

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): October 26, 2004

FIRST ADVANTAGE CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-50285

(Commission File Number)

61-1437565

(IRS Employer
Identification Number)

Delaware
(State or Other Jurisdiction
of incorporation)

**One Progress Plaza, Suite 2400
St. Petersburg, Florida 33701**
(Address of principal executive offices)

(727) 214-3411

(Registrant's telephone number)

Not Applicable.

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On October 26, 2004, First Advantage Corporation, a Delaware corporation, announced financial results for the quarter ended September 30, 2004. The full text of the press release issued in connection with the announcement is attached hereto as Exhibit 99.1.

The Company's earnings release contains non-GAAP financial measures. Pursuant to the requirements of Regulation G, the Company has provided reconciliations within the press release of the non-GAAP financial measures to the most directly comparable GAAP financial measures in the text of the press release.

EBITDA is presented in the earnings release. EBITDA was determined by adjusting net income (loss) for income tax, interest expense and depreciation and amortization. Although EBITDA is not a financial measure prepared in accordance with generally accepted accounting principles ("GAAP"), it is calculated and communicated by the Company because management believes it is of interest to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds.

The Company's calculation of EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view EBITDA as an alternative to the GAAP measures of net income as a measure of performance, or cash flows from operating, investing and financing activities as a measure of liquidity. In addition, EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows. Management does not intend the presentation of EBITDA to be considered in isolation or as a substitute for results prepared in accordance with GAAP.

The information in this current report and the exhibit hereto is being "furnished" pursuant to Item 2.02 of Form 8-K. As such, this information is not deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 and is not incorporated by reference into any filings with the SEC unless it shall be explicitly so incorporated into such filings.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

99.1 Earnings Press Release dated October 26, 2004

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 hereunto duly authorized.

FIRST ADVANTAGE CORPORATION

Date: October 26, 2004

By: /s/ John Lamson

Name: John Lamson
Title: Executive Vice President and
Chief Financial Officer



First Advantage

C O R P O R A T I O N

One Progress Plaza, Suite 2400, St. Petersburg, FL 33701

NEWS FOR IMMEDIATE RELEASE

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**FIRST ADVANTAGE CORPORATION REPORTS OPERATING RESULTS
 FOR THE THIRD QUARTER OF 2004 AND PROVIDES 2005 GUIDANCE**

ST. PETERSBURG, Fla., Oct. 26, 2004—**First Advantage Corporation (NASDAQ: FADV)**, a risk mitigation business solutions provider, today announced operating results for the third quarter of 2004 and provided earnings per share and revenue guidance for 2005.

First Advantage reported net income of \$4.2 million (19 cents per diluted share) for the quarter ended Sept. 30, 2004, compared with net income of \$3.2 million (15 cents per diluted share) for the quarter ended June 30, 2004. Net income for the quarter ended Sept. 30, 2003, was \$1.4 million (7 cents per diluted share).

Revenues for the company were \$71.9 million and \$68.9 million for the quarters ended Sept. 30, 2004, and June 30, 2004, respectively. First Advantage's revenue was \$47.6 million for the quarter ended Sept. 30, 2003.

Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$11.1 million and \$9.2 million for the quarters ended Sept. 30, 2004, and June 30, 2004, respectively.

"First Advantage continues to make progress toward our long-term growth goals," said John Long, chief executive officer and president. "Overall, third quarter results are in line with expectations and provide early evidence of the potential of our growth strategy. While we have accomplished a lot in a relatively short period of time, we still have much work ahead as we continue to consolidate our background and drug screening acquisitions and add new businesses to our portfolio.

"During the quarter, we welcomed several new additions to First Advantage," said Long. "The purchase of National Background Data provides us with a wholesale marketing arm to sell First Advantage products to our employment and resident screening competitors nationwide.

"BackTrack Reports, with expertise in the financial services industry, is expected to contribute scale to First Advantage's corporate due diligence services, delivered by CoreFacts, also acquired earlier in 2004.

"The Alameda Company acquisition was completed in October. This acquisition will add volume to the employment tax credits and incentives business that we entered earlier this year with the acquisition of CIC Enterprises. The recently passed middle-class tax bill (HR1308) includes Work Opportunity Tax Credits and Welfare to Work provisions that are retroactive to Jan. 1, 2004."

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With another quarter's revenue, margin and earnings growth to its credit, First Advantage management remains committed to its long-term growth strategy. Projected 2004 total revenue remains at approximately \$265 million with diluted earnings per share in the range of 46 to 52 cents in spite of anticipated historical seasonality in the Enterprise Screening segment during the fourth quarter.

For the year ending Dec. 31, 2005, First Advantage management is estimating diluted earnings per share will be in the range of 85 to 95 cents with total revenue estimated in the range of \$310 to \$325 million. Estimated earnings per share and estimated revenue for 2005 do not include the financial impact of acquisitions that may be completed in 2005.

First Advantage's third quarter results will be discussed in more detail on Tuesday, Oct. 26, 2004, at 9 a.m. EDT, via teleconference. The dial-in number is 877.989.4943 and the pass code is **advantage**. The live audio webcast of the call will be accessible from First Advantage's Web site at www.fadv.com, using conference number **8231377** and pass code **advantage** to log in from the main Investor Relations page. An audio replay of the conference call will be available through Nov. 26, 2004, by dialing 888.568.0384. An audio archive of the call will also be available for replay on First Advantage's Web site.

