidiaries shall, after written notice of such opinion from the Bank, do all things and matters necessary to assure to the reasonable satisfaction of counsel for the Bank that the Obligations are secured or will be secured as contemplated by this Agreement and the Collateral Documents.

ARTICLE IV

NEGATIVE COVENANTS

4.01 Liens. Neither the Borrower nor any Subsidiary will create, incur, assume or suffer to exist any Lien of any nature whatsoever on any of the assets of the Borrower or any Subsidiary now or hereafter owned, or enter into or suffer to exist any conditional sales contracts or other title retention agreements except for Permitted Liens. For purposes hereof, "Permitted Liens" shall mean:

(a) Liens in favor of the Bank;

(b) Liens on equipment to secure indebtedness permitted hereunder to finance the acquisition thereof;

(d) the Lien of ad valorem and other taxes and assessments not yet due and payable;

(e) Liens (other than Liens under ERISA) arising out of pledges, deposits, or other amounts owed under worker's compensation laws, unemployment insurance, old age pensions or other social security or retirement benefits, or similar legislation, or to secure

payment of premiums for insurance purchased in the usual course of operations or in connection with self-insurance or to secure the performance of bids, tenders or trade contracts incurred in the ordinary course of operations and not in connection with the borrowing of money;

(f) deposits for indemnity bonds and other bonds required in the ordinary course of the Borrower's or any Subsidiary's business, and not in connection with borrowed money;

(g) inchoate materialmen's, suppliers', operators', mechanics', workmen's, repairmen's, employees', carriers', warehousemen's or attorneys' Liens or other like statutory Liens arising in the ordinary course of business and securing obligations (i) that are not delinquent or (ii) the amounts or validity of which are being contested in good faith as to which the Borrower has established appropriate funded reserves to the extent required by GAAP;

(h) deposits made by the Borrower or any Subsidiary in the ordinary course of business;

(i) Liens of financial institutions arising in the ordinary process of collection of instruments;

(j) statutory landlord's Liens, and contractual landlord's Liens created prior to this date (or in the case of any Subsidiary acquired pursuant to a Permitted Acquisition, prior to the date of such acquisition) provided that amounts secured thereby are not past due by more than 30 days.

(k) Liens filed by owners of leased equipment whose lien shall be limited to such leased equipment and no other assets of the Borrower;

(l) Liens in existence at the time any Subsidiary is acquired; and

(m) Pledge of stock in acquired companies to the seller of such Company.

4.02 Obligations.

(a) Neither the Borrower nor any Subsidiary is or will become directly or indirectly obligated in any way for any Debt or other obligations for borrowed money except for Permitted Obligations without the prior written consent of the Bank. For purposes hereof, "Permitted Obligations" shall mean:

(i) any and all obligations now or hereafter owed by the Borrower or any Subsidiary to the Bank;

(ii) customer deposits in the ordinary course of business;

(iii) obligations listed on Exhibit "A" hereto;

(iv) obligations under Letters of Credit necessary to support the Borrower's worker's compensation, employment insurance, and social security obligations;

(v) indebtedness subordinated to the Bank's rights pursuant to subordination agreements reasonably satisfactory to the Bank;

(vi) inter-company indebtedness;

(vii) leases of real property;

(viii) debt of acquired companies or incurred in connection with acquiring such companies not to exceed an aggregate total indebtedness of \$3,000,000 for each such acquired company; and

(ix) operating leases and equipment leases.

(b) Notwithstanding the foregoing subparagraph (a), the Borrower and its Subsidiaries shall be entitled to enter into and maintain Capital Leases and purchase money indebtedness, in addition to existing amounts permitted under the foregoing subparagraph (a), for so long as the aggregate rentals and other amounts payable by the Borrower or such Subsidiaries, on an aggregate outstanding basis, under all such obligations will not exceed twenty-five percent (25.0%) of the face amount of the Line of Credit or such greater amount as the Bank may approve in writing.

(c) Neither the Borrower nor the Subsidiaries shall: (i) purchase any Debt or other obligations for borrowed money (other than Debt or other obligations which are Permitted Obligations) or guarantee any obligations of any other Person (except that each of the Borrower and the Subsidiaries shall be entitled to guaranty any Permitted Obligations, together with other obligations permitted in subparagraph (b) above, of the Borrower or any other Subsidiary); (ii) enter into any credit support, financial maintenance, credit enhancement or similar arrangement in favor of any Person; (iii) enter into any other transaction that is intended to assure performance of the obligations of any other Person; or (iv) subordinate any claim or demand that it may have to any claim or demand of any other Person (other than the Bank).

(d) The Borrower shall not enter into any agreement, other than the Loan Documents, prohibiting the creation or assumption of any Lien upon its Property.

(e) Neither the Borrower nor any Subsidiary will enter into any Hedge Agreement without the Bank's prior written consent. For purposes hereof, the term "Hedge Agreement"

means each agreement between the Borrower or any Subsidiary and any other party that provides for an interest rate or commodity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross-currency rate swap, currency option, or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging the Borrower's or any Subsidiary's exposure to fluctuations in interest rates, currency valuations or commodity prices.

4.03 Merger; Consolidation; Sale of Substantial Assets. Neither the Borrower nor any Subsidiary will, except as permitted by Section 3.05 hereof, without the Bank's prior written consent, which will not be withheld unreasonably: (a) merge into, consolidate with, or sell or transfer all or a substantial part of its assets to, any other Person (except for mergers, consolidations with, or sales or transfers from Subsidiaries that are not Included Subsidiaries with any other Subsidiary that is not an Included Subsidiary; (b) sell or transfer any stock or equity interest in any Included Subsidiary to any other Person (except for transfers to the Borrower or any other wholly owned Included Subsidiary); (c) take any action that would reduce the ownership or voting interest of the Borrower and its Subsidiaries in any Subsidiary; or (d) pledge or encumber any stock of any Subsidiary (except for pledges in favor of the Bank).

4.04 Loans, Investments and Acquisitions.

(a) Neither the Borrower nor any Subsidiary will purchase any stock, securities or evidence of indebtedness, or make or permit to exist any loans or advances to, or make any investment or acquire any interest in, any other Person (except, however, that the Borrower shall be entitled to make Permitted Acquisitions in accordance with the terms hereof). Neither the Borrower nor any Subsidiary shall, without the Bank's prior written consent, enter into partnership or joint venture agreements with any other Person. Notwithstanding the foregoing: (i) the Borrower shall be entitled to extend credit and make advances to majority owned Subsidiaries; (ii) the Borrower may extend credit and make advances in the ordinary course of business, in addition to credit and advances permitted under the foregoing subparagraph; and (iii) the Borrower and its Subsidiaries may invest in Eligible Securities. For purposes hereof, "Eligible Securities" shall mean: (i) direct obligations of the United States of America or any agency or instrumentality thereof whose obligations constitute the full faith and credit of the United States of America so long as all such obligations mature within one year of the date of issuance thereof; (ii) commercial paper rated P-1 or better by Moody's and maturing within one year of the date of issuance thereof; (iii) certificates of deposit issued by the Bank; and (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in the foregoing clause (i) entered into with a United States commercial bank having capital and surplus of not less than \$100,000,000. Notwithstanding anything to the contrary in this Section 4.04(a), the limitations of this Section 4.04(a) shall not be applicable in connection with the Borrower's formation and funding of a newly created Subsidiary for the purposes of consummating a Permitted Acquisition in accordance with the terms of this Agreement.

(b) The Borrower shall be entitled to acquire businesses through stock acquisitions, asset purchases or mergers upon satisfaction of the following conditions:

(i) Each such acquisition shall be made on arms length terms. The Borrower, after consummation of the acquisition, own and control a majority of the outstanding equity and voting rights in any Person acquired by the Borrower or any such Subsidiary in connection with the acquisition.

(ii) The Person acquired, or the business acquired, must be in the same or a related line of business as the Borrower and its Subsidiaries.

(iii) The Borrower shall have given the Bank notice of such acquisition within three (3) business days from the date of public notice of such acquisition. Such notice may include a copy of the press release, but shall, at a minimum, include the name of the business to be acquired and the date of the press release.

(iv) The acquisition will not result in a Default or an Event of Default hereunder. In addition, the acquisition will not result in a default under the financial and other covenants hereunder: (aa) at the time such acquisition is consummated after giving effect to such acquisition; and (bb) on a projected basis based upon reasonable projections after giving effect to such acquisition. In addition, the acquisition will not result in a default or event of default under any collateral Document to which any Subsidiary is a party.

(v) Such acquired party shall execute a security agreement in form similar to the Subsidiary Security Agreement, if applicable.

(c) Neither the Borrower nor any Subsidiary shall form or create any new Subsidiary on or after the date hereof except for the sole purpose of consummating a Permitted Acquisition in accordance with the terms of this Agreement.

4.05 Nature of Business. Neither the Borrower nor any Subsidiary will engage in any business if, as a result, the general nature of the business in which it would then be engaged would be substantially changed from the general nature of the business engaged in by it on the date of this Agreement.

4.06 Sale or Pledge of Property. Neither the Borrower nor any Subsidiary will sell, lease or otherwise dispose of or transfer any of its interests in any accounts receivable.

4.07 Pension Plan Funding Deficiency. Neither the Borrower nor any Subsidiary shall incur or suffer to exist any material accumulated funding deficiency within the meaning of the ERISA or incur any material liability to the PBGC (or any successor) established thereunder in connection with any Plan.

4.08 Transactions with Affiliates. Except as set forth on Exhibit "B" hereto, the Borrower and its Subsidiaries shall not directly or indirectly enter into any transaction with any Affiliate other than in the ordinary course and pursuant to the reasonable business requirements of the Borrower or such Subsidiaries. Any such transaction shall be upon fair and reasonable terms and provisions no less favorable to the Borrower or any such Subsidiary than it could have obtained in a comparable arm's-length transaction with a Person who is not an Affiliate of the Borrower or such Subsidiary.

4.09 Sale and Leaseback. Neither the Borrower nor any Subsidiary will enter into any arrangement with any Person providing for the leasing by the Borrower or any Subsidiary of Property that has been sold or is to be sold or transferred by the Borrower or any of the Subsidiaries to such Person.

4.10 Fiscal Year. Neither the Borrower nor any Subsidiary shall change its fiscal year from the fiscal year currently used by such entity.

4.11 Financial Covenants. The Borrower and its Subsidiaries shall comply at all times with the following financial covenants. All accounting terms not specifically defined herein shall be construed in accordance with GAAP in effect from time to time. All financial covenants set forth herein shall be calculated on a consolidated basis for the Borrower and its Included Subsidiaries.

(a) The Borrower shall maintain on a consolidated basis a ratio (the "Funded Debt Ratio") of Funded Debt to EBITDA not exceeding 2.5:1.0. "Funded Debt" means all outstanding liabilities for borrowed money and other interest-bearing liabilities, of the Borrower and its Subsidiaries, on a combined basis, including current and long-term debt, less the non-current portion of Subordinated Liabilities (as defined herein). For the purposes hereof, "EBITDA" means, with reference to any period, net income for the Borrower and the Subsidiaries, on a combined basis, for the period plus, less income or plus losses from discontinued operations and less extraordinary items of the Borrower and the Subsidiaries, on a combined basis, plus all of the following of the Borrower and the Subsidiaries, on a combined basis: (a) income taxes, (b) interest expense, (c) depreciation, (d) depletion, (e) amortization and (f) other non-cash charges. This ratio will be calculated at the end of each reporting period for which the Bank requires financial statements from Borrower, commencing with the financial reports due for the quarter ending September 30, 2003, using the results of the twelve-month period ending with that reporting period (or such shorter period if the Borrower has not been in existence for twelve months as of the date of such calculation). The Borrower's Funded Debt shall be prorated from the date hereof through December 31, 2003.

(b) The Borrower shall maintain, on a consolidated basis, a Debt Service Coverage Ratio of at least 1.5 to 1. "Debt Service Coverage Ratio" means the ratio of Cash Flow of the Borrower and its Subsidiaries, on a combined basis, to the sum of the following for the Borrower and the Subsidiaries, on a combined basis: (i) the current portion of long term debt; (ii) the current portion of capitalized lease obligations; and (iii) interest expense on all obligations. "Cash Flow" is defined as (a) net income after income tax of the Borrower

and its Subsidiaries, on a combined basis, (b) less income or plus loss from discontinued operations and extraordinary items of the Borrower and its Subsidiaries on a combined basis (including, without limitation, any distributions or advances to First American Corporation), (c) plus depreciation, depletion, amortization and other non-cash charges of the Borrower and its Subsidiaries, on a combined basis, (d) plus interest expense on all obligations of the Borrower and its Subsidiaries, on a combined basis, and (e) minus dividends, withdrawals, and other distributions by the Borrower and its Subsidiaries, on a combined basis. This ratio will be calculated at the end of each reporting period for which Lender requires financial statements from Borrower, using the results of the twelve-month period ending with that reporting period. The current portion of long-term liabilities will be measured as of the date 12 months (or such shorter period if the Borrower has not been in existence for twelve months as of the date of such calculation) prior to the date of the current financial statement.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants, and so long as this Agreement is in effect or any part of the Obligations remains unpaid, shall continue to represent and warrant at all times, that:

5.01 The Borrower and Subsidiaries. The Borrower and the Subsidiaries are duly organized or incorporated and validly existing under and by virtue of their respective states of existence. Each is duly licensed and qualified in all other states and jurisdictions wherein the nature of the business transacted by it or the ownership of its properties makes such licensing or qualification as a foreign corporation necessary, if any, except where the failure to be so qualified would not have a Material Adverse Effect. Each of the Borrower and its Subsidiaries: (a) holds in full force and effect all material permits, licenses and franchises necessary for it to carry out its operations in conformity with all applicable laws and regulations; and (b) has full and adequate power to own its Property and conduct its business as now conducted.

