
**UNITED STATES
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 September 30, 2004

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)

Incorporated in Delaware
(State or other jurisdiction of
incorporation or organization)

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

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

(727) 214-3411
(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), 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 7,214,837 shares of outstanding Class A Common Stock of the registrant as of November 4, 2004.

There were 16,027,086 shares of outstanding Class B Common Stock of the registrant as of November 4, 2004.

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements -****First Advantage Corporation****Consolidated Balance Sheets (Unaudited)**

	September 30, 2004	December 31, 2003
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,803,000	\$ 5,637,000
Accounts receivable (less allowance for doubtful accounts of \$1,737,000 and \$1,327,000 in 2004 and 2003, respectively)	47,350,000	23,672,000
Income taxes receivable	—	1,282,000
Prepaid expenses and other current assets	2,806,000	2,512,000
Total current assets	55,959,000	33,103,000
Property and equipment, net	20,257,000	19,719,000
Goodwill	286,563,000	204,710,000
Intangible assets, net	32,362,000	18,528,000
Database development costs, net	8,041,000	7,162,000
Other assets	1,434,000	678,000
Total assets	\$ 404,616,000	\$ 283,900,000
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 6,115,000	\$ 4,211,000
Accrued compensation	11,193,000	9,373,000
Accrued liabilities	13,694,000	6,327,000
Due to affiliates	839,000	992,000
Income taxes payable	2,473,000	—
Current portion of long-term debt and capital leases	12,717,000	7,231,000
Total current liabilities	47,031,000	28,134,000
Long-term debt and capital leases, net of current portion	70,763,000	13,473,000
Deferred income taxes	4,061,000	—
Other liabilities	2,636,000	1,957,000
Total liabilities	124,491,000	43,564,000
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; 6,771,308 and 4,866,362 shares issued and outstanding as of September 30, 2004 and December 31, 2003, respectively	7,000	5,000
Class B common stock, \$.001 par value; 25,000,000 shares authorized; 16,027,286 shares issued and outstanding as of September 30, 2004 and December 31, 2003	16,000	16,000
Additional paid-in capital	264,749,000	233,101,000
Retained earnings	15,212,000	7,214,000
Accumulated other comprehensive income	141,000	—
Total stockholders' equity	280,125,000	240,336,000
Total liabilities and stockholders' equity	\$ 404,616,000	\$ 283,900,000

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

[Table of Contents](#)**First Advantage Corporation****Consolidated Statements of Income (Unaudited)**

	For the Three Months Ended September 30,		For the Nine Months Ended September 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 service	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
Total operating expenses	36,282,000	26,366,000	102,381,000	62,590,000
Income from operations	7,772,000	2,528,000	15,125,000	6,639,000
Other (expense) income:				
Interest expense	(601,000)	(12,000)	(1,322,000)	(67,000)
Interest income	6,000	9,000	13,000	30,000
Total other (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
Per share amounts:				
Basic and diluted	\$ 0.19	\$ 0.07	\$ 0.37	\$ 0.19
Weighted-average common shares outstanding:				
Basic	21,878,468	20,203,955	21,513,246	20,069,893
Diluted	22,323,884	20,337,947	21,841,787	20,185,345

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

[Table of Contents](#)**First Advantage Corporation****Consolidated Statement of Changes in Stockholders' Equity
For the Nine Months Ended September 30, 2004 (Unaudited)**

	<u>Common Stock Shares</u>	<u>Common Stock Amount</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total</u>
Balance at December 31, 2003	20,893,648	\$21,000	\$233,101,000	\$ 7,214,000	\$ —	\$ 240,336,000
Net income		—	—	7,998,000	—	7,998,000
Class A Shares issued in connection with acquisitions	1,112,432	1,000	19,179,000	—	—	19,180,000
Class A Shares issued in connection with stock option plan and employee stock purchase plan	229,257	—	3,509,000	—	—	3,509,000
Class A Shares issued in connection with convertible notes	563,257	1,000	8,960,000	—	—	8,961,000
Other comprehensive income		—	—	—	141,000	141,000
Balance at September 30, 2004	<u>22,798,594</u>	<u>\$23,000</u>	<u>\$264,749,000</u>	<u>\$ 15,212,000</u>	<u>\$ 141,000</u>	<u>\$ 280,125,000</u>

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

[Table of Contents](#)**First Advantage Corporation****Consolidated Statements of Cash Flows****For the Nine Months Ended September 30, 2004 and 2003 (Unaudited)**

	For the Nine Months Ended September 30,	
	2004	2003
Cash flows from operating activities:		
Net income	\$ 7,998,000	\$ 3,810,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,068,000	5,966,000
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(14,742,000)	(4,520,000)
Prepaid expenses and other current assets	(9,000)	24,000
Other assets	(581,000)	378,000
Accounts payable	256,000	(4,940,000)
Accrued liabilities	2,531,000	372,000
Due (from) to affiliates	(238,000)	563,000
Income taxes	4,845,000	88,000
Accrued compensation and other liabilities	226,000	1,398,000
Net cash provided by operating activities	9,354,000	3,139,000
Cash flows from investing activities:		
Database development costs	(2,123,000)	(1,649,000)
Purchases of property and equipment	(3,848,000)	(2,450,000)
Cash paid for acquisitions	(49,970,000)	(8,524,000)
Cash balance of companies acquired	3,212,000	1,429,000
Net cash used in investing activities	(52,729,000)	(11,194,000)
Cash flows from financing activities:		
Proceeds from long-term debt	57,000,000	6,500,000
Repayment of long-term debt	(16,968,000)	(2,836,000)
Cash contributions from First American	—	5,269,000
Proceeds from class A shares issued in connection with stock option plan and employee stock purchase plan	3,509,000	15,000
Net cash provided by financing activities	43,541,000	8,948,000
Increase in cash and cash equivalents	166,000	893,000
Cash and cash equivalents at beginning of period	5,637,000	6,514,000
Cash and cash equivalents at end of period	\$ 5,803,000	\$ 7,407,000
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 1,203,000	\$ 51,000
Cash paid for income taxes	\$ 176,000	\$ —
Non-cash investing and financing activities:		
Class A shares issued in connection with acquisitions	\$ 19,180,000	\$ 13,030,000
Class A shares issued in connection with convertible notes	\$ 8,961,000	\$ —
Notes issued in connection with acquisitions	\$ 30,819,000	\$ 9,200,000
Operations contributed by First American	\$ —	\$ 10,697,000
Shares issued in connection with US SEARCH.com acquisition	\$ —	\$ 60,167,000

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

First Advantage Corporation

**Notes to Consolidated Financial Statements
September 30, 2004 and 2003 (Unaudited)**

1. Organization and Nature of Business

In June 2003, First Advantage Corporation (the "Company"), a 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 included HireCheck, Inc., First American Registry, Inc., Substance Abuse Management, Inc., American Driving Records, Inc., Employee Health Programs, Inc., and SafeRent, Inc. First American owns approximately 70% of the shares of capital stock of the Company as of September 30, 2004. 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.

The Company operates in three primary business segments: Enterprise Screening, Risk Mitigation and Consumer Direct. The Enterprise Screening segment includes employment background screening, occupational health services, resident screening services and tax incentives. The Risk Mitigation segment includes motor vehicle records and investigative services. The Consumer Direct segment provides consumers with a single, comprehensive access point to a broad range of information to assist them in locating people and other public data searches.

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 statement of the results for the interim period. This report should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2003 filed with the Securities and Exchange Commission.

First Advantage completed two acquisitions during the third quarter of 2004. The Company's operating results for the three and nine months ended September 30, 2004 include results for the acquired entities from their respective dates of acquisition. The Company's operating results for the three and nine months ended September 30, 2003 include results for the FAST division from January 1, 2003 and the results for US SEARCH.com from June 1, 2003.

Operating results for the three and nine months ended September 30, 2004 and 2003 are not necessarily indicative of the results that may be expected for the entire fiscal year.

Reclassifications

Certain amounts in our prior period condensed consolidated financial statements have been reclassified from salaries and benefits, and other operating expenses to cost of sales in order to conform with the current period's presentation.

[Table of Contents](#)**First Advantage Corporation****Notes to Consolidated Financial Statements
September 30, 2004 and 2003 (Unaudited)***Comprehensive Income*

Comprehensive income is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net Income	\$ 4,151,000	\$ 1,429,000	\$ 7,998,000	\$ 3,810,000
Other comprehensive income:				
Foreign currency translation adjustments	130,000	—	141,000	—
Comprehensive Income	\$ 4,281,000	\$ 1,429,000	\$ 8,139,000	\$ 3,810,000

Impairment of Intangible and Long-Lived Assets

First Advantage carries intangible and long-lived assets at cost less accumulated amortization. Accounting standards require that assets be written down if they become impaired. Intangible and long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset is not recoverable. At such time that an impairment in value of an intangible or long-lived asset is identified, the impairment will be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Fair value is determined by employing an expected present value technique, which utilizes multiple cash flow scenarios that reflect the range of possible outcomes and an appropriate discount rate.