Summary Income Statement (Unaudited)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2004	2003	2004	2003
Service revenue	\$60,722,000	\$39,555,000	\$164,713,000	\$ 93,883,000
Reimbursed government fee revenue	11,208,000	8,079,000	33,569,000	22,723,000
Total revenue	71,930,000	47,634,000	198,282,000	116,606,000
Cost of service revenue	16,668,000	10,661,000	47,207,000	24,654,000
Government fees paid	11,208,000	8,079,000	33,569,000	22,723,000
Total cost of sales	27,876,000	18,740,000	80,776,000	47,377,000
Gross margin	44,054,000	28,894,000	117,506,000	69,229,000
Salaries and benefits	21,842,000	14,261,000	60,560,000	36,098,000
Other operating expenses	11,157,000	9,709,000	32,753,000	20,526,000
Depreciation and amortization	3,283,000	2,396,000	9,068,000	5,966,000
Income from operations	7,772,000	2,528,000	15,125,000	6,639,000
Interest (expense) income:				
Interest expense	(601,000)	(12,000)	(1,322,000)	(67,000)
Interest income	6,000	9,000	13,000	30,000
Total interest expense, net	(595,000)	(3,000)	(1,309,000)	(37,000)
Income before income taxes	7,177,000	2,525,000	13,816,000	6,602,000
Provision for income taxes	3,026,000	1,096,000	5,818,000	2,792,000
Net income	\$ 4,151,000	\$ 1,429,000	\$ 7,998,000	\$ 3,810,000

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	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2004	2003	2004	2003
Per share amounts:				
Basic earnings per share	\$.19	\$.07	\$.37	\$.19
Basic weighted-average shares outstanding	21,878,468	20,203,955	21,513,246	20,069,893
Diluted earnings per share	\$.19	\$.07	\$.37	\$.19
Diluted weighted-average shares outstanding	22,323,884	20,337,947	21,841,787	20,185,345
EBITDA calculation:				
Net income	\$ 4,151,000	\$ 1,429,000	\$ 7,998,000	\$ 3,810,000
Provision for income taxes	3,026,000	1,096,000	5,818,000	2,792,000
Interest expense	601,000	12,000	1,322,000	67,000
Depreciation and amortization	3,283,000	2,396,000	9,068,000	5,966,000
Earnings before interest, taxes, depreciation and amortization (EBITDA)*	\$11,061,000	\$ 4,933,000	\$24,206,000	\$ 12,635,000

* EBITDA is not a measure of financial performance under generally accepted accounting principles. EBITDA is used by certain investors to analyze and compare companies.

Segment Financial Information (Unaudited)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2004	2003	2004	2003
Service revenue				
Enterprise Screening	\$47,530,000	\$30,455,000	\$125,977,000	\$78,196,000
Risk Mitigation	10,714,000	4,585,000	30,159,000	10,228,000
Consumer Direct	2,815,000	4,955,000	10,011,000	6,534,000
Corporate and Eliminations	(337,000)	(440,000)	(1,434,000)	(1,075,000)
Consolidated	\$60,722,000	\$39,555,000	\$164,713,000	\$93,883,000
Income (loss) before income taxes				
Enterprise Screening	\$ 8,317,000	\$ 2,622,000	\$ 16,787,000	\$ 6,128,000
Risk Mitigation	2,089,000	1,521,000	5,260,000	4,279,000
Consumer Direct	137,000	117,000	(4,000)	135,000
Corporate and Eliminations	(3,366,000)	(1,735,000)	(8,227,000)	(3,940,000)
Consolidated	\$ 7,177,000	\$ 2,525,000	\$ 13,816,000	\$ 6,602,000
Operating margin percentage of service revenue				
Enterprise Screening	17.50%	8.61%	13.33%	7.84%
Risk Mitigation	19.50%	33.17%	17.44%	41.84%
Consumer Direct	4.87%	2.36%	-0.04%	2.07%
Corporate and Eliminations	N/A	N/A	N/A	N/A
Consolidated	11.82%	6.38%	8.39%	7.03%

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About First Advantage Corporation

First Advantage Corporation (**NASDAQ: FADV**) provides best-in-class single-source solutions for global risk mitigation and enterprise and consumer screening needs. Incorporating state-of-the-art technology, proprietary systems and data resources, First Advantage is a leading provider of employment background screening, drug-free workplace programs and other occupational health testing, employee assistance programs, resident screening, motor vehicle records, investigative services, computer forensics and electronic discovery services, supply chain security, corporate tax and incentive services, and consumer location services. First Advantage ranks among the top three companies in all of its major business lines. First Advantage is headquartered in St. Petersburg, Fla., and has more than 1,700 employees in offices throughout the United States and abroad. Further information about the company is available at www.FADV.com.

First Advantage is a majority-owned subsidiary of The First American Corporation (NYSE: FAF), a Fortune 500 company that traces its history to 1889. First American is the nation's largest data provider, supplying businesses and consumers with information resources in connection with the major economic events of people's lives. Additional information about the First American Family of Companies can be found at www.firstam.com.

Certain statements in this press release, including those related to anticipated earnings for the year ending on Dec. 31, 2004, forecasts of earnings per share for the years ending Dec. 31, 2004 and Dec. 31, 2005, respectively, forecasts of diluted earnings per share for the year ending Dec. 31, 2005, anticipated revenue for the year ending Dec. 31, 2005, the impact of future acquisitions on 2005 earnings, the ability to consolidate employment background and drug screening businesses, effects of consolidation on future earnings, ability to execute the company's long-term growth strategy, ability to sell products to employment and resident screening competitors nationwide, contribution by BackTrack Reports to corporate due diligence services, and the addition of volume to employment tax credits and incentives 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 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; the company's ability to identify suppliers of quality and cost-effective data, and other risks identified from time-to-time in the company's SEC filings. 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. Investors are advised to consult the company's filings with the SEC, including its 2003 Annual Report on Form 10-K, for a further discussion of these and other risks.

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