5.02 Authorization, Conflicts and Validity. The execution and delivery of this Agreement and each of the other Loan Documents to which the Borrower is or will be a party and the performance by the Borrower of all of its obligations thereunder: (a) have been duly authorized by all requisite corporate action; (b) will not violate or be in conflict with (i) any material provision of applicable law (including, without limitation, any applicable usury or similar law); (ii) any material order, rule or regulation of any court or other governmental authority; (iii) any material provision of its certificate of incorporation or bylaws, including any amendments thereto, or any resolution with continuing effect adopted by its Board of Directors or shareholders; or (iv) any material provision of any shareholders' agreement or trust respecting securities of its issue or related rights; (c) will not violate, be in conflict with, result in a breach of or constitute a default (with or without the giving of notice or the passage of time or both) under any material instrument, indenture, agreement or other obligation to which it is a party or by which it or any of its assets and properties is or may be bound or subject; and (d) except as specifically contemplated by this Agreement or any other Loan Documents, will not result in the creation or imposition of any Lien, charge or encumbrance of any

nature upon any of its assets and properties. The Loan Documents to which the Borrower is or will be a party when executed and delivered will be legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms and provisions.

5.03 Consents. No consent, approval or authorization of, or registration, declaration or filing with, any governmental authority or other person (including, without limitation, the shareholders of the Borrower) is required as a condition precedent, concurrent or subsequent to or in connection with the due and valid execution, delivery and performance by the Borrower of this Agreement or any other Loan Document to which it is or will be a party, or the legality, validity, binding effect or enforceability of any of the respective representations, warranties, covenants and other terms and provisions thereof, which has not been obtained prior to the date hereof. Each franchise, license, certificate, authorization, approval or consent from any governmental authority material to the present conduct of the business and operations of the Borrower or its Subsidiaries, or required for the acquisition, ownership, improvement, operation or maintenance by it of any material portion of the assets and properties it now owns, operates or maintains, has been obtained and validly granted, is in full force and effect and constitutes valid and sufficient authorization therefor.

5.04 Legal or Administrative Proceedings. There are no material actions, suits, investigations or proceedings by any Person pending or to the best knowledge of the Borrower threatened against the Borrower or any Subsidiary or to which they are a party involving the possibility of any judgment or liability not fully covered by insurance or by adequate reserves set up on the books of the Borrower or the Subsidiaries.

5.05 Trademarks, Franchises and Licenses. The Borrower and its Subsidiaries own, possess or have the right to use all necessary patents, licenses, software, franchises, trademarks, trade names, trade styles, copyrights, trade secrets, know how and confidential commercial and proprietary information to conduct their businesses as now conducted, without known conflict with any patent, license, franchise, trademark, trade name, trade style, copyright or other proprietary right of any other Person.

5.06 Corporate Restrictions. Neither the Borrower nor any Subsidiary is a party to any contract or subject to any charter or other corporate restriction that would materially and adversely affect its property or business, or its ability to perform its obligations under the Loan Documents.

5.07 Taxes. The Borrower and the Subsidiaries have filed all federal and state tax returns that are required to be filed, and have paid all taxes as shown on the returns and on all assessments received by them to the extent that the taxes have become due. Proper and accurate amounts have been withheld by the Borrower and its Subsidiaries from their respective employees for all periods in full and complete compliance with the tax, social security and unemployment withholding provisions of applicable federal, state, local and foreign law and such withholdings have been timely paid to the respective governmental agencies.

5.08 Default. There exists as of the date hereof no Default or Event of Default.

5.09 Other Representations. All warranties and representations of the Borrower or any of the Subsidiaries contained in any of the Loan Documents are true and accurate in all material respects.

5.10 Subsidiaries. As of the date hereof, the Borrower owns no Subsidiaries other than those Subsidiaries listed on Exhibit "C" attached hereto. Except as disclosed on Exhibit "C" attached hereto, the Borrower owns, directly or indirectly, 100% of the outstanding capital stock of its Subsidiaries. The only persons or entities in which the Borrower owns an equity interest are the Subsidiaries. No Person holds or is entitled to obtain any other equity interest in the Subsidiaries.

5.11 ERISA. The Borrower and its Subsidiaries have fulfilled their obligations under the minimum funding standards of and are in compliance in all material respects with ERISA and the Code to the extent applicable to them. None of them has incurred any liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA. Neither the Borrower nor any Subsidiary has any contingent liabilities with respect to any post-retirement benefits under any Plan or Welfare Plan, other than liability for continuation coverage described in article 6 of Title I of ERISA.

5.12 Compliance with Laws. The Borrower and its Subsidiaries are in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to their Property or business operations (including, without limitation, the Occupational Safety and Health Act of 1970, the Americans with Disabilities Act of 1990, and laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), non-compliance with which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary has received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.13 Purpose of the Borrower. The Borrower does not own any "margin security" within the meaning of Regulation U (12 CFR Part 221) of the Board of Governors of the Federal Reserve System. None of the proceeds of the loan by the Bank to the Borrower will be used for the purpose of purchasing or carrying any margin security or for the purpose of reducing or retiring any indebtedness that was originally incurred to purchase or carry a margin security or for any other purpose that might constitute this transaction a "purpose credit" within the meaning of Regulation U, as now in effect or as it may hereafter be amended. Neither the Borrower nor any agent acting on its behalf has taken or will take any action that might cause this Agreement or any Loan Document to violate Regulation U or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, in each case as in effect now or as the same may hereafter be amended.

5.14 Solvency. After giving effect to the full funding of the loans contemplated herein, the Borrower and each Subsidiary will be solvent. "Solvent" shall mean, when used with respect to any Person, that: (a) such Person does not intend to incur, and does not believe and has no reason to believe that it will incur, debts beyond its ability to pay as they become due; (b) the sum of such Person's assets is greater than all of such Person's liabilities at a fair valuation; (c) such Person has sufficient cash flow to enable it to pay its debts as they become due; and (d) such Person does not have unreasonably small capital to carry on such Person's business as theretofore operated and all businesses in which such Person is about to engage. "Fair valuation" is intended to mean that value that can be obtained if the assets are sold within a reasonable time in arm's-length transactions in an existing and not theoretical market.

5.15 Federal Acts. Neither the Borrower nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or a "public utility holding company" within the meaning of the Public Utility Holding Company Act.

5.16 Affiliate Transactions. Except as set forth on Exhibit "B" hereto, neither the Borrower nor any Subsidiary is a party to any contracts or agreements with any of its Affiliates on terms and conditions that are less favorable to the Borrower or such Subsidiary than would be usual and customary in similar contracts or agreements between Persons not affiliated with one other.

5.17 Full Disclosure. The statements and information furnished to the Bank in connection with the negotiation of this Agreement and the other Loan Documents and the commitment by the Bank to provide all or part of the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading. The Bank acknowledges that, as to any projections furnished to the Bank, the Borrower only represents that the same were prepared on the basis of information and estimates that the Borrower believed to be reasonable.

ARTICLE VI

EVENTS OF DEFAULT

6.01 Events of Default. Each of the following events shall constitute an "Event of Default" hereunder:

(a) if the Borrower defaults in the payment of any principal, interest or other amount under the Note, either by the terms thereof or otherwise as provided herein and such default continues for a period of ten days thereafter; or

(b) if the Borrower or any Subsidiary defaults: (i) in any payment of principal of or interest on any other obligation for borrowed money beyond any period of grace provided with respect thereto or (ii) in the performance or observance of any other agreement, term, or condition contained in any agreement under which any such obligation is created if the effect of such default is to cause, or permit the holder or holders of such obligation (or trustee on

behalf of such holder or holders) to cause, such obligation to become due prior to its stated maturity, except for obligations disputed in good faith if the Bank is promptly notified thereof and, if required by GAAP, funded reserves are established; or

(c) if any statement, representation or warranty made by the Borrower or any Subsidiary herein or in any writing now or hereafter furnished in connection with or pursuant to the Loan Documents or in connection with any audit shall be false in any material respect as of the date made; or if the Borrower or any Subsidiary omits or fails to disclose within 10 days any substantial contingent or liquidated liabilities, or any material adverse change in facts previously disclosed by any statement, representation, certificate or warranty to the Bank; or

(d) if the Borrower or any Subsidiary defaults in the performance or observance of any covenants contained in Sections 3.04 or 4.11 hereof; or

(e) (i) if any Event of Default occurs under any Loan Document; or (ii) if the Borrower or any Subsidiary defaults in the performance or observance of any other agreement, covenant, term or condition contained herein or in any other Loan Document and such default shall not have been remedied within 30 days after written notice thereof is sent by the Bank to the Borrower except, however, that an Event of Default shall not be deemed to have occurred if the Borrower or the Subsidiary, as the case may be, commences to cure such default within such 30-day period and the Borrower or such Subsidiary, as the case may be, completes such cure within 60 days after such notice; or

(f) if the Borrower or any Subsidiary makes an assignment for the benefit of creditors or is generally not paying its debts as they become due; or

(g) if any order, judgment or decree is entered under the bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction adjudicating the Borrower or any Subsidiary, bankrupt or insolvent; or

(h) if the Borrower or any Subsidiary petitions or applies to any tribunal for, or consents to, the appointment of a trustee, receiver, custodian, liquidator, or similar official, of the Borrower or any Subsidiary or of any substantial part of the assets of the Borrower or any Subsidiary, or commences a voluntary case under the Bankruptcy Code of the United States or any proceedings relating to the Borrower or any Subsidiary, under the bankruptcy, insolvency, or moratorium law of any other jurisdiction, whether now or hereafter in effect; or

(i) if any such petition or application is filed, or any such proceedings are commenced, against the Borrower or any Subsidiary and if the Borrower or the Subsidiary by any act indicates its approval thereof, consent thereto, or acquiescence therein, or an order is entered in an involuntary case under the Bankruptcy Code of the United States, or an order,

judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator, or similar official, or approving the petition in any proceedings, and such order remains unstayed and in effect for more than 60 days; or

(j) if any order is entered in any proceedings against the Borrower or any Subsidiary decreeing the dissolution or split-up of the Borrower or any Subsidiary or if the Borrower or any Subsidiary dissolves (or is dissolved) or its existence is terminated; or

(k) if any judgment or judgments are entered against the Borrower or any Subsidiary, or against the Property of any such Person, in an aggregate amount in excess of \$100,000 that remains unvacated, unbonded, unstayed or unsatisfied for a period of 45 days.

6.02 Default. A "Default" shall be deemed to have occurred hereunder if any event or condition occurs that would constitute an Event of Default hereunder upon the satisfaction of any requirement for notice or passage of time in connection with such event or condition.

6.03 Remedies. During the continuation of any Default, the Bank shall have no obligation to make advances hereunder or under any other Loan Document. If any Event of Default shall occur, any obligation of the Bank to make advances hereunder or under any Loan Document shall be terminated without notice to the Borrower. If the Bank elects not to extend any further credit hereunder after the occurrence of any Event of Default, the Bank shall notify the Borrower of such election as promptly as practical after the date of such election. However, the Bank's failure to give any such notice shall not impair its rights hereunder, and the Bank's failure to give any such notice on one occasion shall not impair its rights upon the occurrence of any subsequent Event of Default. In addition, if any Event of Default shall occur, the Bank may by notice to the Borrower, effective upon dispatch, declare the entire unpaid principal amount then outstanding under the Loan Documents, all interest accrued and unpaid under the Loan Documents and all other Obligations of the Borrower to the Bank under this Agreement or any of the other Loan Documents to be forthwith due and payable. Thereupon, the then outstanding principal amount under the Loan Documents, all such accrued interest and all such other Obligations shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower, and the Bank may immediately enforce payment of all such amounts and exercise any or all of the rights and remedies of the Bank under this Agreement and other Loan Documents, including without limitation the right to resort to any or all collateral securing any obligations under the Loan Documents and exercise any or all of the rights of a secured party pursuant to the Uniform Commercial Code of Florida and other applicable similar statutes in other jurisdictions.

6.04 Termination of Rights to Advances; Automatic Acceleration. Notwithstanding anything herein to the contrary, (a) the Borrower's right, if any, to obtain any additional advances or credit under the Loan Documents shall automatically terminate upon the initiation against the Borrower or any Subsidiary of any proceeding under the Federal Bankruptcy Code, or upon the occurrence of any Event of Default described in subparagraphs (g), (h), (i), (j), or (k) of Section 6.01, and (b) all Obligations shall automatically be and become immediately due and payable upon the occurrence of any Event of Default described in subparagraphs (h), (i), or (j) of Section 6.01.

6.05 Additional Rights of Bank.

(a) The Borrower acknowledges that its timely and complete compliance with all of the terms and conditions contained in the Loan Documents is a material consideration for the Bank's extension of the credit facilities evidenced by the Loan Documents. In addition to all other rights and remedies that the Bank has upon the occurrence of an Event of Default, the Bank, in its sole discretion, may: (i) waive its rights resulting from such Event of Default; and (ii) charge the Borrower a fee for such waiver, provided that such fee shall not exceed 0.10% of the face amount of the Note.