Stock Based Compensation Plan

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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net income, as reported	\$ 4,151,000	\$ 1,429,000	\$ 7,998,000	\$ 3,810,000
Less: stock based compensation expense, net of tax	820,000	580,000	2,502,000	712,000
Pro forma net income	\$ 3,331,000	\$ 849,000	\$ 5,496,000	\$ 3,098,000
Earnings per share:				
Basic, as reported	\$ 0.19	\$ 0.07	\$ 0.37	\$ 0.19
Basic, pro forma	\$ 0.15	\$ 0.04	\$ 0.26	\$ 0.15
Diluted, as reported	\$ 0.19	\$ 0.07	\$ 0.37	\$ 0.19
Diluted, pro forma	\$ 0.15	\$ 0.04	\$ 0.25	\$ 0.15

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First Advantage Corporation

Notes to Consolidated Financial Statements

September 30, 2004 and 2003 (Unaudited)

3. Acquisitions

During the first quarter of 2004, the Company acquired Quantitative Risk Solutions LLC, Proudfoot Reports Incorporated, MVR's, Inc., Background Information Systems, Inc., Infocheck Ltd. and Landlord Protect, Inc. During the second quarter of 2004, the Company acquired U.D. Registry, Inc., CoreFacts, LLC, Realeum, Inc. and created a new subsidiary, CIC Enterprises, LLC, which acquired substantially all of the assets of CIC Enterprises, Inc., STEPS, Inc., and Horton, Inc. During the third quarter 2004, the Company acquired BackTrack Reports, Inc. and National Background Data, LLC. These acquisitions have been included in the Company's Enterprise Screening and Risk Mitigation segments. The preliminary allocation of the purchase price is based upon estimates of the assets and liabilities acquired in accordance with Statement of Financial Accounting Standards ("SFAS") No. 141. The allocations may be revised in 2004. The acquisition of these companies is based on management's consideration of past and expected future performance as well as the potential strategic fit with the long-term goals of the Company. The expected long-term growth, market position and expected synergies to be generated by inclusion of these companies are the primary factors which gave rise to an acquisition price which resulted in the recognition of goodwill.

In connection with the acquisition of CIC Enterprises, LLC, up to \$14 million of additional purchase price was contingent upon the renewal by the United States government of the Work Opportunity Tax Credit (WOTC) program or a similar program. The Working Families Tax Relief Act of 2004 became law on October 4, 2004. The Act extended the WOTC program through 2005. The additional consideration that is comprised of \$11 million of subordinated debt and \$3 million of stock was released from escrow on November 2, 2004.

Convertible promissory notes totaling \$8,722,000 had been issued in connection with the acquisitions of CoreFacts, LLC, Realeum, Inc. and CIC Enterprises, LLC. In September 2004, the debt was converted into 563,257 shares of Class A common stock.

The aggregate purchase price of acquisitions completed during 2004 is as follows:

Cash	\$49,970,000
Notes	30,819,000
Stock	19,180,000
	<hr/>
Purchase price	\$99,969,000
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The preliminary allocation of the aggregate purchase price of these acquisitions is as follows:

Goodwill	\$81,608,000
Identifiable intangible assets	16,183,000
Net assets acquired	2,178,000
	<hr/>
	\$99,969,000
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First Advantage Corporation

Notes to Consolidated Financial Statements

September 30, 2004 and 2003 (Unaudited)

Unaudited pro forma results of operations assuming all acquisitions were consummated on January 1, 2003 are as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2004	2003	2004	2003
Total revenue	\$ 74,038,000	\$ 71,022,000	\$ 216,282,000	\$ 201,074,000
Net income	\$ 4,186,000	\$ 1,312,000	\$ 8,788,000	\$ 246,000
Earnings per share:				
Basic and diluted	\$ 0.18	\$ 0.06	\$ 0.39	\$ 0.01
Weighted-average common shares outstanding:				
Basic	22,795,943	22,542,363	22,674,707	22,542,363
Diluted	22,869,760	22,676,355	22,835,574	22,657,505

The changes in the carrying amount of goodwill, by operating segment, are as follows for the nine months ended September 30, 2004:

	Enterprise Screening	Risk Mitigation	Consumer Direct	Consolidated
Balance, at December 31, 2003	\$ 115,595,000	\$ 63,539,000	\$ 25,576,000	\$ 204,710,000
Acquisitions	57,871,000	23,737,000	—	81,608,000
Adjustments to net assets acquired	(71,000)	289,000	27,000	245,000
Balance, at September 30, 2004	\$ 173,395,000	\$ 87,565,000	\$ 25,603,000	\$ 286,563,000

The changes in the carrying amount of intangible assets are as follows for the nine months ended September 30, 2004:

	Intangible Assets
Balance, at December 31, 2003	\$ 18,528,000
Acquisitions	16,183,000
Amortization	(2,349,000)
Balance, at September 30, 2004	\$ 32,362,000

Amortization expense totaled \$2,349,000 and \$831,000 for the nine months ended September 30, 2004 and 2003, respectively.

First Advantage Corporation**Notes to Consolidated Financial Statements****September 30, 2004 and 2003 (Unaudited)****4. Debt**

Long-term debt consists of the following at September 30, 2004:

Acquisition notes:	
Weighted average interest rate of 3.9% with maturities through 2007	\$ 25,859,000
Bank notes:	
\$20 million Loan Agreement, interest at 30-day LIBOR plus 1.25% (3.08% at September 30, 2004), matures July 2006	11,500,000
\$25 million Line of Credit, interest at 30-day LIBOR plus 1.39% (3.22% at September 30, 2004), matures March 2007	25,000,000
Promissory Notes with First American:	
\$10 million revolving loan, interest at 30-day LIBOR plus 1.75% (3.58% at September 30, 2004), matures July 2006	6,500,000
\$20 million revolving loan, interest at 30-day LIBOR plus 1.75% (3.58% at September 30, 2004), matures July 2006	14,000,000
Promissory Note (related to US SEARCH.com acquisition):	
Interest rate of 5%, principal and interest payments monthly of \$127,000, matures December 2004	377,000
Capital leases and other debt:	
Various interest rates with maturities through 2006	244,000
Total long-term debt and capital leases	83,480,000
Less current portion of long-term debt and capital leases	12,717,000
Long-term debt and capital leases, net of current portion	\$ 70,763,000

On March 18, 2004, the Company entered into a three year \$25 million unsecured revolving line of credit with a bank (the "Line of Credit"). The Line of Credit is guaranteed by First American. The Line of Credit bears interest at a rate equal to the 30-day LIBOR Rate plus an applicable margin ranging from 1.29% per annum to 2.29% per annum. Accrued interest is payable monthly.

On April 27, 2004, the Company entered into a Promissory Note with First American. The loan evidenced by the Promissory Note is a \$20 million unsecured revolving loan, with interest payable monthly. The principal balance of the Promissory Note is due on July 31, 2006. The Promissory Note is subordinated to the bank Loan Agreement and Line of Credit and bears interest at the rate payable under the \$20 million bank Loan Agreement plus 0.5% per annum. At September 30, 2004, the Company was in compliance with the financial covenants of its Loan Agreement.

On September 7, 2004 the Company amended its Loan Agreement ("Amended Loan Agreement"). As part of the amendment, the Company's available borrowings thereunder were increased from \$15 million to \$20 million with a two year maturity date of July 31, 2006. The Amended Loan Agreement is secured by a security interest in the Company's accounts receivable, as well as the accounts receivable of certain subsidiaries.

[Table of Contents](#)**First Advantage Corporation****Notes to Consolidated Financial Statements****September 30, 2004 and 2003 (Unaudited)****5. Earnings Per Share**

A reconciliation of earnings per share and weighted-average shares outstanding is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net Income - numerator for basic earnings per share	\$ 4,151,000	\$ 1,429,000	\$ 7,998,000	\$ 3,810,000
Interest on convertible notes, net of tax	40,000	—	81,000	—
Net Income - numerator for fully diluted earnings per share	\$ 4,191,000	\$ 1,429,000	\$ 8,079,000	\$ 3,810,000
Denominator:				
Weighted-average shares for basic earnings per share	21,878,468	20,203,955	21,513,246	20,069,893
Effect of dilutive securities				
Employee stock options and warrants	73,816	133,992	160,868	115,452
Convertible notes	371,600	—	167,673	—
Denominator for diluted earnings per share	22,323,884	20,337,947	21,841,787	20,185,345
Earnings per share:				
Basic	\$ 0.19	\$ 0.07	\$ 0.37	\$ 0.19
Diluted	\$ 0.19	\$ 0.07	\$ 0.37	\$ 0.19

For the three months ended September 30, 2004 and 2003 options and warrants totaling 2,163,305 and 1,729,732, respectively, were excluded from the weighted average diluted shares outstanding as they were antidilutive. For the nine months ended September 30, 2004 and 2003 options and warrants totaling 1,853,676 and 1,221,052, respectively, were excluded, as they were antidilutive.

6. Segment Information

The Company operates in three primary business segments: Enterprise Screening, Risk Mitigation and Consumer Direct.

The Enterprise Screening segment includes employment background screening, occupational health services, resident screening services and tax incentives. Products and services relating to employment background screening include criminal records searches, employment and education verification, social security number verification and credit reporting. Occupational health services include drug-free workplace programs, physical examinations and employee assistance programs. Resident screening services include criminal background and eviction searches, credit reporting, employment verification and lease performance and payment histories. Tax incentives specialize in the identification and processing of tax and incentive credits, sales and use-tax services, transportation tax services and tax consulting services. Revenue for the Enterprise Screening segment includes \$8,000 and \$32,000 of sales to the Consumer Direct segment for the three and nine months ended September 30, 2004, respectively.

