

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): July 25, 2006

FIRST ADVANTAGE CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

Delaware
(State or Other Jurisdiction
of incorporation)

001-31666

(Commission File Number)

61-1437565
(IRS Employer
Identification Number)

**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 July 25, 2006, First Advantage Corporation, a Delaware corporation, announced financial results for the second quarter ended June 30, 2006. 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 July 25, 2006

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: July 25, 2006

By: /s/ John Lamson

Name: John Lamson

Title: Executive Vice President and Chief Financial Officer



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NEWS FOR IMMEDIATE RELEASE

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**FIRST ADVANTAGE CORPORATION REPORTS
 OPERATING RESULTS FOR THE SECOND QUARTER OF 2006**

ST. PETERSBURG, Fla., July 25, 2006—**First Advantage Corporation (NASDAQ: FADV)**, a global risk mitigation and business solutions provider, today announced operating results for the second quarter of 2006.

First Advantage reported net income of \$16.6 million (29 cents per diluted share) for the quarter ended June 30, 2006, compared with net income of \$12.2 million (23 cents per diluted share) for the quarter ended June 30, 2005.

The company adopted the provisions of FAS 123R, "Share Based Payment", as of Jan. 1, 2006, using the modified prospective application method. Results of operations for the quarter ending June 30, 2006, include share-based compensation expense of \$3.1 million, which reduced basic and diluted earnings per share by 4 cents.

The results of operations for the comparable quarter ended June 30, 2005, included \$3.7 million of nondeductible merger costs incurred in connection with the acquisition the Credit Information Group from The First American Corporation (NYSE: FAF), \$2.0 million of costs incurred in connection with the relocation of the company's corporate headquarters and other office consolidations, and \$290,000 of costs related to the launch of the corporate branding initiative in June 2005. The total after-tax impact of these costs on results of operations for the quarter ended June 30, 2005, was to reduce net income by \$5.1 million and reduce primary and diluted earnings per share by 10 cents.

Revenues for the company were \$205.1 million and \$163.4 million for the quarters ended June 30, 2006, and June 30, 2005, respectively.

Earnings before interest, taxes, depreciation and amortization, minority interest and share-based compensation expense (adjusted EBITDA) were \$46.6 million and \$31.5 million for the quarters ended June 30, 2006, and June 30, 2005, respectively.

"First Advantage continued to perform well in the second quarter of this year, underscoring the importance of the continued execution of our strategic growth strategy," stated John Long, chief executive officer. "We are particularly pleased with our margin and EBITDA improvements. Operating margins, excluding the impact of share-based compensation expense, increased from the second quarter of 2005 in four of our operating segments: Lender Services, Dealer Services, Employer Services and Investigative and Litigation Support Services. Adjusted

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EBITDA increased by 24 percent from the second quarter of last year, excluding the impact of the merger and relocation costs incurred in that period, and improved by 18 percent from the first quarter of this year.”

Management estimates that diluted earnings per share will be in the range of 27 to 31 cents for the quarter ending Sept. 30, 2006 (30 to 34 cents excluding the impact of share-based compensation expense). Total revenue for the quarter ending Sept. 30, 2006, is expected to be between \$200 million and \$210 million. Adjusted EBITDA for the quarter ending Sept. 30, 2006, is expected to be between \$43 million and \$47 million. First Advantage is adjusting its guidance for 2006 full year diluted earnings per share, estimating it to be in the range of \$1.00 to \$1.04 (\$1.14 to \$1.18 per share excluding the impact of share based compensation expense).

First Advantage’s second quarter 2006 results will be discussed in more detail on **Tuesday, July 25, 2006**, at 5:00 p.m. EDT, via teleconference and webcast. The teleconference dial-in number is 888.566.0007 within the U.S. and 312.470.0008 outside the U.S. The teleconference pass code is “Advantage”. The live audio webcast of the call will be accessible from the Investor Relations section of First Advantage’s Web site at www.FADV.com. An audio replay of the teleconference call will be available through Aug. 1, 2006, by dialing 866.428.3801 within the U.S., or 203.369.0902 outside the U.S. An audio archive of the webcast will also be available for replay on First Advantage’s Web site following the call.

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Summary Consolidated Income Statement (Unaudited)