(b) The Borrower acknowledges that the Bank's ability to monitor the loans evidenced by the Loan Documents is dependent upon the Borrower's providing all financial statements and other information required in Section 3.01 hereof within the time periods set forth in such section. In addition to all other rights and remedies that the Bank has upon the occurrence of an Event of Default, the Bank may by notice to the Borrower assess the Borrower a late fee upon each failure by the Borrower to deliver financial statements or information within the time periods set forth in Section 3.01 hereof (whether or not such failure constitutes a Default or an Event of Default hereunder). The amount of such late fee shall not exceed \$1000.00. The Borrower shall pay such fee no later than ten days after the Bank has notified the Borrower of such assessment. The Bank may assess the late fee on successive occasions based upon any successive failures to deliver financial statements or financial information within the periods required herein. The Bank's assessment of any such fee, and the Borrower's payment of the same, shall not be deemed to be a waiver of the Borrower's continuing obligation to provide financial statements and other information required hereunder.

ARTICLE VII

MISCELLANEOUS

7.01 Expenses. The Borrower agrees to pay, and save the Bank harmless against liability for the payment of, all reasonable out-of-pocket expenses arising in connection with this transaction (including any renewals or modifications relating hereto), including any state documentary stamp taxes or other taxes (including interest and penalties, if any) that may be determined to be payable in connection with the execution and delivery of any Loan Document or any renewal or modification of any Loan Document, and the reasonable fees and expenses of the Bank's counsel. The Borrower acknowledges that it has participated with the Bank in establishing the structure of this transaction and that it has independently determined the amount of documentary stamp and other taxes due in connection herewith. The Borrower has not relied upon representations of the Bank or its counsel in calculating the amount of such taxes, and the Borrower shall be liable for any additional taxes (including interest and penalties) that may be due in connection with this transaction or any renewals hereof. If an Event of Default shall occur, the Borrower shall also pay all of the Bank's costs of collection including reasonable Bank employee travel expenses, court costs and reasonable fees of

attorneys and legal assistants (whether incurred in connection with trial or appellate proceedings). If the Borrower fails to pay any such expenses within five (5) Business Days after the Bank makes demand therefore, the Borrower authorizes the Bank to make advances under the Note and to debit its deposit accounts (other than accounts maintained by the Borrower with the Bank solely for payroll purposes and identified to the Bank as such) to pay all expenses.

7.02 Survival of Representations and Warranties. All representations and warranties contained herein or made in writing by the Borrower in connection herewith shall survive the execution and delivery of the Loan Documents.

7.03 Successors and Assigns. All covenants and agreements in this Agreement contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. The Borrower shall not be entitled to assign its rights hereunder. The Bank may, without the Borrower's consent, assign all or part of its rights hereunder or grant participations herein; provided, however, that no participant shall have any rights against the Borrower unless the Bank has failed to exercise its rights hereunder upon the occurrence of a Default or Event of Default. The Bank may disclose to any such assignee or participant (or any prospective assignee or participant) such information concerning the Borrower and its Affiliates as the Bank deems appropriate.

7.04 Notices. All communications, notices or demands provided for hereunder or under any other Loan Document to which the Borrower is a party shall be sent by first class mail, by courier, by hand or by certified mail as follows or to such other address with respect to any party as such party shall notify the others in writing:

To the Bank: Bank of America, N.A.
 9000 Southside Blvd., Bldg. 100

 Jacksonville, Florida 32256

 Attn: Client Credit Services

To the Borrower: First Advantage Holding, Inc.
 805 Executive Center Drive, Suite 300

 St. Petersburg, Florida 33702

 Attn: John Lamson, Chief Financial Officer

with copy to: First Advantage Corporation

 1 First American Way

 Santa Ana, California 92707

 Attn: Kenneth DeGiorgio, General Counsel

Except as otherwise specifically set forth herein, each such communication, notice or demand shall be deemed given: (i) three days after deposited in the U.S. mail with proper postage affixed if sent by mail; or (ii) when actually delivered to the appropriate address if sent by courier or by hand.

7.06 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Florida.

7.07 Headings. The descriptive section headings herein have been inserted for convenience only and shall not be deemed to limit or otherwise affect the construction of any provisions hereof.

7.08 Counterparts. This Agreement may be executed simultaneously in several counterparts. Each counterpart shall be deemed an original.

7.09 Remedies Cumulative. All rights and remedies of the Bank hereunder are cumulative and in addition to any rights and remedies that the Bank may have under the laws of Florida. The Bank's exercise of any one right or remedy against one party hereto will not deprive the Bank of any right or remedy against that party or any other parties hereto. No right, power or remedy conferred upon or reserved to the Bank under this Agreement or any other of the Loan Documents is exclusive of any other right, power or remedy in any of the Loan Documents, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under any other Loan Documents, or now or hereafter existing at law, in equity or by statute.

7.10 Delay or Omission. No delay or omission of the Bank to exercise any right, power or remedy under any of the Loan Documents or accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to the Bank under any of the Loan Documents may be exercised from time to time and as often as may be deemed expedient by the Bank.

7.11 No Waiver of One Default to Affect Another. No waiver of any Default or Event of Default hereunder shall extend to or affect any subsequent Default or Event of Default or any other Default or Event of Default then existing, or impair any rights, powers or remedies consequent thereon.

7.12 Changes. No term of any Loan Document may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

7.13 Severability. If any portion of any Loan Document is declared void by any court as illegal or against public policy, the remainder of the Loan Documents in question shall continue in full effect.

7.14 Lost or Damaged Note. Upon receipt by the Borrower of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of the Note (the "Lost Note") and of an indemnity agreement reasonably satisfactory to the Borrower, the Borrower will make and deliver to

the Bank a new Note of like tenor, date and principal amount in lieu of the Lost Note.

7.15 Merger. This Agreement supersedes and replaces any commitment letter relating to the Obligations. Except as otherwise expressly provided for in the Loan Documents, no termination or cancellation (regardless of cause or procedure) of the financing under this Agreement shall in any way affect or impair the obligations, duties, and liabilities of the Borrower or the rights of the Bank relating to any transaction or event occurring prior to such termination. All indemnifications, warranties and representations contained in the Loan Documents shall survive such termination or cancellation.

7.16 Arbitration. The parties agree to the following arbitration provisions:

(a) These arbitration provisions govern the resolution of any controversies or claims between the Borrower and the Bank, whether arising in contract, tort or by statute, including but not limited to controversies or claims (collectively, a "Claim") that arise out of or relate to: (i) this Loan Agreement (including any renewals, restatements, extensions or modifications hereof); or (ii) any document related to this Loan Agreement.

(b) At the request of the Borrower or the Bank, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U. S. Code) (the "Arbitration Act"). The Arbitration Act will apply even though this Loan Agreement provides that it is governed by the law of a specified state. Arbitration proceedings will be determined in accordance with the Arbitration Act, the rules and procedures for the arbitration of financial services disputes of JAMS or any successor thereof ("JAMS"), and the terms of this Section. In the event of any inconsistency, the terms of this Section shall control. The arbitration shall be administered by JAMS and conducted in Hillsborough County, Florida. All Claims shall be determined by one arbitrator. However, if Claims exceed \$1,000,000, upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within 90 days of the demand for arbitration and close within 90 days of commencement and the award of the arbitrator or arbitrators, as the case may be, shall be issued within 30 days of the close of the hearing. However, the arbitrator or arbitrators, as the case may be, upon a showing of good cause, may extend the commencement of the hearing for up to an additional 60 days. The arbitrator or arbitrators, as the case may be, shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and enforced.

(c) The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of the statute of limitations, the service on JAMS under applicable JAMS rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Loan Agreement.

(d) These arbitration provisions do not limit the right of the Borrower or the Bank to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or nonjudicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(e) By agreeing to binding arbitration, the Borrower and the Bank irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the Borrower's executing, and the Bank's accepting, this Loan Agreement. No provision in this Loan Agreement or in any document related hereto regarding submission to jurisdiction or venue in any court is intended or shall be construed to be in derogation of the provisions of this Loan Agreement or in any such other document for arbitration of any controversy or claim.

7.17. NOTICE OF FINAL AGREEMENT. THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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IN WITNESS WHEREOF, the parties hereto have signed and sealed this Agreement on the day and year first above written.

FIRST ADVANTAGE CORPORATION, a Delaware corporation doing business in Florida as FIRST ADVANTAGE HOLDING, INC.

By: /s/ John Lamson

Print Name: John Lamson

Its: EVP and CFO

BANK OF AMERICA, N.A.

By: /s/ David Suellau

Print Name: David Suellau

Its: Senior Vice President

APPENDIX I

The following terms when used in the Loan Agreement shall have the following meanings:

"Affiliate" means any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for the purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other Person, whether through the ownership of voting securities, common directors, trustees or officers, by conduct or otherwise.

"Bank" is defined in the introductory paragraph of the Loan Agreement.

"Borrower" is defined in the introductory paragraph of the Loan Agreement.

"Borrowing Base" is defined in Section 1.03(b) of the Loan Agreement.

"Business Day" means each day other than a Saturday, a Sunday or any holiday on which commercial banks in Jacksonville, Florida are closed for business.

"Capital Lease" means any lease of Property which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

"Capital Lease Obligation" means the amount of the liability shown on the balance sheet of any Person in respect of a Capital Lease determined in accordance with GAAP.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

"Collateral" means all properties, rights, interests and privileges from time to time subject, or intended to be subject, to the Liens granted to the Bank by the Collateral Documents.

"Collateral Documents" means the Borrower Security Agreement, the Subsidiary Security Agreements, financing statements and other documents as shall from time to time secure the Obligations or any guaranty thereof.

"Debt" means for any Person (without duplication): (a) all indebtedness of such Person for borrowed money, whether current or funded, or secured or unsecured, (b) all indebtedness for the

deferred purchase price of Property or services, (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of a default are limited to repossession or sale of such Property), (d) all indebtedness secured by a purchase money mortgage or other Lien to secure all or part of the purchase price of Property subject to such mortgage or Lien, (e) all obligations under leases that shall have been or must be, in accordance with GAAP, recorded as Capital Leases with respect to which such Person is liable as lessee, (f) any liability in respect of banker's acceptances or letters of credit, (g) any indebtedness, whether or not assumed, secured by Liens on Property acquired by such Person at the time of acquisition thereof, (h) all indebtedness, whether or not for borrowed money, represented by notes, drafts, bonds, debentures and similar instruments, and (i) all indebtedness referred to in clause (a), (b), (c), (d), (e), (f), (g) or (h) above which is directly or indirectly guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire or in respect of which any of them have otherwise assured a creditor against loss. Debt shall not, however, include trade payables arising in the ordinary course of business that are not more than 90 days past due.

"Default" is defined in Section 6.02 of the Loan Agreement.

"Eligible Receivables" is defined in Section 1.02(b) of the Loan Agreement.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

"Event of Default" means any event or condition identified as such in Section 6.01 of the Loan Agreement.

"Funded Debt" is defined in Section 4.11(a) of the Loan Agreement.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

"Included Subsidiary" means and includes each Subsidiary that has satisfied the following conditions:

(a) The Subsidiary has granted the Bank a perfected security interest in its accounts receivable, general intangibles and other assets subject only to such prior liens and claims as the Bank, in its discretion, may approve and Permitted Liens; and

(b) The Subsidiary has executed the following documents in favor of the Bank substantially in the form of such documents executed by the Borrower's Subsidiaries as of the

date hereof: (1) Subsidiary Security Agreement; and (2) financing statements (conforming in each case to the requirements of the applicable jurisdictions where such statements will be filed); and

(c) The Bank has completed a field exam/collateral survey with respect to such Subsidiary, in scope and form acceptable to the Bank.

"Lien" means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

"Line of Credit" is defined in Section 1.01(a) of the Loan Agreement.

"Loan Agreement" or "this Agreement" shall mean the Loan Agreement to which this Appendix is attached as such agreement may be amended or restated from time to time.

"Loan Documents" shall mean and include this Agreement (as amended from time to time), the Note, the Borrower Security Agreement, the Subsidiary Security Agreement, all other Collateral Documents and all documents related to the foregoing documents. Loan Documents shall also include all documents executed by any Included Subsidiary on or after the date hereof.

"Lost Note" is defined in Section 7.14 of the Loan Agreement.

"Material Adverse Effect" means (a) a material adverse change in, or material adverse effect upon, the operations, business, Property, or condition (financial or otherwise) of the Borrower or of the Borrower and the Subsidiaries taken as a whole, (b) a material impairment of the ability of the Borrower or any Subsidiary to perform its obligations under any Loan Document, or (c) a material adverse effect upon (i) the legality, validity, binding effect or enforceability against the Borrower or any Subsidiary of any Loan Document or the rights and remedies of the Bank thereunder or (ii) the perfection or priority of any Lien granted under any Collateral Document.

"Moody's" means Moody's Investors Service, Inc.

"Note" is defined in Section 1.01(b) of the Loan Agreement.

"Obligations" is defined in Section 1.04(a) of the Loan Agreement.

"PBGC" means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

"Permitted Acquisition" shall mean any acquisition made in accordance with Section 4.04(b) of the Loan Agreement.

"Permitted Liens" is defined in Section 4.01 of the Loan Agreement.

"Permitted Obligations" is defined in Section 4.02(a) of the Loan Agreement.

"Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

"Plan" means any employee pension benefit plan covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code that either (a) is maintained by the Borrower or any Subsidiary for employees of any such Person or (b) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which the Borrower or any Subsidiary is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

"Products" is defined in Section 1.03(b) of the Loan Agreement.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Revolving Period" is defined in Section 1.01(d) of the Loan Agreement.

"Security Agreement" is defined in Section 1.04(a) of the Loan Agreement.