First Advantage Corporation

Notes to Consolidated Financial Statements

September 30, 2004 and 2003 (Unaudited)

The Risk Mitigation segment includes motor vehicle records and investigative services. Products and services provided by the Risk Mitigation segment include: driver history reports, vehicle registration, financial responsibility filings, surveillance services, statements and field interviews and due diligence reports. Revenue for the Risk Mitigation segment includes \$226,000 and \$427,000 of sales to the Enterprise Screening segment for the three months ended September 30, 2004 and 2003, respectively, and \$1,283,000 and \$1,062,000 of sales for the nine months ended September 30, 2004 and 2003, respectively.

The Consumer Direct segment provides consumers with a single, comprehensive access point to a broad range of information to assist them in locating people and other public data searches. Revenue for the Consumer Direct segment includes \$4,000 and \$93,000 of sales to the Enterprise Screening segment for the three months ended September 30, 2004 and 2003, respectively, and \$86,000 and \$124,000 of sales for the nine months ended September 30, 2004 and 2003, respectively.

The elimination of inter-segment revenue and cost of service revenue is included in Corporate. These transactions are recorded at cost.

[Table of Contents](#)**First Advantage Corporation****Notes to Consolidated Financial Statements****September 30, 2004 and 2003 (Unaudited)**

The following table sets forth segment information for the three and nine months ended September 30, 2004 and 2003.

	<u>Revenue</u>	<u>Depreciation and Amortization</u>	<u>Income (Loss) Before Income Taxes</u>	<u>Assets</u>
<u>Three Months Ended September 30, 2004</u>				
Enterprise Screening	\$ 50,310,000	\$ 2,144,000	\$ 8,317,000	\$253,717,000
Risk Mitigation	19,142,000	553,000	2,089,000	112,274,000
Consumer Direct	2,815,000	563,000	137,000	30,663,000
Corporate and Eliminations	(337,000)	23,000	(3,366,000)	7,962,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Consolidated	\$ 71,930,000	\$ 3,283,000	\$ 7,177,000	\$404,616,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Three Months Ended September 30, 2003</u>				
Enterprise Screening	\$ 31,715,000	\$ 1,541,000	\$ 2,622,000	\$155,088,000
Risk Mitigation	11,404,000	188,000	1,521,000	74,381,000
Consumer Direct	4,955,000	667,000	117,000	53,927,000
Corporate and Eliminations	(440,000)	—	(1,735,000)	2,703,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Consolidated	\$ 47,634,000	\$ 2,396,000	\$ 2,525,000	\$286,099,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Nine Months Ended September 30, 2004</u>				
Enterprise Screening	\$133,793,000	\$ 5,909,000	\$ 16,787,000	\$253,717,000
Risk Mitigation	55,912,000	1,413,000	5,260,000	112,274,000
Consumer Direct	10,011,000	1,694,000	(4,000)	30,663,000
Corporate and Eliminations	(1,434,000)	52,000	(8,227,000)	7,962,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Consolidated	\$198,282,000	\$ 9,068,000	\$ 13,816,000	\$404,616,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Nine Months Ended September 30, 2003</u>				
Enterprise Screening	\$ 81,217,000	\$ 4,564,000	\$ 6,128,000	\$155,088,000
Risk Mitigation	29,930,000	502,000	4,279,000	74,381,000
Consumer Direct	6,534,000	900,000	135,000	53,927,000
Corporate and Eliminations	(1,075,000)	—	(3,940,000)	2,703,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Consolidated	\$116,606,000	\$ 5,966,000	\$ 6,602,000	\$286,099,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. Subsequent Events

On October 11, 2004, the Company acquired substantially all of the assets of the Business Tax Credit Corporation d/b/a The Alameda Company, under the terms of an asset purchase agreement. In consideration for the purchase of the assets, the Company paid the sellers an aggregate purchase price of \$7.6 million comprised of \$2.5 million in cash and \$5.1 million of subordinated notes.

[Table of Contents](#)**First Advantage Corporation****Notes to Consolidated Financial Statements
September 30, 2004 and 2003 (Unaudited)**

On November 3, 2004, the Company acquired CompuNet Credit Services, Inc. under the terms of the purchase agreement. In consideration for the purchase of the assets, the Company paid the sellers an aggregate purchase price of \$18 million comprised of \$5 million in cash, \$9 million in subordinated notes, and \$4 million of the Company's Class A common stock.

Unaudited pro forma results of operations assuming all acquisitions to date were consummated on January 1, 2003 are as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2004	2003	2004	2003
Total revenue	\$ 75,823,000	\$ 73,364,000	\$ 222,554,000	\$ 207,067,000
Net income	\$ 4,266,000	\$ 1,740,000	\$ 9,545,000	\$ 908,000
Earnings per share:				
Basic	\$ 0.19	\$ 0.08	\$ 0.42	\$ 0.04
Diluted	\$ 0.19	\$ 0.08	\$ 0.42	\$ 0.04
Weighted-average common shares outstanding:				
Basic	23,045,133	22,791,553	22,923,897	22,791,553
Diluted	23,118,950	22,925,545	23,084,764	22,906,695

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Note of Caution Regarding Forward Looking Statements

Certain statements in this quarterly report on Form 10-Q relate to future results of the Company and are considered “forward-looking statements”. These statements, which may be expressed in a variety of ways, including the use of future or present tense language, relate to among other things, sufficiency and availability of cash flows and other sources of liquidity, current levels of operations, anticipated growth, future market positions, synergies from integration, ability to execute its growth strategy, levels of capital expenditures and ability to satisfy current debt. These forward-looking statements, and others forward-looking statements contained in other public disclosures of the Company are based on assumptions that involve risks and uncertainties, and that are subject to change based on various important factors (some of which are beyond the Company’s control). 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 to 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 factors described in this quarterly report on Form 10-Q. Actual results may differ materially from those expressed or implied as a result of these risks and uncertainties. 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS**

Overview

First Advantage Corporation (Nasdaq: FADV) ("First Advantage" or the "Company") was created by the June 5, 2003 merger of The First American Corporation's Screening Technologies ("FAST") division with US SEARCH.com Inc. ("US SEARCH"). First Advantage provides global risk management screening services to enterprise and consumer customers. The Company operates in three primary business segments: Enterprise Screening, Risk Mitigation and Consumer Direct. First Advantage is headquartered in St. Petersburg, Florida, and has more than 1,700 employees in offices throughout the United States and abroad. Since its formation, First Advantage has acquired 22 companies as of September 30, 2004 and completed two of those acquisitions in the third quarter of 2004.

Operating results for the three and nine months ended September 30, 2004 included total revenue of \$71.9 million and \$198.3 million, respectively, representing an increase of 51% and 70% over the same periods in 2003. Net income for the three and nine months ended September 30, 2004 was \$4.2 million and \$8.0 million, respectively. Net income increased \$2.7 million and \$4.2 million for the three and nine months ended September 30, 2004 in comparison to the same periods in 2003.

Critical Accounting Policies

Critical accounting policies are those policies used in the preparation of the company's financial statements that require management to make estimates and judgments that affect the reported amounts of certain assets, liabilities, revenues, expenses and related disclosure of contingencies. A summary of these policies can be found in Management's Discussion and Analysis in the Company's Annual Report on Form 10-K for year ended December 31, 2003.

The following is a summary of the operating results by the Company's business segments for the three months ended September 30, 2004 and 2003 and for the nine months ended September 30, 2004 and 2003.

Three Months Ended September 30, 2004	Enterprise Screening	Risk Mitigation	Consumer Direct	Corporate and Eliminations	Total
Service revenue	\$47,529,000	\$10,715,000	\$2,815,000	\$ (337,000)	\$60,722,000
Reimbursed government fee revenue	2,781,000	8,427,000	—	—	11,208,000
Total revenue	50,310,000	19,142,000	2,815,000	(337,000)	71,930,000
Cost of service revenue	12,886,000	3,895,000	224,000	(337,000)	16,668,000
Government fees paid	2,781,000	8,427,000	—	—	11,208,000
Total cost of service	15,667,000	12,322,000	224,000	(337,000)	27,876,000
Gross margin	34,643,000	6,820,000	2,591,000	—	44,054,000
Salaries and benefits	16,197,000	2,908,000	549,000	2,188,000	21,842,000
Other operating expenses	7,982,000	1,270,000	1,342,000	563,000	11,157,000
Depreciation and amortization	2,144,000	553,000	563,000	23,000	3,283,000
Income (loss) from operations	8,320,000	2,089,000	137,000	(2,774,000)	7,772,000
Gross margin percentage of service revenue	72.9%	63.6%	92.0%	N/A	72.6%