(In thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Service revenue	\$191,740	\$151,171	\$372,959	\$279,276
Reimbursed government fee revenue	13,383	12,253	26,512	24,469
Total revenue	205,123	163,424	399,471	303,745
Cost of service revenue	59,153	45,770	115,742	83,932
Government fees paid	13,383	12,253	26,512	24,469
Total cost of sales	72,536	58,023	142,254	108,401
Gross margin	132,587	105,401	257,217	195,344
Salaries and benefits	58,746	44,387	117,380	83,662
Facilities and telecommunications	7,529	7,776	14,580	12,836
Other operating expenses	23,500	22,349	46,051	37,610
Depreciation and amortization	9,518	6,645	18,728	12,400
Income from operations	33,294	24,244	60,478	48,836
Interest (expense) income:				
Interest expense	(3,250)	(1,466)	(6,491)	(2,535)
Interest income	162	14	302	26
Interest (expense) income, net	(3,088)	(1,452)	(6,189)	(2,509)
Equity in earnings of investee	551	485	660	952
Income before income taxes and minority interest	30,757	23,277	54,949	47,279
Provision for income taxes	13,387	11,083	23,887	21,093
Income before minority interest	17,370	12,194	31,062	26,186
Minority interest	733	(25)	1,680	(25)
Net income	\$ 16,637	\$ 12,219	\$ 29,382	\$ 26,211
Per share amounts:				
Basic earnings per share	\$.29	\$.23	\$.52	\$.50
Basic weighted-average shares outstanding	57,730	52,828	56,868	52,599
Diluted earnings per share	\$.29	\$.23	\$.51	\$.50
Diluted weighted-average shares outstanding	57,929	53,226	58,019	52,935
EBITDA and adjusted EBITDA calculation:				
Net income	\$ 16,637	\$ 12,219	\$ 29,382	\$ 26,211
Provision for income taxes	13,387	11,083	23,887	21,093
Minority interest	733	(25)	1,680	(25)
Interest expense	3,250	1,466	6,491	2,535
Depreciation and amortization	9,518	6,645	18,728	12,400
Earnings before interest, taxes, depreciation and amortization (EBITDA)*	\$ 43,525	\$ 31,388	\$ 80,168	\$ 62,214
Share based compensation expense	3,112	95	5,962	127
Adjusted EBITDA	\$ 46,637	\$ 31,483	\$ 86,130	\$ 62,341

* EBITDA and adjusted EBITDA are not measures of financial performance under generally accepted accounting principles. EBITDA and adjusted EBITDA are used by certain investors to analyze and compare companies.

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Segment Financial Information (Unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2006 As Reported	2006 Proforma w/o Stock Based Comp	2005	2006 As Reported	2006 Proforma w/o Stock Based Comp	2005
(In thousands, except percentages)						
Service revenue						
Lender Services	\$ 45,649	\$ 45,649	\$ 45,853	\$ 90,951	\$ 90,951	\$ 85,056
Data Services	35,278	35,278	20,864	71,159	71,159	39,760
Dealer Services	31,168	31,168	23,540	60,797	60,797	43,033
Employer Services	46,840	46,840	36,891	86,502	86,502	66,779
Multifamily Services	18,759	18,759	17,088	35,452	35,452	31,589
Investigative & Litigation Support Services	15,069	15,069	7,899	30,115	30,115	14,905
Corporate	(1,023)	(1,023)	(964)	(2,017)	(2,017)	(1,846)
Consolidated	\$ 191,740	\$ 191,740	\$ 151,171	\$ 372,959	\$ 372,959	\$ 279,276
Income (Loss) from operations						
Lender Services	\$ 14,385	\$ 14,569	\$ 12,844	\$ 27,866	\$ 28,225	\$ 24,625
Data Services	9,267	9,530	7,465	18,902	19,392	13,750
Dealer Services	4,973	5,085	3,162	8,901	9,107	6,558
Employer Services	5,663	6,096	3,859	8,001	8,892	6,203
Multifamily Services	4,886	5,137	5,677	8,090	8,572	9,332
Investigative & Litigation Support Services	3,087	3,278	494	6,156	6,464	679
Corporate	(8,967)	(7,289)	(9,257)	(17,438)	(14,212)	(12,311)
Consolidated	\$ 33,294	\$ 36,406	\$ 24,244	\$ 60,478	\$ 66,440	\$ 48,836
Operating margin percentage of service revenue						
Lender Services	31.51%	31.92%	28.01%	30.64%	31.03%	28.95%
Data Services	26.27%	27.01%	35.78%	26.56%	27.25%	34.58%
Dealer Services	15.96%	16.31%	13.43%	14.64%	14.98%	15.24%
Employer Services	12.09%	13.01%	10.46%	9.25%	10.28%	9.29%
Multifamily Services	26.05%	27.38%	33.22%	22.82%	24.18%	29.54%
Investigative & Litigation Support Services	20.49%	21.75%	6.25%	20.44%	21.46%	4.56%
Corporate	N/A	N/A	N/A	N/A	N/A	N/A
Consolidated	17.36%	18.99%	16.04%	16.22%	17.81%	17.49%

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About First Advantage Corporation

First Advantage Corporation (NASDAQ: FADV) combines industry expertise with information to create products and services that organizations worldwide use to make smarter business decisions. First Advantage is a leading provider of consumer credit information in the mortgage, automotive and subprime markets; business credit information in the transportation industry; lead generation services; motor vehicle record reports; supply chain security consulting; employment background verifications; occupational health services; applicant tracking systems; recruiting solutions; skills and behavioral assessments; business tax consulting services; insurance fraud, corporate and litigation investigations; surveillance; computer forensics; electronic discovery; data recovery; due diligence reporting; resident screening; property management software; renters insurance and consumer location services. First Advantage ranks among the top companies in all of its major business lines. First Advantage is headquartered in St. Petersburg, Fla., and has more than 4,300 employees in offices throughout the United States and abroad. More information about First Advantage can be found 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 America's largest provider of business information, supplying businesses and consumers with valuable information products to support 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 estimated diluted earnings per share in third quarter 2006, revenue for third quarter 2006, adjusted EBITDA for third quarter 2006 and full year 2006 estimated diluted earnings per share (all excluding the impact of stock-based compensation expense) 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 made. Investors are advised to consult the company's filings with the SEC, including its 2005 Annual Report on Form 10-K and subsequent amendments, for a further discussion of these and other risks.

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