"Solvent" is defined in Section 5.19 of the Loan Agreement.

"Subordinated Liabilities" means liabilities subordinated to Borrower's obligations to the Bank pursuant to: (a) a subordination agreement between the Bank and the subordinate lender; or (ii) a subordination agreement between the Borrower and the subordinate lender, under which the Bank is a third party beneficiary with rights to enforce such subordination against the Borrower and the subordinate lender and providing that: (i) upon the occurrence of an Event of Default hereunder, the subordinate lender shall not accept any payments on the subordinate indebtedness; and (ii) upon the occurrence of an Event of Default hereunder, if the subordinated lender receives any payment on the subordinated indebtedness, such payments shall be held in trust for the Bank and shall be delivered to the Bank promptly after receipt of such payment.

"Subsidiary" means any corporation or other Person more than 50% of the outstanding ordinary voting shares or other equity interests of which is at the time directly or indirectly owned by the Borrower, by one or more of its Subsidiaries, or by the Borrower and one or more of its Subsidiaries. All of the Borrower's Subsidiaries existing as of the date hereof are listed on Exhibit "C" hereto.

"Subsidiary Security Agreement" is defined in Section 1.04(a) of the Loan Agreement.

"Welfare Plan" means a "welfare plan" as defined in Section 3(1) of ERISA.

PROMISSORY NOTE

\$15,000,000.00

July 31, 2003

FOR VALUE RECEIVED, the undersigned, FIRST ADVANTAGE CORPORATION, doing business in Florida as FIRST ADVANTAGE HOLDING, INC. (the "Borrower"), hereby promises to pay to the order of BANK OF AMERICA, N.A. (the "Bank"), a national banking association, whose address is 9000 Southside Blvd., Building 100, Jacksonville, Florida 32256, the principal sum of Fifteen Million and 00/100 Dollars (\$15,000,000.00), together with interest on the outstanding principal balance hereof at the rate provided herein. This Note shall be governed by the following provisions:

1. Advances. The Borrower and the Bank have executed a Loan Agreement (as amended or restated from time to time, the "Loan Agreement") of even date herewith. The loan evidenced by this Note is a revolving loan, and the Borrower may borrow, repay and reborrow principal amounts hereunder during the term hereof subject to the terms contained herein and in the Loan Agreement. Notwithstanding the foregoing, the outstanding principal balance hereof shall not exceed \$15,000,000.00 at any one time (or such lesser amount as may be set forth in the Loan Agreement). This Note is the Note described in the Loan Agreement.

2. Payments.

(a) The Borrower shall pay all accrued interest hereunder on the first day of each calendar month during the term hereof commencing on July 1, 2003, and continuing on the first day of each calendar month thereafter.

(b) The Borrower shall pay all outstanding principal hereunder, together with all then accrued and unpaid interest, on July 31, 2005 (the "Maturity Date").

(c) This Note will be considered renewed if and only if the Bank has sent to Borrower a written notice of renewal (the "Renewal Notice") effective as of the Maturity Date. If this Note is renewed, it will continue to be subject to all the terms and conditions set forth herein except as modified by the Renewal Notice. If this Note is renewed, the term "Maturity Date" shall mean the date set forth in the Renewal Notice as the Maturity Date and all outstanding principal plus all accrued interest shall be paid on the Maturity Date. The same process for renewal will apply to any subsequent renewal of this Note. A renewal fee may be charged at the Bank's option. The amount of the renewal fee will not exceed 0.10% of the renewal amount.

3. Interest.

(a) Interest shall initially accrue on the outstanding principal balance of this Note at the Adjusted Libor Rate (as defined herein) in effect on the date of this Note. The rate of

interest shall be adjusted on each Interest Rate Adjustment Date (as defined herein) so that interest shall accrue at the Adjusted Libor Rate for the Interest Period (as defined herein) commencing on such Interest Rate Adjustment Date. For purposes of this paragraph, the following terms shall have the following meanings:

(i) "Adjusted Libor Rate" for each Interest Period shall mean a rate that is equal to the applicable Libor Rate plus the Applicable Margin (as defined herein). The Libor Rate for each Interest Period shall mean the offered rate for deposits in United States dollars in the London Interbank market for a one month period which appears on the Libor Rate Reference Page (as defined herein) as of 11:00 a.m. (London time) on the day that is two London Banking Days (as defined herein) preceding the first calendar day of the Interest Period (as such rate may be adjusted from time to time in the Bank's sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs). If at least two such offered rates appear on the Libor Rate Reference Page, the rate will be the arithmetic mean of such offered rates.

(ii) The "Applicable Margin" is the percentage per annum set forth below based on Borrowers' Funded Debt Ratio as defined in Section 4.11 of the Loan Agreement.

Applicable Margin

Funded Debt Ratio	Applicable Margin
-----	-----
Less than or equal to 1.5 to 1	1.25% per annum
Greater than 1.50 to 1 but equal to or less than 2.50 to 1	1.39% per annum
Greater than 2.50 to 1	Default Rate (as defined herein)

The Applicable Margin will be established based upon the Borrower's most recent quarterly compliance certificate received by the Bank, as required in the Loan Agreement. The Applicable Margin will be in effect from the first day of the calendar month following receipt of that compliance certificate until the first day of the calendar month following receipt of the next quarterly compliance certificate. Until the first compliance certificate is due pursuant to the Loan Agreement, the Applicable Margin will be 1.39% per annum. Thereafter, if any compliance certificate is not delivered when required under the Loan Agreement, the Applicable Margin from the date such certificate was due until the date that the Bank receives the same will be 2.50% per annum.

(iii) "Banking Business Day" shall mean each day other than a Saturday, a Sunday or any holiday on which commercial banks in Jacksonville, Florida are closed for business.

(iv) "Interest Period" shall mean: (aa) an initial period commencing on the date hereof and continuing through the day immediately preceding the first Interest Rate Adjustment Date; and (bb) each period thereafter commencing on each Interest Rate Adjustment Date and continuing through the day immediately preceding the next Interest Rate Adjustment Date.

(v) "Interest Rate Adjustment Date" shall mean the first Banking Business Day of July, 2003, and the first Banking Business Day of each calendar month thereafter.

(v) "Libor Rate Reference Page" shall mean any of the following reference pages or sources (as selected from time to time by the Bank in its discretion): (aa) the Dow Jones Telerate Page 3750; (bb) the Reuters Screen LIBO Page; or (cc) such other index or source as the Bank may in its sole discretion select showing rates offered for United States dollar deposits in the London Interbank market.

(vi) "London Banking Day" shall mean each day other than a Saturday, a Sunday or any holiday on which commercial banks in London, England are closed for business.

(b) Interest shall be calculated on the basis of a 360 day year (based upon the actual number of days elapsed) (or, at the Bank's option, on the basis of a 360-day year consisting of twelve 30-day months).

(c) The total liability of the Borrower and any endorsers or guarantors hereof for payment of interest shall not exceed any limitations imposed on the payment of interest by applicable usury laws. If any interest is received or charged by any holder hereof in excess of that amount, the Borrower shall be entitled to an immediate refund of the excess.

(d) Notwithstanding any contrary provision set forth herein, any principal of, and to the extent permitted by applicable law, any interest on this Note, and any other sum payable hereunder, that is not paid when due shall bear interest, from the date due and payable until paid, payable on demand, at a rate per annum (the "Default Rate") equal to the lesser of: (i) the rate per annum otherwise payable under Section 3(a) hereof, as applicable, plus four percent (4%) per annum; or (ii) the highest rate permitted by law.

4. Prepayment. The Borrower shall be entitled to prepay this Note in whole or in part at any time without penalty.

5. Application of Payments. All payments hereunder shall be applied first to the Bank's costs and expenses, then to fees authorized hereunder or under the Loan Agreement, then to interest and then to principal.

6. Default. An Event of Default shall be deemed to have occurred hereunder upon the occurrence of an Event of Default under the Loan Agreement. If any Event of Default or any Default (as defined in the Loan Agreement) shall occur, any obligation of the Bank to make advances hereunder shall be terminated without notice to the Borrower. In addition, if any Event of Default shall occur, the Bank may declare, in the manner set forth in the Loan Agreement, the outstanding principal of this Note, all accrued and unpaid interest hereunder and all other amounts payable under this Note to be forthwith due and payable. Thereupon, the outstanding principal of this Note, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower. Upon the occurrence of any Event of Default, the outstanding principal of this Note, and any accrued and unpaid interest, shall bear interest at the Default Rate.

7. Expenses. All parties liable for the payment of this Note agree to pay the Bank all costs incurred by it in connection with the collection of this Note. Such costs include, without limitation, fees for the services of counsel and legal assistants employed to collect this Note, whether or not suit be brought, and whether incurred in connection with collection, trial, appeal or otherwise. All such parties further agree to indemnify and hold the Bank harmless against liability for the payment of state documentary stamp taxes, intangible personal property taxes or other taxes (including interest and penalties, if any) excluding income or service taxes of the Bank, which may be determined to be payable with respect to this transaction.

8. Late Charge. If any scheduled payment hereunder is 15 or more days late, the Borrower shall pay a fee equal to 4% of the unpaid portion of the scheduled payment. The fee is not a penalty, but liquidated damages to defray administrative and related expenses due to such late payment. The fee shall be immediately due and payable and shall be paid by the Borrowers to the Bank without notice or demand. This provision for a fee is not and shall not be deemed a grace period, and Bank has no obligation to accept a late payment. Further, the acceptance of a late payment shall not constitute a waiver of any default then existing or thereafter arising under this Note.

9. Setoffs. The Borrower and any endorsers, sureties, guarantors, and all others who are, or who may become liable for the payment hereof, other than The First American Corporation and its affiliates (excluding the Borrower and its subsidiaries) severally expressly grant to the Bank a continuing first lien security interest in any and all money, general or specific deposits, or property of any such parties now or hereafter in the possession of the Bank. The Borrower and such other parties authorize and empower the Bank, in its sole discretion, at any time after the occurrence of a default hereunder to appropriate and, in such order as the Bank may elect, apply any such money, deposits or property to the payment hereof.

10. Auto Debit. The Borrower hereby authorizes the Bank to automatically deduct the amount of any payment due hereunder from any of the Borrower's accounts now or hereafter maintained with the Bank (including, without limitation, account number 005487624677). If the funds in such account are insufficient to cover any payment, the Bank shall not be obligated to advance funds to cover the payment. At any time and for any reason, the Borrower or the Bank may voluntarily terminate automatic payments hereunder.

11. Miscellaneous. The Borrower and all sureties, endorsers and guarantors of this Note shall make all payments hereunder in lawful money of the United States at the Bank's address set forth herein or at such other place as the Bank may designate in writing. The remedies of the Bank as provided herein shall be cumulative and concurrent, and may be pursued singly, successively or together, at the sole discretion of the Bank and may be exercised as often as occasion therefor shall arise. No act of omission or commission of the Bank, including specifically any failure to exercise any right, remedy or recourse, shall be effective, unless set forth in a written document executed by the Bank, and then only to the extent specifically recited therein. A waiver or release with reference to one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to any subsequent event. This Note shall be construed and enforced in accordance with Florida law and shall be binding on the successors and assigns of the parties hereto. The term "Bank" as used herein shall mean any holder of this Note. If more than one person or entity executes this Note, such persons and entities shall be jointly and severally liable hereunder. The Bank may, at its option, round any or all fractional interest rates under paragraph 3 upwards to the next higher 1/100 of 1%. The Borrower and all sureties, endorsers and guarantors of this Note hereby: (a) waive demand, notice of demand, presentment for payment, notice of nonpayment or dishonor, protest, notice of protest and all other notice, filing of suit and diligence in collecting this Note, or in the Bank's enforcing any of its rights under any guaranties securing the repayment hereof; (b) agree to any substitution, addition or release of any collateral or any party or person primarily or secondarily liable hereon; (c) agree that the Bank shall not be required first to institute any suit, or to exhaust his, their or its remedies against the Borrower or any other person or party to become liable hereunder, or against any collateral in order to enforce payment of this Note; (d) consent to any extension, rearrangement, renewal or postponement of time of payment of this Note and to any other indulgency with respect hereto without notice, consent or consideration to any of them; and (e) agree that, notwithstanding the occurrence of any of the foregoing (except with the express written release by the Bank of any such person), they shall be and remain jointly and severally, directly and primarily, liable for all sums due under this Note.

12. Arbitration. The Borrower, and the Bank by its acceptance hereof, agree to the following arbitration provisions:

(a) These arbitration provisions govern the resolution of any controversies or claims between the Borrower and the Bank, whether arising in contract, tort or by statute, including but not limited to controversies or claims (collectively, a "Claim") that arise out of or relate to: (i) this Note (including any renewals, restatements, extensions or modifications hereof); or (ii) any document related to this Note.

(b) At the request of the Borrower or the Bank, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U. S. Code) (the "Arbitration Act"). The Arbitration Act will apply even though this Note provides that it is governed by the law of a specified state. Arbitration proceedings will be determined in accordance with the Arbitration Act, the rules and procedures for the arbitration of financial services disputes of JAMS or any successor thereof ("JAMS"), and the terms of this Section. In the event of any inconsistency, the terms of this Section shall control. The arbitration shall be administered by JAMS and conducted in Hillsborough County, Florida. All Claims shall be determined by one arbitrator. However, if Claims exceed \$1,000,000, upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within 90 days of the demand for arbitration and close within 90 days of commencement and the award of the arbitrator or arbitrators, as the case may be, shall be issued within 30 days of the close of the hearing. However, the arbitrator or arbitrators, as the case may be, upon a showing of good cause, may extend the commencement of the hearing for up to an additional 60 days. The arbitrator or arbitrators, as the case may be, shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and enforced.