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	Enterprise Screening	Risk Mitigation	Consumer Direct	Corporate and Eliminations	Total
Three Months Ended September 30, 2003					
Service revenue	\$ 30,455,000	\$ 4,585,000	\$ 4,955,000	\$ (440,000)	\$ 39,555,000
Reimbursed government fee revenue	1,260,000	6,819,000	—	—	8,079,000
Total revenue	31,715,000	11,404,000	4,955,000	(440,000)	47,634,000
Cost of service revenue	9,388,000	1,191,000	522,000	(440,000)	10,661,000
Government fees paid	1,260,000	6,819,000	—	—	8,079,000
Total cost of service	10,648,000	8,010,000	522,000	(440,000)	18,740,000
Gross margin	21,067,000	3,394,000	4,433,000	—	28,894,000
Salaries and benefits	10,959,000	1,144,000	1,273,000	885,000	14,261,000
Other operating expenses	5,945,000	538,000	2,376,000	850,000	9,709,000
Depreciation and amortization	1,541,000	188,000	667,000	—	2,396,000
Income (loss) from operations	2,622,000	1,524,000	117,000	(1,735,000)	2,528,000
Gross margin percentage of service revenue	69.2%	74.0%	89.5%	N/A	73.0%
Nine Months Ended September 30, 2004					
Service revenue	\$125,977,000	\$30,159,000	\$10,011,000	\$(1,434,000)	\$164,713,000
Reimbursed government fee revenue	7,816,000	25,753,000	—	—	33,569,000
Total revenue	133,793,000	55,912,000	10,011,000	(1,434,000)	198,282,000
Cost of service revenue	36,084,000	11,779,000	778,000	(1,434,000)	47,207,000
Government fees paid	7,816,000	25,753,000	—	—	33,569,000
Total cost of service	43,900,000	37,532,000	778,000	(1,434,000)	80,776,000
Gross margin	89,893,000	18,380,000	9,233,000	—	117,506,000
Salaries and benefits	44,328,000	8,088,000	2,052,000	6,092,000	60,560,000
Other operating expenses	22,836,000	3,614,000	5,493,000	810,000	32,753,000
Depreciation and amortization	5,909,000	1,413,000	1,694,000	52,000	9,068,000
Income (loss) from operations	16,820,000	5,265,000	(6,000)	(6,954,000)	15,125,000
Gross margin percentage of service revenue	71.4%	60.9%	92.2%	N/A	71.3%
Nine Months Ended September 30, 2005					
Service revenue	\$ 78,196,000	\$10,228,000	\$ 6,534,000	\$(1,075,000)	\$ 93,883,000
Reimbursed government fee revenue	3,021,000	19,702,000	—	—	22,723,000
Total revenue	81,217,000	29,930,000	6,534,000	(1,075,000)	116,606,000
Cost of service revenue	23,613,000	1,432,000	684,000	(1,075,000)	24,654,000
Government fees paid	3,021,000	19,702,000	—	—	22,723,000
Total cost of service	26,634,000	21,134,000	684,000	(1,075,000)	47,377,000
Gross margin	54,583,000	8,796,000	5,850,000	—	69,229,000
Salaries and benefits	29,407,000	2,846,000	1,743,000	2,102,000	36,098,000
Other operating expenses	14,443,000	1,174,000	3,071,000	1,838,000	20,526,000
Depreciation and amortization	4,564,000	502,000	900,000	—	5,966,000
Income (loss) from operations	6,169,000	4,274,000	136,000	(3,940,000)	6,639,000
Gross margin percentage of service revenue	69.8%	86.0%	89.5%	N/A	73.7%

Enterprise Screening Segment

Three Months Ended September 30, 2004 Compared to Three Months Ended September 30, 2003

Total service revenue was \$47.5 million as of September 30, 2004, an increase of \$17.0 million compared to service revenue of \$30.5 million in the same period of 2003. Acquisitions accounted for approximately \$15.1 million of the revenue increase. There were sixteen businesses acquired since the third quarter of 2003. Revenue increased by \$1.9 million, or 6.4%, at businesses owned in the third quarter of 2003 due to expanded market share and an increase in products and services.

The gross margin percentage of service revenue increased from 69.2% to 72.9% primarily as a result of an increase in resident screening revenue and the contribution of the tax incentive revenue, which have generally higher gross margins.

Salaries and benefits increased by \$5.2 million. Salaries and benefits were 34.1% of service revenue for the third quarter of 2004 compared to 36.0% of service revenue in the same period of 2003. This decrease reflected economies achieved in 2004 by consolidating certain operations and leveraging databases.

Other operating expenses increased by \$2.0 million and were 16.8% of service revenue in the third quarter of 2004 compared to 19.5% in the same period of 2003. This decrease in other operating expenses, as a percentage of revenue, is due to operating efficiencies in connection with the consolidation of the businesses.

Depreciation and amortization increased by \$0.6 million. Depreciation and amortization were 4.5% of service revenue in the third quarter of 2004 compared to 5.1% in the same period of 2003. This decrease, as a percent of service revenue, is primarily due to several assets being fully depreciated offset by an increase in the amortization of intangible assets as a result of acquisitions.

Income from operations was \$8.3 million in the third quarter of 2004 compared to income from operations of \$2.6 million in the same period of 2003. The increase in income from operations was the result of increased revenue, primarily from acquisitions. Operating costs as a percent of revenue declined due to consolidation of businesses and leveraging of databases.

Risk Mitigation Segment

Three Months Ended September 30, 2004 Compared to Three Months Ended September 30, 2003

Total service revenue was \$10.7 million as of September 30, 2004, an increase of \$6.1 million compared to service revenue of \$4.6 million in the same period of 2003. The acquisition of two investigative service businesses account for a substantial part of the increase in service revenue.

The gross margin percentage of service revenue decreased from 74.0% to 63.6% primarily due to the acquisition of the investigative service businesses, which generate margin levels that are lower as a percentage of service revenue, than the motor vehicle records operations of this segment.

Salaries and benefits increased by \$1.8 million. Salaries and benefits were 27.1% of service revenue in the third quarter of 2004 compared to 25.0% in the same period of 2003. The percentage increase is primarily due to the acquisition of the investigative service businesses.

Other operating expenses increased by \$0.7 million. Other operating expenses were 11.9% of service revenue in the third quarter of 2004 and 11.7% in the third quarter of 2003. The increase is primarily due to the acquisition of the investigative service businesses.

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Depreciation and amortization increased by \$0.4 million due to an increase in amortization of intangible assets as a result of the acquisitions.

Income from operations was \$2.1 million for the third quarter of 2004 compared to \$1.5 million in the third quarter of 2003.

Consumer Direct

Three Months Ended September 30, 2004 Compared to Three Months Ended September 30, 2003

Total service revenue was \$2.8 million as of September 30, 2004, a decrease of \$2.2 million compared to service revenue of \$5.0 million in the same period of 2003. The decrease is due to the reduction in the number of distribution channels in May 2004.

The gross margin percentage of service revenue increased from 89.5% to 92.0% primarily due to vendor negotiations to reduce fulfillment costs.

Salaries and benefits decreased by \$0.7 million. Salaries and benefits were 19.5% of service revenue in the third quarter of 2004 compared to 25.7% in the same period of 2003. The percentage decrease is primarily due to the centralization of some of the key functions of accounting, human resource and technology to the corporate office.

Other operating expenses decreased by \$1.0 million. Other operating expenses were 47.7% of service revenue in the third quarter of 2004 and 48.0% for the same period of 2003. The decrease is primarily due to reduced advertising expenditures.

Depreciation and amortization decreased by \$0.1 million.

Income from operations was \$137 thousand for the third quarter of 2004 compared to income from operations of \$117 thousand in September 2003.

Corporate

Three Months Ended September 30, 2004 Compared to Three Months Ended September 30, 2003

Salary and benefits increased primarily due to an increase in the number of senior management, administrative and technology personnel. Other operating expenses increased due to additional regulatory and professional fees.

Consolidated Results

Three Months Ended September 30, 2004 Compared to Three Months Ended September 30, 2003

Consolidated service revenue for the three months ended September 30, 2004 was \$60.7 million, an increase of \$21.1 million compared to service revenue of \$39.6 in the same period in 2003. Acquisitions accounted for \$20.8 million of the increase.

The consolidated gross margin of service revenue was 72.6% for the three months ended September 30, 2004 compared to 73.0% for the same period in 2003. The decrease is due to the change in the mix of margins related to the acquired businesses.

Salaries and benefits were 36.0% of service revenue for the three months ended September 30, 2004 and 36.1% compared to the same period in 2003.

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Other operating expenses were 18.4% of service revenue for the three months ended September 30, 2004 and 24.5 % compared to the same period for 2003. The decrease is due to the consolidation of acquired businesses in the Enterprise Screening segment and reduced advertising expenditures in the Consumer Direct segment.

Depreciation and amortization increased by \$0.9 million due to an increase in amortization of intangible assets as a result of acquisitions.

Income from operations was \$7.8 million for the three months ended September 30, 2004 compared to \$2.5 million for the same period in 2003. The increase of \$5.3 million is comprised of an increase in operating income of \$5.7 million in the Enterprise Screening segment, an increase in operating income of \$0.6 million in the Risk Mitigation segment and an increase of corporate expenses of \$1.0 million.

Enterprise Screening Segment

Nine Months Ended September 30, 2004 Compared to Nine Months Ended September 30, 2003

Total service revenue was \$126.0 million as of September 30, 2004, an increase of \$47.8 million compared to service revenue of \$78.2 million in the same period of 2003. Acquisitions accounted for approximately \$41.7 million of the revenue increase. There were sixteen businesses acquired since September 2003. Revenue increased by \$6.1 million, or 7.8%, at businesses owned at September 2003 due to expanded market share and an increase in products and services.

The gross margin percentage of service revenue increased from 69.8% to 71.4% and was primarily due to an increase in resident screening revenue and the contribution of the tax incentive revenue, which have generally higher gross margins.

Salaries and benefits increased by \$14.9 million. Salaries and benefits were 35.2% of service revenue for the nine months ended September 2004 compared to 37.6% of service revenue in the same period of 2003. This decrease reflected economies achieved in 2004 by consolidating certain operations and leveraging databases.

Other operating expenses increased by \$8.4 million and were 18.1% of service revenue for the nine months ended September 2004 compared to 18.5% in the same period of 2003. This increase in other operating expenses was primarily due to the addition of the tax incentive group to the segment.

Depreciation and amortization increased by \$1.3 million. Depreciation and amortization was 4.7% of service revenue for the nine months ended September 30, 2004 compared to 5.8% in the same period of 2003. This decrease, as a percent of service revenue, is primarily due to several assets being fully depreciated offset by an increase in the amortization of intangible assets as a result of acquisitions.

Income from operations was \$16.8 million for the nine months ended September 2004 compared to income from operations of \$6.2 million in the same period of 2003. The increase in income from operations was the result of increased revenue, from acquisitions and organic growth. Operating costs as a percent of revenue declined due to consolidation of businesses and leveraging of databases.

Risk Mitigation Segment

Nine Months Ended September 30, 2004 Compared to Nine Months Ended September 30, 2003

Total service revenue was \$30.2 million as of September 30, 2004, an increase of \$20.0 million compared to service revenue of \$10.2 million in the same period of 2003. The Company acquired two investigative service businesses, which account for a substantial part of the increase in service revenue.

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The gross margin percentage of service revenue decreased from 86.0% to 60.9% primarily due to the acquisition of the investigative service businesses, which generate margin levels lower than the motor vehicle records operations of this segment.

Salaries and benefits increased by \$5.2 million. Salaries and benefits were 26.8% of service revenue year to date September 2004 compared to 27.8% in the same period of 2003. The percentage decrease is primarily due to the acquisition of the investigative service businesses.

Other operating expenses increased by \$2.4 million. Other operating expenses were 12.0% of service revenue for the nine months ended September 2004 compared to 11.5% in the same period of 2003. The change is primarily due to the acquisition of the investigative service businesses.

Depreciation and amortization increased by \$0.9 million due to an increase in amortization of intangible assets as a result acquisitions.

Income from operations was \$5.3 million for the nine months ended September 2004 compared to \$4.3 million in the same period of 2003.

Consumer Direct

Nine Months Ended September 30, 2004 Compared to Nine Months Ended September 30, 2003

Total service revenue was \$10.0 million as of September 30, 2004, an increase of \$3.5 million compared to service revenue of \$6.5 million in the same period of 2003. This segment was formed in connection with the acquisition in June 2003 of US SEARCH and represents only four months of operating results for year-to-date September 2003. On a per month basis, revenue decreased due to a reduction in the number of distribution channels in May 2004.

The gross margin percentage of service revenue increased from 89.5% to 92.2% primarily due to vendor negotiations to reduce fulfillment costs.

Salaries and benefits increased by \$0.3 million. Salaries and benefits were 20.5% of service revenue for the nine months ended September 2004 compared to 26.7% in the same period of 2003. The percentage decrease is primarily due to the centralization of some of the key functions of accounting, human resource and technology to the corporate office.

Other operating expenses increased by \$2.4 million. Other operating expenses were 54.9% of service revenue for the nine months ended September 2004 and 47.0% for the same period of 2003. The increase in other operating expenses, as a percent of revenue is due to the reduction in the number of distribution channels in May 2004.

Depreciation and amortization increased by \$0.8 million due to an increase in amortization of intangible assets as a result of the acquisitions.

Loss from operations was \$6 thousand for the nine months ended September 2004 compared to income from operations of \$136 thousand in September 2003.

Corporate

Nine Months Ended September 30, 2004 Compared to Nine Months Ended September 30, 2003

Prior to June 2003, corporate expenses were for the FAST division only. Salary and benefits increased primarily due to an increase in the number of senior management, administrative and technology personnel. Other operating expenses increased due to additional regulatory and professional fees.

Consolidated Results

Nine Months Ended September 30, 2004 Compared to Nine Months Ended September 30, 2003

Consolidated service revenue for the nine months ended September 30, 2004 was \$164.7 million, an increase of \$70.8 million compared to service revenue of \$93.9 in the same period in 2003. Acquisitions accounted for \$64.2 million of the increase.

The consolidated gross margin of service revenue was 71.3% for the nine months ended September 30, 2004 compared to 73.7% for the same period in 2003. The decrease is due to the change in the mix of margins related to the acquired businesses.

Salaries and benefits were 36.8% of service revenue for the nine months ended September 30, 2004 and 38.4% compared to the same period in 2003. The decrease was primarily due to reductions in salaries and benefits as a percentage of revenue in all the segments offset by an increase in corporate salary and benefits incurred since the creation of First Advantage in June 2003.

Other operating expenses were 19.9% of service revenue for the nine months ended September 30, 2004 and 21.9% compared to the same period for 2003. The decrease was primarily related to the efficiencies realized from consolidating and integrating the acquisitions.

Depreciation and amortization increased by \$3.1 million due to an increase in amortization of intangible assets as a result of acquisitions.

Income from operations was \$15.1 million for the nine months ended September 30, 2004 compared to \$6.6 million for the same period in 2003. The increase of \$8.5 million is comprised of an increase in operating income of \$10.7 million in the Enterprise Screening segment, an increase in operating income of \$0.9 million in the Risk Mitigation segment, a decrease in operating income of \$0.1 million in the Consumer Direct segment and an increase of corporate expenses of \$3.0 million.

Liquidity and Capital Resources

The Company's primary source of liquidity is cash flow from operations and amounts available under credit lines the Company has established with a bank and with First American. Prior to the June 5, 2003 merger with US SEARCH, contributions from First American were also a primary source of liquidity. As of September 30, 2004, cash and cash equivalents were \$5.8 million.

Cash provided by operating activities was \$9.4 million and \$3.1 million for the nine months ended September 30, 2004 and 2003, respectively.

Cash provided from operating activities increased \$6.3 million from the nine months ended September 30, 2004 compared to the same period in 2003, while net income was \$8.0 million for the nine months ended September 30, 2004 and \$3.8 million for the same period in 2003. The increase in cash provided from operating activities was primarily due to an increase in earnings and depreciation and amortization expense offset by an increase in accounts receivable.

Cash used in investing activities was \$52.7 million and \$11.2 million for the nine months ended September 30, 2004 and 2003, respectively. For the nine months ended September 30, 2004, net cash in the amount of \$50.0 million was used for acquisitions. Cash used for the purchase of property, equipment and database development was \$6.0 million for the nine months ended September 30, 2004 compared to \$4.1 million in the same period of 2003.

Cash provided by financing activities was \$43.5 million and \$8.9 million for the nine months ended September 30, 2004 and 2003, respectively. For the nine months ended September 30, 2004, proceeds from existing credit facilities with a bank and First American were \$57.0 million. Repayment of debt was \$17.0 million for the nine months ended September 30, 2004.

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On April 27, 2004, the Company entered into a Promissory Note with First American. The loan evidenced by the Promissory Note is a \$20 million unsecured revolving loan, with interest payable monthly. The principal balance of the Promissory Note is due on July 31, 2006. The Promissory Note is subordinated to the bank Loan Agreement and Line of Credit and bears interest at the rate payable under the \$20 million bank Loan Agreement plus 0.5% per annum. The balance outstanding as of September 30, 2004 was \$14 million.

On September 7, 2004 the Company amended its Loan Agreement (“Amended Loan Agreement”). As part of the amendment, the Company’s available borrowings thereunder were increased from \$15 million to \$20 million with a two year maturity date of July 31, 2006. The Amended Loan Agreement is secured by a security interest in the Company’s accounts receivable, as well as the accounts receivable of certain subsidiaries.

At September 30, 2004 the Company had unused lines of credit of \$17.6 million.

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. A total of 1,976,514 of the 4,000,000 shares were issued for acquisitions as of September 30, 2004.

In the future, First Advantage will seek to acquire other businesses as part of its growth strategy. The Company will continue to evaluate acquisitions in order to achieve economies of scale, expand market share and enter new markets. The extent of future acquisitions, however, is dependent upon the availability of capital and liquidity to fund such acquisitions.

While uncertainties within the Company’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. The Company believes that, based on current levels of operations and anticipated growth, the Company’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 for the following year. However, any material adverse change in our operating results from our business plan, or acceleration of existing debt obligations or in the amount of investment in acquisitions, technology or products could require the Company to seek other funding alternatives.

The following is a schedule of long-term contractual commitments (as of September 30, 2004) over the periods in which they are expected to be paid.

	2004	2005	2006	2007	2008	Thereafter	Total
Minimum contract purchase commitments	185,000	320,000	99,000	91,000	90,000	—	\$ 785,000
Operating leases	2,346,000	5,974,000	4,733,000	3,008,000	2,163,000	7,371,000	\$ 25,595,000
Long-term debt and capital leases	3,379,000	11,225,000	23,338,000	44,576,000	962,000	—	\$ 83,480,000
Total	\$5,910,000	\$ 17,519,000	\$ 28,170,000	\$ 47,675,000	\$ 3,215,000	\$ 7,371,000	\$ 109,860,000

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the Company's risk since filing its Form 10-K for the year ended December 31, 2003.