(c) The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of the statute of limitations, the service on JAMS under applicable JAMS rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Note.

(d) These arbitration provisions do not limit the right of the Borrower or the Bank to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or nonjudicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(e) By agreeing to binding arbitration, the Borrower and the Bank irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the Borrower's executing, and the Bank's accepting, this Note. No provision in this Note or in any document related hereto regarding submission to jurisdiction or venue in any court is intended or shall be construed to be in derogation of the provisions of this Note or in any such other document for arbitration of any controversy or claim.

13. Assignment. The Bank may sell or offer to sell this Note, together with any and all documents guaranteeing, securing or executed in connection with this Note, to one or more assignees without notice to or consent of the Borrower. The Bank is hereby authorized to share any information it has pertaining to the loan evidenced by this Note, including without limitation credit information on the undersigned, any of its principals, or any guarantors of this Note, to any such assignee or prospective assignee.

14. NOTICE OF FINAL AGREEMENT. THIS WRITTEN PROMISSORY NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

FIRST ADVANTAGE CORPORATION, a Delaware corporation doing business in Florida as FIRST ADVANTAGE HOLDING, INC.

By: /s/ John Lamson

Its: EVP and CFO

(SEAL)

SECURITY AGREEMENT

THIS AGREEMENT is made as of the 31st day of July, 2003, by FIRST ADVANTAGE CORPORATION, doing business in Florida as FIRST ADVANTAGE HOLDING, INC. (the "Borrower"), a Delaware corporation, whose address is 805 Executive Center Drive, Suite 300, St. Petersburg, Florida 33702, and BANK OF AMERICA, N.A. (the "Bank"), whose address is 9000 Southside Blvd., Building 100, Jacksonville, Florida 32256.

Recitals

The Borrower and the Bank have executed a Loan Agreement (as amended or restated from time to time, the "Loan Agreement") of even date herewith. The Borrower, pursuant to the Loan Agreement, has executed and delivered a Promissory Note (as amended, extended or renewed from time to time, the "Note") of even date herewith in the original principal amount of \$15,000,000.00 in favor of the Bank.

The Borrower has agreed to secure certain obligations in accordance with the terms hereof.

Now therefore, for good and valuable consideration, the parties agree as follows:

1. Defined Terms. Capitalized terms not otherwise defined that are defined in the UCC shall have the meaning set forth therein. In addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"Accounts" shall mean all accounts as that term is defined in the UCC and all rights of the Borrower now existing and hereafter acquired to payment for goods sold or leased or for services rendered that are not evidenced by an Instrument or Chattel Paper, whether or not earned by performance, together with (i) all security interests or other security held by or granted to the Borrower to secure such rights to payment, (ii) all other rights related thereto (including rights of stoppage in transit) and (iii) all rights in any of such sold or leased goods that are returned or repossessed.

"Chattel Paper" shall mean all chattel paper as that term is defined in the UCC and any document or documents that evidence both a monetary obligation and a security interest in, or a lease or consignment of, specific goods (except, however, that when a transaction is evidenced both by a security agreement or a lease and by an Instrument or series of Instruments, the group of documents taken together constitute Chattel Paper).

"Collateral" shall mean all of the following assets (whether now owned or existing or hereafter acquired or arising): (a) all of the Borrower's Accounts, together with all Chattel Paper, Contract Rights, Deposit Accounts, Documents, General Intangibles and Instruments related to the Borrower's Account; (b) all of the Borrower's books and records (in whatever form or medium), customer lists, credit files, computer files, programs, printouts, source codes, software and other computer materials and records related to the Borrower's Account; and (c) all Proceeds (including, without limitation, all proceeds as that term is defined in the UCC), insurance proceeds, unearned

premiums, tax refunds, rents, profits and products related to the Borrower's Accounts. The Collateral shall exclude, however, any intellectual property that is expressly prohibited by its terms from being pledged as security or that terminates upon being pledged (but only to the extent of and until the termination of such prohibition or until such property is no longer subject to termination).

"Contract Rights" shall mean any right to payment under a contract not yet earned by performance and not evidenced by an Instrument or Chattel Paper.

"Documents" shall mean all documents as that term is defined in the UCC, related to the Collateral, together with any other document that in the regular course of business or financing is treated as adequately evidencing that the person or entity in possession of it is entitled to receive, hold and dispose of such document and the goods it covers.

"General Intangibles" shall mean all general intangibles as that term is defined in the UCC and all payment intangibles and all intangible personal property of every kind and nature other than Accounts (including, without limitation, all Contract Rights, other rights to receive payments of money).

"Instruments" shall mean all negotiable instruments (as that term is defined in the UCC), and any replacements therefore and other writings that evidence rights to the payment of money (whether absolute or contingent) and that are not themselves security agreements or leases and are of a type that in the ordinary course of business are transferred by delivery with any necessary endorsement or assignment (including, without limitation, all checks, drafts, notes, bonds, debentures, government securities, certificates of deposit, letters of credit, preferred and common stocks, options and warrants).

"Proceeds" shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

"UCC" shall mean the Uniform Commercial Code as in effect in any applicable jurisdiction.

2. Security Interest. The Borrower hereby gives the Bank a continuing and unconditional security interest (the "Security Interest") in the Collateral.

3. Obligations Secured. The Security Interest secures payment when due of all Secured Obligations (as defined herein) to the Bank. As used in this Agreement, the term "Secured Obligations" means: (a) all principal, interest, costs, expenses and other amounts now or hereafter due under the Note (including, without limitation, all principal amounts advanced thereunder before, on or after the date hereof) and ; (b) all other amounts now or hereafter payable by the Borrower under any of the Loan Documents (as such term is defined in the Loan Agreement).

4. Warranties of Borrower. The Borrower warrants and so long as this Agreement continues in force shall be deemed continuously to warrant that:

(a) The Borrower is the owner of the Collateral free of all security interests or other encumbrances, except for the Security Interest and except for Permitted Liens (as defined in the Loan Agreement).

(b) The Borrower is authorized to enter into the Security Agreement.

(c) The Collateral is used or bought for use primarily in business or professional operations.

(d) The Collateral is or will be located at the Borrower's address set forth above.

(e) The chief executive office of the Borrower is at the address set forth above.

(f) The exact legal name of the Borrower is set forth in the introductory paragraph hereof, and the jurisdiction of organization or incorporation of the Borrower is set forth in the introductory paragraph hereof.

5. Covenants of Borrower. So long as this Agreement has not been terminated as provided hereafter, the Borrower: (a) will defend the Collateral against the claims of all other persons; (b) will keep the Collateral free from all security interests or other encumbrances, except for the Security Interest and except for Permitted Liens (as defined in the Loan Agreement); (c) except as permitted by the Loan Agreement, will not assign, deliver, sell, transfer, lease or otherwise dispose of any of the Collateral or any interest therein without the prior written consent of the Bank, (d) will keep in accordance with generally accepted accounting principles consistently applied, accurate and complete records with respect to such Collateral and upon the Bank's request will mark any of such records and all or any other Collateral to give notice of the Security Interest and will permit the Bank or its agents to inspect the Collateral and to audit and make abstracts of such records or any of the Borrower's books, ledgers, reports, correspondence and other records (subject to the limitations set forth in the Loan Agreement); (e) upon demand, will deliver to the Bank any Documents and any Chattel Paper representing or relating to the Collateral or any part thereof, or any dispositions of the Collateral and Proceeds thereof and any and all other schedules, documents and statements that the Bank may from time to time request; (f) will keep the Collateral at the Borrower's address set forth above until the Bank is notified in writing of any change in its location, and will not change the location of the Borrower's chief executive office without prior written notice given to the Bank; (g) will notify the Bank promptly in writing of any change in the Borrower's address, name, trade names or identity from that specified above or of any change in the location of the Collateral; (h) will not change its legal name or reincorporate or reorganize itself under the laws of any other jurisdiction; (i) will permit the Bank or its agents to inspect the Collateral (subject to any limitations set forth in the Loan Agreement); (j) will not use the Collateral in violation of any provision of this Agreement, any applicable statute, regulation or ordinance or any policy of

insurance insuring the Collateral; (k) will execute and deliver to the Bank such financing statements and other documents requested by the Bank, and take such other action and provide such further assurances as the Bank may deem advisable to evidence, perfect or enforce the Security Interest created by this Agreement; and (l) will pay all taxes, assessments and other charges of every nature that may be levied or assessed against the Collateral (unless the same are being contested in good faith).

6. Verification. Subject to the limitations set forth in the Loan Agreement, the Bank may verify any Collateral in any manner and through any medium that the Bank may deem appropriate, and the Borrower shall furnish such assistance as the Bank may reasonably require in connection therewith.

7. Default.

(a) Each of the following shall constitute an "Event of Default" hereunder: (i) the occurrence of an Event of Default under the Loan Agreement; (ii) failure by the Borrower to perform any material obligations under this Agreement or under any other agreement for borrowed money between the Borrower and the Bank or by the Borrower in favor of the Bank, time being of the essence (subject, however, to any applicable notice and cure periods); (iii) the commencement of any bankruptcy or insolvency proceedings by or against the Borrower; (iv) material falsity in any certificate, statement, representation, warranty or audit at any time furnished by or on behalf of the Borrower or any endorser or guarantor or any other party liable for payment of all or part of the Secured Obligations, pursuant to or in connection with this Agreement, including warranties in this Agreement and including any omission to disclose any substantial contingent or liquidated liabilities or any material adverse change in facts disclosed by any certificate, statement, representation, warranty or audit furnished to the Bank; or (v) any attachment or levy against the Collateral or any other occurrence that inhibits the Bank's free access to the Collateral.

(b) Upon the occurrence of an Event of Default, the Bank may exercise such remedies and rights as are available hereunder, under the Loan Agreement or otherwise (including without limitation, acceleration of the Secured Obligations or any part thereof). This paragraph is not intended to affect or impair any rights of the Bank with respect to any Secured Obligations that may now or hereafter be payable on demand.

(c) Upon the occurrence of any Event of Default, the Bank's rights with respect to the Collateral shall be those of a secured party under the UCC and any other applicable law in effect from time to time. The Bank shall also have any additional rights granted herein and in any other agreement now or hereafter in effect between the Borrower and the Bank. If requested by the Bank after the occurrence of an Event of Default, the Borrower will assemble all Documents, Instruments, Chattel Paper and any other records relating to the Collateral and make it available to the Bank at a place to be designated by the Bank.

(d) The Borrower agrees that any notice by the Bank of the sale or disposition

of the Collateral or any other intended action hereunder, whether required by the UCC or otherwise, shall constitute reasonable notice to the Borrower if the notice is mailed by regular or certified mail, postage prepaid, at least five days before the action to the Borrower's address as specified in this Agreement or to any other address that the Borrower has specified in writing to the Bank as the address to which notices shall be given to the Borrower.

(e) The Borrower shall pay all costs and expenses incurred by the Bank in enforcing this Agreement, realizing upon any Collateral and collecting any Secured Obligations (including attorneys' fees) whether suit is brought or not and whether incurred in connection with collection, trial, arbitration, appeal or otherwise and, to the extent of the Borrower's liability for repayment of any of the Secured Obligations, shall be liable for any deficiencies in the event the Proceeds of disposition of the Collateral do not satisfy the Secured Obligations in full. Nothing contained herein shall be deemed to require the Bank to proceed against the Collateral or any part thereof before or as a condition to the pursuit of any of its other rights and remedies with respect to the Secured Obligations.

8. Miscellaneous.

(a) The Borrower authorizes the Bank to file financing statements and continuation statements and amendments thereto with respect to the Collateral without authentication by the Borrower to the extent permitted by law. The Bank agrees to use reasonable efforts to provide the Borrower with any copies of any such filings prior to filing. The Borrower agrees not to file any financing statement, amendment or termination statement with respect to the Collateral prior to the payment and satisfaction in full of all Secured Obligations. Upon payment in full of all Secured Obligations, the Bank shall promptly file appropriate documents releasing all filings hereunder.

(b) The Borrower hereby irrevocably consents to any act by the Bank or its agents in entering upon any premises for the purposes of either (i) inspecting the Collateral or (ii) taking possession of the Collateral after any Event of Default in any commercially reasonable manner. From and after the occurrence of an Event of Default, the Borrower hereby waives its right to assert against the Bank or its agents any claim based upon trespass or any similar cause of action for entering upon any premises where the Collateral may be located.

(c) The Borrower authorizes the Bank to collect and apply against the Secured Obligations any refund of insurance premiums or any insurance proceeds payable on account of the loss or damage to any of the Collateral and appoints the Bank as the Borrower's attorney-in-fact to endorse any check or draft representing such proceeds or refund.

(d) Upon the Borrower's failure to perform any of its duties hereunder, the Bank may, but it shall not be obligated to, perform any of the duties and the Borrower shall forthwith upon demand reimburse the Bank for any expenses incurred by the Bank

in so doing.

(e) No delay or omission by the Bank in exercising any right hereunder or with respect to any Secured Obligations shall operate as a waiver of that or any other right, and no single or partial exercise of any right shall preclude the Bank from any other or further exercise of the right or the exercise of any other right or remedy. The Bank may cure any Event of Default by the Borrower in any reasonable manner without waiving the Event of Default so cured and without waiving any other prior or subsequent Event of Default by the Borrower. All rights and remedies of the Bank under this Agreement and under the UCC shall be deemed cumulative.