Item 4. Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended, have concluded that, as of the end of the fiscal quarter covered by this report on Form 10-Q, the Company's disclosure controls and procedures were effective to provide reasonable assurances that information required to be disclosed in the reports filed or submitted under such Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There was no change in the Company's internal control over financial reporting during the quarter ended September 30, 2004 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities

None

Item 3. Defaults upon Senior Securities

None

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

None

Item 5. Other Information

None

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Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- 10.1 Amendment to Loan Agreement, dated Sept 7, 2004, between First Advantage Corporation and Bank of America, N.A.
- 10.2 Amendment to Security Agreement, dated Sept 7, 2004 between First Advantage Corporation and Bank of America, N.A.
- 10.3 Renewal Promissory Note, dated Sept 7, 2004 between First Advantage Corporation and Bank of America, N.A.
- 10.4 Amended and Restated Security Agreement, dated Sept 7, 2004 between First Advantage Corporation and Bank of America, N.A.
- 10.5 Guaranty of Payment, dated Sept 7, 2004 between American Driving Records, Inc., Background information Systems, Inc., CIC Enterprises, LLC, Corefacts, LLC, Employee Health Programs, Inc., Hirecheck, Inc., Infocheck, LTD, Landlord Protect, Inc., MVRS, Inc., Omega Insurance Services, Proudfoot Reports, Inc., Realcum, Inc., Saferent, Inc., Seconda, LLC, UD Registry, Inc., and US Search.com, Inc.
- 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

(b) Reports on Form 8-K

During the three months ended September 30, 2004, the Company:

- (i) furnished Form 8-K, dated July 20, 2004 (announcing the results of operations and financial results for the second quarter ended June 30, 2004);
- (ii) filed Form 8-K, dated September 7, 2004 (announcing the amendment of the bank Loan Agreement);

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: November 5, 2004

By: */s/ JOHN LONG*

John Long
Chief Executive Officer

Date: November 5, 2004

By: */s/ JOHN LAMSON*

John Lamson
Chief Financial Officer

EXHIBIT INDEX

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AMENDMENT TO LOAN AGREEMENT

THIS AMENDMENT is made as of the 7th day of September, 2004, 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 and the Bank executed a Loan Agreement (as amended from time to time, the "Loan Agreement") dated July 31, 2003, pursuant to which the Bank has provided a credit facility to the Borrower. The parties previously amended the Loan Agreement on December 22, 2003 and July 28, 2004. The parties wish to further amend the Loan Agreement in accordance with the terms hereof.

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

1. Article 1 of the Loan Agreement is hereby amended so that, from and after the date hereof, Article 1 of the Loan Agreement shall read as follows

ARTICLE I
BORROWING AND PAYMENT

1.01 Revolving Line of Credit.

(a) The Bank has previously established 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 \$20,000,000.00 (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 Renewal Promissory note (as amended, extended or renewed from time to time, the "Note") dated September 7, 2004, executed by the Borrower in favor of the Bank in the original principal amount of \$20,000,000.00. 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, 2006.

1.02 Term Loans.

(a) Subject to the terms and conditions set forth herein, the Borrower may from time to time, upon written notice to the Bank, convert all or a portion of the outstanding principal balance of the Line of Credit Note to one or more term loans (each, a "Term Loan"), upon satisfaction of the following conditions:

(i) The Borrower shall provide written notice to the Bank, not less than thirty (30) business days prior to the requested effective date for such conversion of outstanding principal to a Term Loan.

(ii) Each such Term Loan shall be for a principal amount of at least \$3,000,000.00.

(iii) No Default or Event of Default shall have occurred hereunder and be continuing at the time of such request.

(iv) The Borrower shall execute a promissory note (each, as amended, extended or renewed from time to time, a "Term Note", in the form set forth on Exhibit "D" hereto. The Borrower and its Subsidiaries shall execute such other documentation as the Bank shall reasonably require in connection with such Term Loan.

(v) The Borrower shall pay a fee upon the execution of each Term Note, in an amount reasonably set by the Bank, not to exceed 1.0% of the Term Loan amount.

(vi) The Borrower shall pay all of the Bank's fees, expenses and costs in connection with the documentation, closing and administration of each Term Loan, including, without limitation, all attorneys fees and costs, filing fees, documentary stamp taxes and intangible personal property taxes.

(b) Each such Term Loan: (i) shall be for a term of 36 months; (ii) shall accrue interest at the rate to be reasonably agreed upon between the Borrower and the Bank; and (iii) shall be payable in monthly installments of principal plus interest in an amount required to fully amortize the principal amount of such Term Loan over 36 months, commencing on the date of such Term Loan.

(c) Each Term Loan with be secured by a lien on the Borrower's and each of the Borrower's Included Subsidiaries' accounts receivable.

1.03 Letters of Credit. Upon the Borrower's request, and subject to the terms and conditions set forth herein, the Bank shall issue letters of credit (the "Letters of Credit") for the Borrower's account. The Borrower shall not in any event be entitled to obtain a Letter of Credit after the expiration of the Revolving Period, and no Letter of Credit shall have an expiration date that is more than one year after the date of issuance thereof. The Outstanding Letter of Credit Amount shall not in any event exceed \$500,000.00 (the "Letter of Credit Sublimit Amount") or such lesser amount as is set forth herein. For purposes of this Agreement, the "Outstanding Letter of Credit Amount" shall mean: (a) amounts available for draws under outstanding Letters of Credit (whether or not such draws are subject to satisfaction of prior conditions); and (b) the amount of any draws under Letters of Credit for which the Bank has not received reimbursement. The Borrower shall request Letters of Credit by giving the Bank written notice of each request at least five (5) Business Days prior to the issuance of the Letter of Credit. The Borrower shall, with such request, complete an application in form acceptable to the Bank and execute or otherwise agree to such terms, conditions and reimbursement agreements (each, as amended or restated from time to time, a "Reimbursement Agreement") concerning the Letter of Credit as the Bank may require. In the event of a draw on a Letter of Credit, the Bank may at its option obtain an advance under the Revolving Note (upon notice to the Borrower) to reimburse the Bank for such draw. If the Bank elects not to obtain an advance under the Revolving Note or if credit in the amount of the draw is not then available under the Revolving Note, the Borrower shall immediately upon demand reimburse the Bank for the amount of the draw together with interest thereon and such other amounts as may be due under any applicable Reimbursement Agreement. The Bank shall not in any event be required to issue a Letter of Credit during the continuance of a Default or Event of Default hereunder. The Borrower shall pay the Bank such issuance fees as the Bank may reasonably require with respect to each Letter of Credit.

1.03 Borrowing Limitations.

(a) Notwithstanding any contrary provisions contained herein, the Outstanding Credit shall not at any time exceed the lesser of: (i) \$20,000,000.00; or (ii) the Borrowing Base (as defined herein) then in effect. For the purposes hereof, "Outstanding Credit" means the sum of: (i) the outstanding principal amount under the Note, (ii) the aggregate face amount of any Term Loans, and (iii) the Outstanding Letter of Credit Amount.

(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 Credit Amount 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.

(e) 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. Notwithstanding the foregoing, the Bank agrees that the exam costs for such field exams shall not exceed: (i) for up to four companies, the lesser of: (A) 50% of the actual costs of such exams, or (B) \$10,000; and (ii) for up to eight companies: (A) 50% of the actual costs of such exams, or (B) \$15,000.

(f) The Bank will perform such field exams permitted hereunder on an on-going basis as follows:

(i) The Bank will perform field exams on at least one-half of the Collateral Parties (as defined herein) on an annual basis plus, with all Collateral Parties to be examined at least once during each two-year cycle.

(ii) The Bank will perform pre-funding field exams on each new Included Subsidiary prior to such Included Subsidiary's assets being permitted to be included in the Borrowing Base calculations

(iii) For the purposes hereof, "Collateral Parties" means, collectively, the Borrower and each Included Subsidiary.

1.04 Loan Documents. The Obligations (the "Obligations") now or hereafter evidenced by the Note, and Term Notes and any Letters of Credit 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") dated July 31, 2003 executed by the Borrower in favor of the Bank covering the Borrower's accounts receivable and other assets described therein; (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 Included Subsidiary in favor of the Bank covering the assets described therein; and (c) be guaranteed by each of the parties listed on Exhibit "D" hereto and any additional operational Subsidiaries acquired by the Borrower, which the Bank, its reasonable discretion, requires (collectively, the "Guarantors"), pursuant to guaranties of payment (collectively, as amended or restated from time to time, the "Guaranties") executed by such Persons in favor of the Bank. The Borrower and each Included 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.

1.05 Facility Fees.

(a) The Borrower shall pay to the Bank an annual commitment fee of \$50,000, on September 1 of each calendar year, commencing on the date hereof, and continuing on the 1st day of each September thereafter during the term 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 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, 2004), 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.

1.06 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.

2. Section 2.02 of the Loan Agreement is hereby amended so that, from and after the date hereof, such Section shall read as follows:

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.

(c) The Bank shall have received on or before 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 each Guarantor as the Bank may reasonably require; (iii) good standing certificates indicating that each Guarantor is 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 each Guarantor.

3. Section 4.11 (a) of the Loan Agreement is hereby amended so that, from and after the date hereof, such Section shall read as follows:

(a) The Borrower shall maintain on a consolidated basis a ratio (the "Funded Debt Ratio") of Funded Debt to EBITDA not to exceed: (i) from the date hereof through December 31, 2004, 3.25 to 1, and (ii) from and after January 1, 2005, 3.0 to 1. "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, 2004, using the results of the twelve-month period ending with that reporting period.

4. Section 6.01 of the Loan Agreement is hereby amended so that, from and after the date hereof, such section shall read as follows:

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 any Guarantor disputes, attempts to avoid, or indicates its intent to seek to avoid its obligations under any Guaranty;

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

(h) 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, any Guarantor or any Subsidiary, bankrupt or insolvent; or

(i) if the Borrower, any Guarantor 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, any Guarantor or any Subsidiary or of any substantial part of the assets of the Borrower, any Guarantor or any Subsidiary, or commences a voluntary case under the Bankruptcy Code of the United States or any proceedings relating to the Borrower, any Guarantor or any Subsidiary, under the bankruptcy, insolvency, or moratorium law of any other jurisdiction, whether now or hereafter in effect; or

(j) if any such petition or application is filed, or any such proceedings are commenced, against the Borrower, any Guarantor or any Subsidiary and if the

Borrower, any Guarantor 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

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

(l) if any judgment or judgments are entered against the Borrower, any Guarantor 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.