(f) The Bank shall exercise reasonable care in the custody and preservation of the Collateral to the extent required by law and it shall be deemed to have exercised reasonable care if it takes such action for that purpose as the Borrower shall reasonably request in writing. However, no omission to comply with any requests by the Borrower shall of itself be deemed a failure to exercise reasonable care. The Bank shall have no obligation to take and the Borrower shall have the sole responsibility for taking any steps to preserve rights against all prior parties to any Instrument or Chattel Paper in the Bank's possession as Collateral or as Proceeds of the Collateral. The Borrower waives notice of dishonor and protest of any Instrument constituting Collateral at any time held by the Bank on which the Borrower is in any way liable and waives notice of any other action taken by the Bank.

(g) From and after the occurrence of any Event of Default, the Bank may notify each Account Debtor of the Security Interest and may also direct such Account Debtor to make all payments on the Collateral to the Bank. All payments on and other Proceeds from the Collateral received by the Bank directly or from the Borrower shall be applied to the Secured Obligations in such order and manner and at such time as the Bank shall in its sole discretion determine. Unless the Bank notifies the Borrower in writing that it dispenses with one or more of the following requirements, any payments on or other Proceeds of the Collateral received by the Borrower before or after notification to any Account Debtor shall be held by the Borrower in trust for the Bank in the same medium in which received, shall not be commingled with any assets of the Borrower and shall be turned over to the Bank not later than the next business day following the day of their receipt. From and after the occurrence of an Event of Default, the Borrower shall also promptly notify the Bank of the return to or repossession by the Borrower of goods underlying any Collateral. For purposes hereof, an "Account Debtor" shall mean any person or entity who is obligated to pay the Borrower any amounts under any of the Collateral.

(h) The Borrower authorizes the Bank without affecting the Borrower's obligations hereunder from time to time: (i) to take from any party and hold collateral (other than the Collateral) for the payment of the Secured Obligations or any part thereof, and to exchange, enforce or release such collateral or any part thereof; (ii) to accept and hold the endorsement or guaranty of payment of the Secured Obligations or any part thereof and to release or substitute any such endorser or guarantor or any party who has

given any security interest in any collateral as security for the payment of the Secured Obligations or any part thereof or any party in any way obligated to pay the Secured Obligations or any part thereof; and (iii) upon the occurrence of any Event of Default to direct the manner of the disposition of the Collateral and any other collateral and the enforcement of any endorsements or guaranties relating to the Secured Obligations or any part thereof as the Bank in its sole discretion may determine.

(i) The Bank may demand, collect and sue for all Proceeds (either in the Borrower's name or the Bank's name at the Bank's option), with the right to enforce, compromise, settle or discharge any Proceeds. The Borrower irrevocably appoints the Bank as the Borrower's attorney-in-fact to endorse the Borrower's name on all checks, commercial paper and other Instruments pertaining to the Proceeds before or after the occurrence of an Event of Default.

(j) The rights and benefits of the Bank under this Agreement shall, if the Bank agrees, inure to any party acquiring an interest in the Secured Obligations or any part thereof.

(k) The terms "Bank" and "Borrower" as used in this Agreement include the heirs, personal representatives and successors or assigns of those parties.

(l) This Agreement may not be modified or amended nor shall any provision of it be waived except in writing signed by the Borrower and by an authorized officer of the Bank.

(m) This Agreement shall be governed and construed by Florida law and any other applicable laws in effect from time to time.

(n) This Agreement is a continuing agreement that shall remain in force until the last to occur of: (i) the payment in full of all Secured Obligations if such payment of the Secured Obligations has become final and is not subject to being refunded as a preference or fraudulent transfer under the Bankruptcy Code or other applicable law; (ii) the termination of all agreements or obligations (whether or not conditional) of the Bank to extend credit to the Borrower; and (iii) the termination of the Loan Agreement.

(o) When inspecting the Collateral, the Bank will comply with all applicable privacy laws and with the provisions of any confidentiality agreements between the Borrower and the Bank.

9. Arbitration. The Borrower and the Bank agree to the following arbitration provisions:

(a) These arbitration provisions govern the resolution of any controversies or claims between the Borrower and the Bank, whether arising in contract, tort or by statute, including but not limited to controversies or claims (collectively, a "Claim") that arise out of or relate to: (i) this Security Agreement (including any renewals, restatements,

extensions or modifications hereof); or (ii) any document related to this Security Agreement.

(b) At the request of the Borrower or the Bank, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U. S. Code) (the "Act"). The Act will apply even though this Security Agreement provides that it is governed by the law of a specified state. Arbitration proceedings will be determined in accordance with the Act, the rules and procedures for the arbitration of financial services disputes of JAMS or any successor thereof ("JAMS"), and the terms of this Section. In the event of any inconsistency, the terms of this Section shall control. The arbitration shall be administered by JAMS and conducted in any United States state where real or tangible personal property collateral for this credit is located or if there is no such collateral, in Hillsborough County, Florida. All Claims shall be determined by one arbitrator. However, if Claims exceed \$1,000,000, upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within 90 days of the demand for arbitration and close within 90 days of commencement and the award of the arbitrator or arbitrators, as the case may be, shall be issued within 30 days of the close of the hearing. However, the arbitrator or arbitrators, as the case may be, upon a showing of good cause, may extend the commencement of the hearing for up to an additional 60 days. The arbitrator or arbitrators, as the case may be, shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and enforced.

(c) The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of the statute of limitations, the service on JAMS under applicable JAMS rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Security Agreement.

(d) These arbitration provisions do not limit the right of the Borrower or the Bank to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or nonjudicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(e) By agreeing to binding arbitration, the Borrower and the Bank irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for each party's executing this Security Agreement. No provision in this Security Agreement or in any document related hereto regarding submission to jurisdiction or venue in any court is intended or shall be construed to be in derogation of

the provisions of this Security Agreement or in any such other document for arbitration of any controversy or claim.

10. NOTICE OF FINAL AGREEMENT. THIS WRITTEN SECURITY AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

11. Waiver. IF AN EVENT OF DEFAULT SHOULD OCCUR, THE BORROWER WAIVES ANY RIGHT THE BORROWER MAY HAVE TO NOTICE AND A HEARING BEFORE THE BANK TAKES POSSESSION OF THE COLLATERAL BY SELF-HELP, REPLEVIN, ATTACHMENT, SETOFF OR OTHERWISE.

EXECUTED and delivered as of the day and year first above written.

FIRST ADVANTAGE CORPORATION, a Delaware corporation doing business in Florida as FIRST ADVANTAGE HOLDING, INC.

By: /s/ John Lamson

Its: EVP and CFO

(SEAL)

BANK OF AMERICA, N.A.

By: /s/ David Suellau

Its: Senior Vice President

SECURITY AGREEMENT

THIS AGREEMENT is made as of the 31st day of July, 2003, by SAFERENT, INC., a Delaware corporation, EMPLOYEE HEALTH PROGRAMS, INC., a Florida corporation, SUBSTANCE ABUSE MANAGEMENT, INC., a Florida corporation, HIRECHECK, INC., a Florida corporation, AMERICAN DRIVING RECORDS, INC., a California corporation, FIRST AMERICAN REGISTRY, INC., a Nevada corporation and US SEARCH.COM, INC., a Delaware corporation (collectively, the "Pledgors"), whose address is 805 Executive Center Drive, Suite 300, St. Petersburg, Florida 33702, and BANK OF AMERICA, N.A. (the "Bank"), whose address is 9000 Southside Blvd., Building 100, Jacksonville, Florida 32256.

Recitals

First Advantage Corporation, doing business in Florida as First Advantage Holding, Inc. (the "Borrower") and the Bank have executed a Loan Agreement (as amended or restated from time to time, the "Loan Agreement") of even date herewith. The Borrower, pursuant to the Loan Agreement, has executed and delivered a Promissory Note (as amended, extended or renewed from time to time, the "Note") of even date herewith in the original principal amount of \$15,000,000.00 in favor of the Bank. The Pledgors have agreed to secure certain obligations in accordance with the terms hereof.

Now therefore, for good and valuable consideration, the parties agree as follows:

1. Defined Terms. Capitalized terms not otherwise defined that are defined in the UCC shall have the meaning set forth therein. In addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"Accounts" shall mean all accounts as that term is defined in the UCC and all rights of each Pledgor now existing and hereafter acquired to payment for goods sold or leased or for services rendered that are not evidenced by an Instrument or Chattel Paper, whether or not earned by performance, together with (i) all security interests or other security held by or granted to any Pledgor to secure such rights to payment, (ii) all other rights related thereto (including rights of stoppage in transit) and (iii) all rights in any of such sold or leased goods that are returned or repossessed.

"Chattel Paper" shall mean all chattel paper as that term is defined in the UCC and any document or documents that evidence both a monetary obligation and a security interest in, or a lease or consignment of, specific goods (except, however, that when a transaction is evidenced both by a security agreement or a lease and by an Instrument or series of Instruments, the group of documents taken together constitute Chattel Paper).

"Collateral" shall mean all of the following assets (whether now owned or existing or hereafter acquired or arising): (a) all of each Pledgor's Accounts, together with all Chattel Paper, Contract Rights, Deposit Accounts, Documents, General Intangibles and Instruments related to each Pledgor's Accounts; (b) all of each Pledgor's books and records (in whatever form or medium), customer lists, credit files, computer files,

programs, printouts, source codes, software and other computer materials and records related to the Pledgor's Accounts; and (c) all Proceeds (including, without limitation, all proceeds as that term is defined in the UCC), insurance proceeds, unearned premiums, tax refunds, rents, profits and products related to each Pledgor's Accounts. The Collateral shall exclude, however, any intellectual property that is expressly prohibited by its terms from being pledged as security or that terminates upon being pledged (but only to the extent of and until the termination of such prohibition or until such property is no longer subject to termination).

"Contract Rights" shall mean any right to payment under a contract not yet earned by performance and not evidenced by an Instrument or Chattel Paper.

"Documents" shall mean all documents as that term is defined in the UCC, related to the Collateral, together with any other document that in the regular course of business or financing is treated as adequately evidencing that the person or entity in possession of it is entitled to receive, hold and dispose of such document and the goods it covers.

"General Intangibles" shall mean all general intangibles as that term is defined in the UCC and all payment intangibles and all intangible personal property of every kind and nature other than Accounts (including, without limitation, all Contract Rights, other rights to receive payments of money).

"Instruments" shall mean all negotiable instruments (as that term is defined in the UCC), and any replacements therefore and other writings that evidence rights to the payment of money (whether absolute or contingent) and that are not themselves security agreements or leases and are of a type that in the ordinary course of business are transferred by delivery with any necessary endorsement or assignment (including, without limitation, all checks, drafts, notes, bonds, debentures, government securities, certificates of deposit, letters of credit, preferred and common stocks, options and warrants).

"Proceeds" shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

"UCC" shall mean the Uniform Commercial Code as in effect in any applicable jurisdiction.

2. Security Interest. Each Pledgor hereby gives the Bank a continuing and unconditional security interest (the "Security Interest") in the Collateral.

3. Obligations Secured. The Security Interest secures payment when due of all Secured Obligations (as defined herein) to the Bank. As used in this Agreement, the term "Secured Obligations" means: (a) all principal, interest, costs, expenses and other amounts now or hereafter due under the Note (including, without limitation, all principal amounts advanced

thereunder before, on or after the date hereof); and (b) all other amounts now or hereafter payable by the Borrower under any of the Loan Documents (as such term is defined in the Loan Agreement).

4. Warranties of Pledgors. The Pledgors warrant and so long as this Agreement continues in force shall be deemed continuously to warrant that:

(a) The Pledgors are the owners of the Collateral free of all security interests or other encumbrances except for the Security Interest and except for Permitted Liens (as defined in the Loan Agreement).

(b) The Pledgors are authorized to enter into the Security Agreement.

(c) The Collateral is used or bought for use primarily in business or professional operations.

(d) The Collateral is or will be located at each Pledgor's address set forth above.

(e) The chief executive office of each Pledgor is at the address set forth on Exhibit "A" hereto.

(f) The exact legal name of each Pledgor is set forth in the introductory paragraph hereof, and the jurisdiction of organization or incorporation of each Pledgor is set forth in the introductory paragraph hereof.

5. Covenants of Pledgors. So long as this Agreement has not been terminated as provided hereafter, the Pledgors: (a) will defend the Collateral against the claims of all other persons; (b) will keep the Collateral free from all security interests or other encumbrances, except for the Security Interest and except for Permitted Liens (as defined in the Loan Agreement); (c) except as permitted by the Loan Agreement, will not assign, deliver, sell, transfer, lease or otherwise dispose of any of the Collateral or any interest therein without the prior written consent of the Bank; (d) will keep in accordance with generally accepted accounting principles consistently applied, accurate and complete records with respect to such Collateral, and upon the Bank's request will mark any of such records and all or any other Collateral to give notice of the Security Interest and will permit the Bank or its agents to inspect the Collateral and to audit and make abstracts of such records or any Pledgor's books, ledgers, reports, correspondence and other records (subject to the limitations set forth in the Loan Agreement); (e) upon demand, will deliver to the Bank any Documents and any Chattel Paper representing or relating to the Collateral or any part thereof or any other documents representing or relating to any dispositions of the Collateral and Proceeds thereof and any and all other schedules, documents and statements that the Bank may from time to time request; (f) will keep the Collateral at the addresses set forth above until the Bank is notified in writing of any change in its location, and no Pledgor will change the location of the Pledgor's chief executive office without prior written notice given to the Bank; (g) will notify the Bank promptly in writing of any change in any Pledgor's address,

name, trade names or identity from that specified above or of any change in the location of the Collateral; (h) will not change its legal name or reincorporate or reorganize itself under the laws of any other jurisdiction; (i) will permit the Bank or its agents to inspect the Collateral (subject to any limitations set forth in the Loan Agreement); (j) will not use the Collateral in violation of any provisions of this Agreement, any applicable statute, regulation or ordinance or any policy of insurance insuring the Collateral; (k) will execute and deliver to the Bank such financing statements and other documents requested by the Bank, and take such other action and provide such further assurances as the Bank may deem advisable to evidence, perfect or enforce the Security Interest created by this Agreement; and (l) will pay all taxes, assessments and other charges of every nature that may be levied or assessed against the Collateral (unless the same are being contested in good faith).

6. Verification. Subject to the limitations set forth in the Loan Agreement, the Bank may verify any Collateral in any manner and through any medium that the Bank may deem appropriate, and the Pledgors shall furnish such assistance as the Bank may reasonably require in connection therewith.

7. Default.

(a) Each of the following shall constitute an "Event of Default" hereunder: (i) the occurrence of an Event of Default under the Loan Agreement; (ii) failure by any Pledgor to perform any material obligations under this Agreement or under any other agreement for borrowed money between any Pledgor and the Bank or by any Pledgor in favor of the Bank, time being of the essence (subject, however, to any applicable notice and cure periods); (iii) the commencement of any bankruptcy or insolvency proceedings by or against the Borrower or any Pledgor; (iv) material falsity in any certificate, statement, representation, warranty or audit at any time furnished by or on behalf of the Pledgor or any endorser or guarantor or any other party liable for payment of all or part of the Secured Obligations, pursuant to or in connection with this Agreement, including warranties in this Agreement and including any omission to disclose any substantial contingent or liquidated liabilities or any material adverse change in facts disclosed by any certificate, statement, representation, warranty or audit furnished to the Bank; or (v) any attachment or levy against the Collateral or any other occurrence that inhibits the Bank's free access to the Collateral.

(b) Upon the occurrence of an Event of Default, the Bank may exercise such remedies and rights as are available hereunder, under the Loan Agreement or otherwise (including without limitation, acceleration of the Secured Obligations or any part thereof). This paragraph is not intended to affect or impair any rights of the Bank with respect to any Secured Obligations that may now or hereafter be payable on demand.

(c) Upon the occurrence of any Event of Default, the Bank's rights with respect to the Collateral shall be those of a secured party under the UCC and any other applicable law in effect from time to time. The Bank shall also have any additional rights granted herein and in any other agreement now or hereafter in effect between each

Pledgor and the Bank. If requested by the Bank after the occurrence of an Event of Default, the Pledgors will assemble all Documents, Instruments, Chattel Paper and any other records relating to the Collateral and make it available to the Bank at a place to be designated by the Bank.

(d) The Pledgors agree that any notice by the Bank of the sale or disposition of the Collateral or any other intended action hereunder, whether required by the UCC or otherwise, shall constitute reasonable notice to the Pledgors if the notice is mailed by regular or certified mail, postage prepaid, at least five days before the action to each Pledgor's address as specified in this Agreement or to any other address that any Pledgor has specified in writing to the Bank as the address to which notices shall be given to such Pledgor.

(e) The Pledgors shall pay all costs and expenses incurred by the Bank in enforcing this Agreement, realizing upon any Collateral and collecting any Secured Obligations (including attorneys' fees) whether suit is brought or not and whether incurred in connection with collection, trial, appeal or otherwise and, to the extent of each Pledgor's liability for repayment of any of the Secured Obligations, shall be liable for any deficiencies in the event the Proceeds of disposition of the Collateral do not satisfy the Secured Obligations in full. Nothing contained herein shall be deemed to require the Bank to proceed against the Collateral or any part thereof before or as a condition to the pursuit of any of its other rights and remedies with respect to the Secured Obligations.

8. Miscellaneous.

(a) Each Pledgor authorizes the Bank to file financing statements and continuation statements and amendments thereto with respect to the Collateral without authentication by any Pledgor to the extent permitted by law. The Bank agrees to use reasonable efforts to provide the Pledgors with copies of any such filings prior to filing. Each Pledgor agrees not to file any financing statement, amendment or termination statement with respect to the Collateral prior to the payment and satisfaction in full of all Secured Obligations. Upon payment in full of all Secured Obligations, the Bank shall promptly file appropriate documents releasing all filings hereunder.

(b) Each Pledgor hereby irrevocably consents to any act by the Bank or its agents in entering upon any premises for the purposes of either (i) inspecting the Collateral or (ii) taking possession of the Collateral after any Event of Default in any commercially reasonable manner. From and after the occurrence of an Event of Default, each Pledgor hereby waives its right to assert against the Bank or its agents any claim based upon trespass or any similar cause of action for entering upon any premises where the Collateral may be located.

(c) Each Pledgor authorizes the Bank to collect and apply against the Secured Obligations any refund of insurance premiums or any insurance proceeds payable on

account of the loss or damage to the Collateral and appoints the Bank as the Pledgor's attorney-in-fact to endorse any check or draft representing such proceeds or refund.

(d) Upon any Pledgor's failure to perform any of its duties hereunder, the Bank may, but it shall not be obligated to, perform any of the duties and the Pledgors shall forthwith upon demand reimburse the Bank for any expenses incurred by the Bank in so doing.

(e) No delay or omission by the Bank in exercising any right hereunder or with respect to any Secured Obligations shall operate as a waiver of that or any other right, and no single or partial exercise of any right shall preclude the Bank from any other or further exercise of the right or the exercise of any other right or remedy. The Bank may cure any Event of Default by the Pledgors in any reasonable manner without waiving the Event of Default so cured and without waiving any other prior or subsequent Event of Default by the Pledgors. All rights and remedies of the Bank under this Agreement and under the UCC shall be deemed cumulative.

(f) The Bank shall exercise reasonable care in the custody and preservation of the Collateral to the extent required by law and it shall be deemed to have exercised reasonable care if it takes such action for that purpose as the Pledgors shall reasonably request in writing. However, no omission to comply with any requests by the Pledgors, or any of them, shall of itself be deemed a failure to exercise reasonable care. The Bank shall have no obligation to take and the Pledgors shall have the sole responsibility for taking any steps to preserve rights against all prior parties to any Instrument or Chattel Paper in the Bank's possession as Collateral or as Proceeds of the Collateral. The Pledgors waive notice of dishonor and protest of any Instrument constituting Collateral at any time held by the Bank on which any Pledgor is in any way liable and waive notice of any other action taken by the Bank.

(g) From and after the occurrence of any Event of Default, the Bank may notify any Account Debtor of the Security Interest and may also direct such Account Debtor to make all payments on the Collateral to the Bank. All payments on and other Proceeds from the Collateral received by the Bank directly or from any Pledgor shall be applied to the Secured Obligations in such order and manner and at such time as the Bank shall in its sole discretion determine. Unless the Bank notifies the Pledgors in writing that it dispenses with one or more of the following requirements, any payments on or other Proceeds of the Collateral received by any Pledgor before or after notification to any Account Debtor shall be held by each Pledgor in trust for the Bank in the same medium in which received, shall not be commingled with any assets of the Pledgors and shall be turned over to the Bank not later than the next business day following the day of their receipt. From and after the occurrence of an Event of Default, the Pledgors shall also promptly notify the Bank of the return to or repossession by any Pledgor of goods underlying any Collateral. For purposes hereof, an "Account Debtor" shall mean any person or entity who is obligated to pay any Pledgor any amounts under any of the Collateral.

(h) The Pledgors authorize the Bank without affecting any Pledgor's obligations hereunder from time to time (i) to take from any party and hold collateral (other than the Collateral) for the payment of the Secured Obligations or any part thereof, and to exchange, enforce or release such collateral or any part thereof, (ii) to accept and hold the endorsement or guaranty of payment of the Secured Obligations or any part thereof and to release or substitute any such endorser or guarantor or any party who has given any security interest in any collateral as security for the payment of the Secured Obligations or any part thereof or any party in any way obligated to pay the Secured Obligations or any part thereof; and (iii) upon the occurrence of any Event of Default to direct the manner of the disposition of the Collateral and any other collateral and the enforcement of any endorsements or guaranties relating to the Secured Obligations or any part thereof as the Bank in its sole discretion may determine.

(i) The Bank may demand, collect and sue for all Proceeds (either in any Pledgor's name or the Bank's name at the Bank's option), with the right to enforce, compromise, settle or discharge any Proceeds. Each Pledgor irrevocably appoints the Bank as the Pledgor's attorney-in-fact to endorse the Pledgor's name on all checks, commercial paper and other Instruments pertaining to the Proceeds before or after the occurrence of an Event of Default.

(j) The rights and benefits of the Bank under this Agreement shall, if the Bank agrees, inure to any party acquiring an interest in the Secured Obligations or any part thereof.

(k) The terms "Bank" and "Pledgor" as used in this Agreement include the heirs, personal representatives and successors or assigns of those parties.

(l) If more than one Pledgor executes this Agreement, the term "Pledgor" includes each of the Pledgors as well as all of them, and their obligations under this Agreement shall be joint and several.

(m) This Agreement may not be modified or amended nor shall any provision of it be waived except in writing signed by the Pledgors and by an authorized officer of the Bank.

(n) This Agreement shall be construed under the UCC in effect in Florida and any other applicable laws in effect from time to time.

(o) This Agreement is a continuing agreement that shall remain in force until the last to occur of: (i) the payment in full of all Secured Obligations if such payment of the Secured Obligations has become final and is not subject to being refunded as a preference or fraudulent transfer under the Bankruptcy Code or other applicable law; (ii) the termination of all agreements or obligations (whether or not conditional) of the Bank to extend credit to the Borrower; and (iii) the termination of the Loan Agreement.

(p) When inspecting the Collateral, the Bank will comply with all applicable privacy laws and with the provisions of any confidentiality agreements between the Pledgors and the Bank

9. Arbitration. Each Pledgor and the Bank agree to the following arbitration provisions:

(a) These arbitration provisions govern the resolution of any controversies or claims between any Pledgor and the Bank, whether arising in contract, tort or by statute, including but not limited to controversies or claims (collectively, a "Claim") that arise out of or relate to: (i) this Security Agreement (including any renewals, restatements, extensions or modifications hereof); or (ii) any document related to this Security Agreement.

(b) At the request of any Pledgor or the Bank, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U. S. Code) (the "Act"). The Act will apply even though this Security Agreement provides that it is governed by the law of a specified state. Arbitration proceedings will be determined in accordance with the Act, the rules and procedures for the arbitration of financial services disputes of JAMS or any successor thereof ("JAMS"), and the terms of this Section. In the event of any inconsistency, the terms of this Section shall control. The arbitration shall be administered by JAMS and conducted in any United States state where real or tangible personal property collateral for this credit is located or if there is no such collateral, in Hillsborough County, Florida. All Claims shall be determined by one arbitrator. However, if Claims exceed \$1,000,000, upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within 90 days of the demand for arbitration and close within 90 days of commencement and the award of the arbitrator or arbitrators, as the case may be, shall be issued within 30 days of the close of the hearing. However, the arbitrator or arbitrators, as the case may be, upon a showing of good cause, may extend the commencement of the hearing for up to an additional 60 days. The arbitrator or arbitrators, as the case may be, shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and enforced.

(c) The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of the statute of limitations, the service on JAMS under applicable JAMS rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Security Agreement.

(d) These arbitration provisions do not limit the right of any Pledgor or the Bank to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate

judicial or nonjudicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(e) By agreeing to binding arbitration, each Pledgor and the Bank irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for each party's executing this Security Agreement. No provision in this Security Agreement or in any document related hereto regarding submission to jurisdiction or venue in any court is intended or shall be construed to be in derogation of the provisions of this Security Agreement or in any such other document for arbitration of any controversy or claim.

10. NOTICE OF FINAL AGREEMENT. THIS WRITTEN SECURITY AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

11. Waiver. IF AN EVENT OF DEFAULT SHOULD OCCUR, EACH PLEDGOR WAIVES ANY RIGHT THE PLEDGOR MAY HAVE TO NOTICE AND A HEARING BEFORE THE BANK TAKES POSSESSION OF THE COLLATERAL BY SELF-HELP, REPLEVIN, ATTACHMENT, SETOFF OR OTHERWISE.

EXECUTED and delivered as of the day and year first above written.

SAFERENT, INC.

By: /s/ John Lamson

Its: VP

EMPLOYEE HEALTH PROGRAMS, INC.

By: /s/ John Lamson

Its: VP

SUBSTANCE ABUSE MANAGEMENT, INC.

By: /s/ John Lamson

Its: VP

HIRECHECK, INC.

By: /s/ John Lamson

Its: VP

AMERICAN DRIVING RECORDS, INC.

By: /s/ John Lamson

Its: VP

FIRST AMERICAN REGISTRY, INC.

By: /s/ John Lamson

Its: VP

U.S. SEARCH.COM, INC.

By: /s/ John Lamson

Its: VP

BANK OF AMERICA, N.A.