5. Section 6.04 of the Loan Agreement is hereby amended so that, from and after the date hereof, such section shall read as follows:

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 (f), (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 (g), (h), (i), or (j) of Section 6.01.

6. The following Section 7.18 is hereby added to the Loan Agreement:

7.18 No Third Party Beneficiaries. The Guarantors are not third party beneficiaries to this Loan Agreement and, in addition to the rights of the Bank set forth in the Guaranties, the Bank, with the concurrence of the Borrower, shall have the right without impairing the liability of the Guarantors to alter and amend this Loan Agreement without notice to or consent by the Guarantors.

7. Exhibit "C" of the Loan Agreement is hereby replaced with Exhibit "C" attached hereto.

8. Exhibit "D" is hereby added to the Loan Agreement in the form of Exhibit "D" attached hereto.

9. The Borrower certifies that as of the date hereof: (a) all of its representations and warranties in the Loan Agreement are true and correct as if made on the date hereof; and (b) no Default or Event of Default has occurred under the Loan Agreement. The Loan Agreement shall continue in full force and effect except as modified herein.

DATED the day and year first above written.

BANK OF AMERICA, N.A.

By: _____

Its: _____

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

By: /s/ JOHN C. LAMSON

Its: EVP and CFO

GUARANTORS

AGENCY RECORDS, INC., a Connecticut corporation
AMERICAN DRIVING RECORDS, INC., a California corporation
BACKGROUND INFORMATION SYSTEMS, INC., a Texas corporation
CIC ENTERPRISES, LLC, an Delaware limited liability company
COREFACTS, LLC, a Virginia limited liability company
EMPLOYEE HEALTH PROGRAMS, INC., a Florida corporation
HIRE CHECK, INC., a Florida corporation
INFOCHECK, LTD., a Canadian limited partnership
LANDLORD PROTECT, INC., a New Jersey corporation
MVRS, INC., a Louisiana corporation
OMEGA INSURANCE SERVICES, a Florida corporation
PROUDFOOT REPORTS, INC., a New York corporation
REALEUM, INC., a Delaware corporation
SAFERENT, INC., a Delaware corporation
SECONDA LLC, a California limited liability company
UD REGISTRY, INC., a California corporation
US SEARCH.COM, INC., a Delaware corporation

AMENDMENT TO SECURITY AGREEMENT

THIS AMENDMENT is made as of the 7th day of September, 2004, 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 and the Bank executed a Security Agreement (as amended from time to time, the "Security Agreement") dated July 31, 2003. The parties wish to amend the Security Agreement in accordance with the terms hereof.

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

1. The term "Note" as defined in the Recitals to the Security Agreement is hereby amended so that, from and after the date hereof, the term "Note" shall mean that certain Renewal Promissory Note dated September 7, 2004, executed by the Borrower in favor of the Bank in the principal amount of \$20,000,000.00 (as such Note may be amended, extended or renewed from time to time).

2. The Borrower certifies that as of the date hereof: (a) all of its representations and warranties in the Security Agreement are true and correct as if made on the date hereof; and (b) no Default or Event of Default has occurred under the Security Agreement. The Security Agreement, as modified herein, shall continue in full force and effect from and after the date hereof.

DATED the day and year first above written.

BANK OF AMERICA, N.A.

By: _____

Its: _____

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

By: /s/ John C. Lamson _____

Its: EVP and CFO

RENEWAL
PROMISSORY NOTE

\$20,000,000.00

September 7, 2004

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 Twenty Million and 00/100 Dollars (\$20,000,000.00), 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"), dated July 31, 2003. 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 \$20,000,000.00 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 October 1, 2004, 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 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.

THIS NOTE RENEWS, EXTENDS AND INCREASES THAT CERTAIN PROMISSORY NOTE (THE "PRIOR NOTE") DATED JULY 31, 2003, EXECUTED BY THE BORROWER IN FAVOR OF THE BANK IN THE ORIGINAL PRINCIPAL AMOUNT OF \$15,000,000.00. ALL FLORIDA DOCUMENTARY STAMP TAXES DUE ON THE PRIOR NOTE HAVE BEEN PREVIOUSLY PAID TO THE FLORIDA DEPARTMENT OF REVENUE

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

<u>Funded Debt Ratio</u>	<u>Applicable Margin</u>
Less than or equal to 1.5 to 1	1.25% per annum
Greater than 1.51 to 1 but equal to or less than 2.50 to 1	1.39% per annum
Greater than 2.51 to 1, but:	
(a) From the date hereof through December 31, 2004: less than or equal to 3.25 to 1; and	1.49% per annum
(b) From and after January 1, 2005, less than or equal to 3.0 to 1.	
Greater than:	
a) From the date hereof through December 31, 2004: 3.25 to 1; and	Default Rate (as defined herein)
b) From and after January 1, 2005: 3.0 to 1.	

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 next quarterly 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 October, 2004, and the first Banking Business Day of each calendar month thereafter.

(vi) "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.

(vii) "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 therefore 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 provision 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 C. LAMSON

Its: EVP and CFO

(SEAL)

AMENDED AND RESTATED
SECURITY AGREEMENT

THIS AGREEMENT is made as of the 7th day of September, 2004, by each of the undersigned (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") dated July 31, 2003. The Borrower, pursuant to the Loan Agreement, has executed and delivered a Renewal Promissory Note (as amended, extended or renewed from time to time, the "Note"), dated September 7, 2004, in the original principal amount of \$20,000,000.00 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 DCC 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 DCC 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 DCC 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 DCC), 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 DCC, 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 DCC 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); (b) all amounts owed by any Pledgor under any Guaranty (as defined in the Loan Agreement), executed by any Pledgor in favor of the Bank; and (c) 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 on Exhibit A" hereto.
- (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 (1) 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) failure by any Pledgor to perform any material obligations under any Guaranty (as defined in the Loan Agreement), executed by any Pledgor in favor of the Bank; (iv) the commencement of any bankruptcy or insolvency proceedings by or against the Borrower or any Pledgor; (v) 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 (vi) 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, the Guaranties (as defined in 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 DCC 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

(q) This Security Agreement amends and restates one or more security agreement executed by one or more of the Pledgors prior to the date hereof, securing all or part of the Obligations (as defined herein).

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.

[SIGNATURES APPEAR ON NEXT PAGE]

BANK OF AMERICA, N.A.

By: _____

Its: _____

SAFERENT, INC., a Delaware corporation

By: /s/ John C. Lamson _____

Its: Vice President

EMPLOYEE HEALTH PROGRAMS, INC., a Florida corporation

By: /s/ John C. Lamson _____

Its: Vice President

HIRECHECK, INC., a Florida corporation

By: /s/ John C. Lamson _____

Its: Vice President

AMERICAN DRIVING RECORDS, INC., a California corporation

By: /s/ John C. Lamson _____

Its: Vice President

FIRST AMERICAN REGISTRY, INC., a Nevada corporation

By: /s/ John C. Lamson _____

Its: Vice President

US SEARCH.COM, INC., a Delaware corporation

By: /s/ John C. Lamson

Its: Vice President

OMEGA INSURANCE SERVICES, INC., a Florida corporation

By: /s/ Richard J. Taffet

Its: President

PROUDFOOT REPORTS, INC., a New York corporation

By: /s/ John C. Lamson

Its: Vice President

COREFACTS, LLC, a Virginia limited liability company

By: /s/ John C. Lamson

Its: Vice President

CIC ENTERPRISES, LLC, a Delaware limited liability company

By: /s/ John C. Lamson

Its: Vice President

EXHIBIT "A"
Addresses

GUARANTY OF PAYMENT

THIS GUARANTY is made as of September 7, 2004, by AGENCY RECORDS, INC., a Connecticut corporation, AMERICAN DRIVING RECORDS, INC., a California corporation, BACKGROUND INFORMATION SYSTEMS, INC., a Texas corporation, CIC ENTERPRISES, LLC, an Delaware limited liability company, COREFACTS, LLC, a Virginia limited liability company, EMPLOYEE HEALTH PROGRAMS, INC., a Florida corporation, HIRECHECK, INC., a Florida corporation, INFOCHECK, LTD., a Canadian limited partnership, LANDLORD PROTECT, INC., a New Jersey corporation, MVRS, INC., a Louisiana corporation, OMEGA INSURANCE SERVICES, a Florida corporation, PROUDFOOT REPORTS, INC., a New York corporation, REALEUM, INC., a Delaware corporation, SAFERENT, INC., a Delaware corporation, SECONDA LLC, a California limited liability company, UD REGISTRY, INC., a California corporation and US SEARCH.COM, INC., a Delaware corporation (collectively, the "Guarantors") in favor of BANK OF AMERICA, N.A. (the "Bank").

Recitals

First Advantage Corporation, doing business in Florida as First Advantage Holding, Inc. (the "Borrower") and the Bank are parties to a Loan Agreement (as amended or restated from time to time, the "Loan Agreement"), dated July 31, 2003. The Borrower, pursuant to the Loan Agreement, has executed and delivered a Renewal Promissory Note (as amended, extended or renewed from time to time, the "Note") of even date herewith in the original principal amount of \$20,000,000.00 in favor of the Bank.