By: /s/ David Suellau

Its: Senior Vice President

PROMISSORY NOTE

\$10,000,000.00

July 31, 2003

FOR VALUE RECEIVED, the undersigned, FIRST ADVANTAGE CORPORATION (the "Borrower"), hereby promises to pay to the order of THE FIRST AMERICAN CORPORATION (the "Lender"), a California corporation, whose address is 1 First American Way, Santa Ana, California 92707, the principal sum of Ten Million Dollars (\$10,000,000.00), together with interest on the outstanding principal balance hereof at the rate provided herein. This Note shall be governed by the following provisions:

1. Advances. The loan evidenced by this Note is a revolving loan, and the Borrower may borrow, repay and reborrow principal amounts hereunder during the term hereof subject to the terms contained herein. Notwithstanding the foregoing, the outstanding principal balance hereof shall not exceed \$10,000,000.00 at any one time.

2. Payments.

(a) The Borrower shall pay all accrued interest hereunder on the first day of each calendar month during the term hereof commencing on September 1, 2003, and continuing on the first day of each calendar month thereafter.

(b) The Borrower shall pay all outstanding principal hereunder, together with all then accrued and unpaid interest, on July 31, 2006 (the "Maturity Date").

(c) This Note will be considered renewed if and only if the Lender has sent to Borrower a written notice of renewal (the "Renewal Notice") effective as of the Maturity Date. If this Note is renewed, it will continue to be subject to all the terms and conditions set forth herein except as modified by the Renewal Notice. If this Note is renewed, the term "Maturity Date" shall mean the date set forth in the Renewal Notice as the Maturity Date and all outstanding principal plus all accrued interest shall be paid on the Maturity Date. The same process for renewal will apply to any subsequent renewal of this Note.

3. Interest.

(a) Interest shall accrue on the outstanding principal balance of this Note at the rate payable under Bank of America Line, plus 0.5% per annum; provided, however, that in the event the Bank of America Line has terminated or is otherwise not in effect, interest shall accrue at a rate equal to the Adjusted Libor Rate (as defined below) in effect on the date on which the Bank of America Line has terminated or is otherwise not in effect and shall be adjusted on each Interest Rate Adjustment Date (as defined below) so that interest shall accrue at the Adjusted Libor Rate for the Interest Period (as defined below) commencing on such Interest Rate Adjustment Date.

(b) Interest shall be calculated on the basis of a 360 day year (based upon the actual number of days elapsed) (or, at the Lender's option, on the basis of a 360-day year consisting of twelve 30-day months).

(c) The total liability of the Borrower and any endorsers or guarantors hereof for payment of interest shall not exceed any limitations imposed on the payment of interest by applicable usury laws. If any interest is received or charged by any holder hereof in excess of that amount, the Borrower shall be entitled to an immediate refund of the excess.

(d) Notwithstanding any contrary provision set forth herein, any principal of, and to the extent permitted by applicable law, any interest on this Note, and any other sum payable hereunder, that is not paid when due shall bear interest, from the date due and payable until paid, payable on demand, at a rate per annum (the "Default Rate") equal to the lesser of: (i) the rate per annum otherwise payable under Section 3(a) hereof, as applicable, plus four and a half percent (4.5%) per annum; or (ii) the highest rate permitted by law.

4. Prepayment. The Borrower shall be entitled to prepay this Note in whole or in part at any time without penalty.

5. Application of Payments. All payments hereunder shall be applied first to the Lender's costs and expenses, then to interest and then to principal.

6. Default. If any Event of Default (as defined below) or any Default (as defined below) shall occur, any obligation of the Lender to make advances hereunder shall be terminated without notice to the Borrower. In addition, if any Event of Default shall occur, the Lender may declare the outstanding principal of this Note, all accrued and unpaid interest hereunder and all other amounts payable under this Note to be forthwith due and payable. Thereupon, the outstanding principal of this Note, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower. Upon the occurrence of any Event of Default, the outstanding principal of this Note, and any accrued and unpaid interest, shall bear interest at the Default Rate.

7. Expenses. All parties liable for the payment of this Note agree to pay the Lender all costs incurred by it in connection with the collection of this Note. Such costs include, without limitation, fees for the services of counsel and legal assistants employed to collect this Note, whether or not suit be brought, and whether incurred in connection with collection, trial, appeal or otherwise. All such parties further agree to indemnify and hold the Lender harmless against liability for the payment of state documentary stamp taxes, intangible personal property taxes or other taxes (including interest and penalties, if any) excluding income or service taxes of the Lender, which may be determined to be payable with respect to this transaction.

8. Late Charge. If any scheduled payment hereunder is 15 or more days late, the Borrower shall pay a fee equal to 4% of the unpaid portion of the scheduled payment. The fee is not a penalty, but liquidated damages to defray administrative and related expenses due to such late payment. The fee shall be immediately due and payable and shall be paid by the Borrowers to the

Lender without notice or demand. This provision for a fee is not and shall not be deemed a grace period, and Lender has no obligation to accept a late payment. Further, the acceptance of a late payment shall not constitute a waiver of any default then existing or thereafter arising under this Note.

9. Miscellaneous. The Borrower shall make all payments hereunder in lawful money of the United States at the Lender's address set forth herein or at such other place as the Lender may designate in writing. The remedies of the Lender as provided herein shall be cumulative and concurrent, and may be pursued singly, successively or together, at the sole discretion of the Lender and may be exercised as often as occasion therefor shall arise. No act of omission or commission of the Lender, including specifically any failure to exercise any right, remedy or recourse, shall be effective, unless set forth in a written document executed by the Lender, and then only to the extent specifically recited therein. A waiver or release with reference to one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to any subsequent event. This Note shall be construed and enforced in accordance with Florida law and shall be binding on the successors and assigns of the parties hereto. The term "Lender" as used herein shall mean any holder of this Note. If more than one person or entity executes this Note, such persons and entities shall be jointly and severally liable hereunder. The Lender may, at its option, round any or all fractional interest rates under paragraph 3 upwards to the next higher 1/100 of 1%. The Borrower hereby: (a) waives demand, notice of demand, presentment for payment, notice of nonpayment or dishonor, protest, notice of protest and all other notice, filing of suit and diligence in collecting this Note, or in the Lender's enforcing any of its rights under any guaranties securing the repayment hereof; (b) agrees to any substitution, addition or release of any collateral or any party or person primarily or secondarily liable hereon; (c) agrees that the Lender shall not be required first to institute any suit, or to exhaust his, their or its remedies against the Borrower or any other person or party to become liable hereunder, or against any collateral in order to enforce payment of this Note and (d) consent to any extension, rearrangement, renewal or postponement of time of payment of this Note and to any other indulgency with respect hereto without notice, consent or consideration to any of them.

10. Arbitration. The Borrower, and the Lender by its acceptance hereof, agree to the following arbitration provisions:

(a) These arbitration provisions govern the resolution of any controversies or claims between the Borrower and the Lender, whether arising in contract, tort or by statute, including but not limited to controversies or claims (collectively, a "Claim") that arise out of or relate to: (i) this Note (including any renewals, restatements, extensions or modifications hereof); or (ii) any document related to this Note.

(b) At the request of the Borrower or the Lender, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U. S. Code) (the "Arbitration Act"). The Arbitration Act will apply even though this Note provides that it is governed by the law of a specified state. Arbitration proceedings will be determined in accordance with the Arbitration Act, the rules and procedures for the arbitration of financial services disputes of JAMS or any successor thereof ("JAMS"), and the terms of this Section.

In the event of any inconsistency, the terms of this Section shall control. The arbitration shall be administered by JAMS and conducted in Hillsborough County, Florida. All Claims shall be determined by one arbitrator. However, if Claims exceed \$1,000,000, upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within 90 days of the demand for arbitration and close within 90 days of commencement and the award of the arbitrator or arbitrators, as the case may be, shall be issued within 30 days of the close of the hearing. However, the arbitrator or arbitrators, as the case may be, upon a showing of good cause, may extend the commencement of the hearing for up to an additional 60 days. The arbitrator or arbitrators, as the case may be, shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and enforced.

(c) The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of the statute of limitations, the service on JAMS under applicable JAMS rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Note.

(d) These arbitration provisions do not limit the right of the Borrower or the Lender to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or nonjudicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(e) By agreeing to binding arbitration, the Borrower and the Lender irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the Borrower's executing, and the Lender's accepting, this Note. No provision in this Note or in any document related hereto regarding submission to jurisdiction or venue in any court is intended or shall be construed to be in derogation of the provisions of this Note or in any such other document for arbitration of any controversy or claim.

11. Assignment. The Lender may sell or offer to sell this Note, together with any and all documents guaranteeing, securing or executed in connection with this Note, to one or more assignees without notice to or consent of the Borrower. The Lender is hereby authorized to share any information it has pertaining to the loan evidenced by this Note, including without limitation credit information on the undersigned, any of its principals, or any guarantors of this Note, to any such assignee or prospective assignee.

12. NOTICE OF FINAL AGREEMENT. THIS WRITTEN PROMISSORY NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

13. Defined Terms.

(a) "Adjusted Libor Rate" for each Interest Period shall mean a rate that is equal to the applicable Libor Rate (as defined below) plus 1.75% per annum.

(b) "Bank of America Line" means the loan from Bank of America, N.A. (and/or its permitted assigns) to the Borrower evidenced by the Loan Agreement and other documents delivered in connection therewith, including, without limitation, that certain Promissory Note, made by Borrower in favor of Bank of America, N.A. on July 31, 2003, as amended, modified or substituted.

(c) "Banking Business Day" shall mean each day other than a Saturday, a Sunday or any holiday on which commercial banks in Orange County, California are closed for business.

(d) "Default" means the occurrence of any event or condition that would constitute an Event of Default hereunder upon the satisfaction of any requirement for notice or passage of time in connection with such event or condition.

(e) "Event of Default" mean the occurrence of any one of the following events:

(i) if the Borrower defaults in the payment of any principal, interest or other amount under this Note, either by the terms thereof or otherwise as provided herein and such default continues for a period of ten days thereafter; or

(ii) if the Borrower or any Subsidiary defaults: (i) in any payment of principal of or interest on any other obligation for borrowed money beyond any period of grace provided with respect thereto or (ii) in the performance or observance of any other agreement, term, or condition contained in any agreement under which any such obligation is created if the effect of such default is to cause, or permit the holder or holders of such obligation (or trustee on behalf of such holder or holders) to cause, such obligation to become due prior to its stated maturity, except for obligations disputed in good faith if the Lender is promptly notified thereof and, if required by GAAP, funded reserves are established; or

(iii) if any Event of Default occurs under the Loan Agreement when such Loan Agreement is in effect; or

(iv) if the Borrower or any Subsidiary makes an assignment for the benefit of creditors or is generally not paying its debts as they become due; or

(v) if any order, judgment or decree is entered under the bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction adjudicating the Borrower or any Subsidiary, bankrupt or insolvent; or

(vi) if the Borrower or any Subsidiary petitions or applies to any tribunal for, or consents to, the appointment of a trustee, receiver, custodian, liquidator, or similar official, of the Borrower or any Subsidiary or of any substantial part of the assets of the Borrower or any Subsidiary, or commences a voluntary case under the Bankruptcy Code of the United States or any proceedings relating to the Borrower or any Subsidiary, under the bankruptcy, insolvency, or moratorium law of any other jurisdiction, whether now or hereafter in effect; or

(vii) if any such petition or application is filed, or any such proceedings are commenced, against the Borrower or any Subsidiary and if the Borrower or the Subsidiary by any act indicates its approval thereof, consent thereto, or acquiescence therein, or an order is entered in an involuntary case under the Bankruptcy Code of the United States, or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator, or similar official, or approving the petition in any proceedings, and such order remains unstayed and in effect for more than 60 days; or

(viii) if any order is entered in any proceedings against the Borrower or any Subsidiary decreeing the dissolution or split-up of the Borrower or any Subsidiary or if the Borrower or any Subsidiary dissolves (or is dissolved) or its existence is terminated; or

(ix) if any judgment or judgments are entered against the Borrower or any Subsidiary, or against the Property of any such Person, in an aggregate amount in excess of \$100,000 that remains unvacated, unbonded, unstayed or unsatisfied for a period of 45 days.

(f) "GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

(g) "Interest Rate Adjustment Date" means the first Banking Business Day of the calendar month immediately following the month in which the Bank of America Line has terminated or is otherwise not effect.

(h) "Libor Rate" for each Interest Period shall mean the offered rate for deposits in United States dollars in the London Interbank market for a one month period which appears on the Libor Rate Reference Page (as defined herein) as of 11:00 a.m. (London time) on the day that is two London Banking Days (as defined herein) preceding the first calendar day of the Interest Period (as such rate may be adjusted from time to time in the Bank's sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs). If at least two such offered rates appear on the Libor Rate Reference Page, the rate will be the arithmetic mean of such offered rates.

(i) "Libor Rate Reference Page" shall mean any of the following reference pages or sources (as selected from time to time by the Bank in its discretion): (aa) the Dow Jones Telerate Page 3750; (bb) the Reuters Screen LIBO Page; or (cc) such other index or source as Lender may in its sole discretion select showing rates offered for United States dollar deposits in the London Interbank market.

(j) "Loan Agreement" means that certain Loan Agreement, made as the 31st day of July, 2003, by and between the Borrower and Bank of America, N.A., as such Loan Agreement may be amended from time to time.

(k) "London Banking Day" means each day other than a Saturday, a Sunday or any holiday on which commercial banks in London, England are closed for business.

(l) "Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

(m) "Subsidiary" means any corporation or other Person more than 50% of the outstanding ordinary voting shares or other equity interests of which is at the time directly or indirectly owned by the Borrower, by one or more of its Subsidiaries, or by the Borrower and one or more of its Subsidiaries.

FIRST ADVANTAGE CORPORATION

By: /s/ John Lamson

Name: John Lamson
Its: Executive Vice President,
Chief Financial Officer