The Borrower has also incurred, or may incur, obligations under a Hedge Agreement. For purposes hereof, the term "Hedge Agreement" shall mean each agreement between the Borrower and the Bank, or any affiliate of the Bank, whether now existing or hereafter entered into, 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 exposure to fluctuations in interest rates, currency valuations or commodity prices.

As an inducement to the Bank to extend, renew, or continue credit to the Borrower, the Guarantors have agreed to guarantee certain Obligations (as defined below) of the Borrower and to execute and deliver this Guaranty.

NOW, THEREFORE, in consideration of loans, advances or other credit now or hereafter made or extended by the Bank to the Borrower, and to enable such loans, advances or other credit to be maintained or obtained by the Borrower, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Guarantors, the Guarantors hereby agree with the Bank as follows:

1. The Guarantors do hereby irrevocably guarantee the payment to the Bank when due, whether by acceleration or otherwise, of all Obligations of the Borrower to the Bank. As used in this Guaranty, the term "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); (b) all amounts payable by the Borrower under any Term Loan (as defined in the Loan Agreement); (c) all amounts now or hereafter due

under any Hedge Agreement now or hereafter in effect; and (d) 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).

2. If any of the Obligations are not paid when due, after the expiration of any applicable cure period, the Guarantors will forthwith pay all such Obligations of the Borrower to the Bank. The Guarantors further agree to pay the Bank, upon demand, all reasonable costs and expenses, including attorneys' and legal assistants' fees incurred in connection with any trial or appellate proceedings or otherwise, that may be incurred by the Bank in exercising its rights and remedies with respect to payment of the Obligations or its rights and remedies against the Guarantors under this Guaranty.

3. The Guarantors hereby:

(a) Assent to all terms and agreements heretofore or hereafter made by the Borrower with the Bank;

(b) Agree to make all payments hereunder in lawful money of the United States of America in immediately available funds without set-off or counterclaim;

(c) Consent that the Bank may, without further consent from or notice to the Guarantors, and without in any way diminishing the obligation of the Guarantors under this Guaranty:

(i) Exchange, release or surrender to the Borrower or to any guarantor, pledgor, or grantor any collateral, or waive, release or subordinate any security interest, in whole or in part, now or hereafter held as security for any of the Obligations;

(ii) Accept any new collateral for the Obligations;

(iii) Waive or delay the exercise of any of its rights or remedies against the Borrower or any other person or entity, including, without limitation, any other guarantor;

(iv) Release the Borrower or any other person or entity, including, without limitation, any other guarantor or endorser from any liability;

(v) Renew, extend, or modify the terms of any of the Obligations or any instrument or agreement evidencing the same;

(vi) Apply payments by the Borrower, the Guarantors, or any other person or entity, to the Obligations or to other indebtedness of any such person or entity in such order as the Bank, in its discretion, deems appropriate;

(vii) Abstain from taking advantage of or realizing upon any security interest or other guarantee; and

(d) Waive all notice of:

(i) The Bank's acceptance hereof or its intention to act, or its action, in reliance hereon;

(ii) The present existence or future incurring of any of the Obligations or any terms or amounts thereof or any change therein;

(iii) Any default by the Borrower, any endorser, surety, pledgor, grantor of security, or guarantor; and

(iv) The obtaining or release of any guaranty or surety agreement (in addition to this Guaranty), pledge, assignment, or other security for any of the Obligations; and

(e) Waive notice of presentment, demand, notice of demand, presentment for payment, protest, notice of non-payment or dishonor, notice of protest and any other demands and notices required by law in connection with this Guaranty or any instrument evidencing any Obligations, except as such waiver may be expressly prohibited by law, and waive any requirement that suit against them under this Guaranty be brought within any period of time shorter than the general statute of limitations applicable to contracts under seal.

4. The Guarantors hereby waive and agree not to assert or take advantage of:

(a) any defense arising by virtue of:

(i) the lack of authority, death or disability of any other party, or revocation hereof by any other party;

(ii) the failure of the Bank to file or enforce a claim of any kind; or

(iii) the failure of the Bank to record any document or perfect any lien;

(b) notice of the existence, creation or incurring of any new or additional indebtedness, or obligation or any action or non-action on the part of the Borrower, the Bank, any endorser, any guarantor under this or any other instrument, any creditor of the

Borrower, or any other person whomsoever, in connection with any obligation or evidence of indebtedness held by the Bank as collateral or in connection with any indebtedness or any obligation hereby guaranteed;

(c) any defense based upon an election of remedies by the Bank, including without limitation, an election to proceed by non-judicial rather than judicial foreclosure (if the right to proceed by non-judicial foreclosure is available to the Bank); and

(d) any duty on the part of the Bank to disclose to the Guarantors any facts which the Bank may now or hereafter know about the Borrower or any security for the Obligations, regardless of whether the Bank has reason to believe that any such facts materially increase the risk beyond that which the Guarantors intend to assume or has reason to believe that such facts are unknown to the Guarantors or has a reasonable opportunity to communicate such facts to the Guarantors, it being understood and agreed that the Guarantors are fully responsible for being and keeping informed of the financial condition of the Borrower and the status of any security for the Obligations and of all circumstances bearing on the risk of non-payment of all Obligations hereby guaranteed.

5. The Guarantors hereby waive any right or claim of right to cause a marshaling of any of the Borrower's assets or the assets of any other party now or hereinafter held as security for any Obligations.

6. The Bank's rights hereunder shall not be impaired or stayed as a result of any dissolution of the Borrower or any bankruptcy or insolvency proceedings involving the Borrower (including, without limitation, any discharge of the Borrower or its debts in any such proceedings). The Obligations shall include, without limitation, any amounts advanced to or for the benefit of the Borrower or any successor thereto from and after the occurrence or commencement of any such dissolution or proceedings. If any such bankruptcy or insolvency proceedings are commenced by or against the Borrower, the full amount of all Obligations then outstanding shall become immediately due and payable by the Guarantors (whether or not the Borrower then owes the Obligations on an accelerated basis).

7. The liability of the Guarantors under this Guaranty is absolute, irrevocable, unconditional, unlimited and continuing, without regard to the liability of any other person, and shall not in any manner be affected by reason of any action taken or not taken by the Bank, nor by the partial or complete unenforceability or invalidity of any other guaranty or surety agreement, pledge, assignment or other security for any of the Obligations. Failure to sign this or any other guarantee by any other person shall not discharge the liability of any signer. No delay in making demand on the Guarantors for satisfaction of their liability hereunder shall prejudice the Bank's right to enforce such satisfaction. All of the Bank's rights and remedies shall be cumulative and any failure of the Bank to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any time, and from time to time, thereafter.

8. This Guaranty shall be a continuing one. This Guaranty shall continue in effect until the last to occur of: (a) the payment of all Obligations, including any renewals, extensions or modifications thereof, in full if such payments of the Obligations have become final and are not subject to being refunded as a preference or fraudulent transfer under the Bankruptcy Code or other applicable law; and (b) the termination of all loan agreements, loan documents and loan commitments between the Borrower and the Bank.

9. This Guaranty is fully enforceable regardless of any defenses which the Borrower may assert on the underlying debt, including but not limited to failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction, and usury.

10. The Guarantors agree that, if at any time all or any part of any payment previously applied by the Bank to any of the Obligations must be returned by the Bank for any reason, whether by court order, administrative order, or settlement, the Guarantors shall be liable for the full amount returned as if such amount had never been received by the Bank, notwithstanding any termination of this Guaranty or the cancellation of any note or other agreement evidencing any of the Obligations.

11. The Bank shall have the right to proceed against the Guarantors without first proceeding against the Borrower or any property securing payment of any Obligations, or any of the Loan Documents, or any other guarantor or endorser of the Obligations.

12. The Guarantors hereby waive and agree not to assert any right to which any of them may be or become entitled, whether by subrogation, contribution, indemnity, reimbursement or otherwise, against the Borrower, any other guarantor or any of their respective properties, by reason of the performance by any Guarantor of obligations under this Guaranty, under any pledge or security agreement or otherwise. Each Guarantor hereby subordinates any and all indebtedness of the Borrower now or hereafter owed to the Guarantor to all indebtedness owed by the Borrower to the Bank and agrees with the Bank that the Guarantor shall not: (a) demand or accept any payment of principal, interest or other indebtedness from the Borrower until the Obligations have been satisfied in full; or (b) claim any offset or other reduction of the Guarantor's obligations hereunder because of such indebtedness. If any Guarantor receives any such payment, the Guarantor shall hold such payment in trust for the benefit of the Bank and shall surrender such payments to the Bank upon demand. The Guarantors shall not take any action to obtain any of the collateral described in the Loan Documents.

13. To secure the prompt payment and performance of the Obligations, each Guarantor grants to the Bank a continuing first lien security interest in all property of each Guarantor now or at any time hereafter in the possession of the Bank and all proceeds of all such property. Each Guarantor agrees that the Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code as adopted by the State of Florida with respect to such property, including, without limitation the right to sell or otherwise dispose of any or all of such property. The Bank may, without further notice to anyone, apply or set off any balances, credits, deposits, accounts, monies or other indebtedness at any time created by or due from the Bank to any Guarantor against the amounts due hereunder. Any notification of intended disposition of any property required by law shall be deemed reasonable and properly given if given at least five (5) calendar days before such disposition.

14. Each Guarantor represents and warrants to the Bank that:

(a) The Guarantor: (i) is duly organized, validly existing and in good standing under the laws of the state or country of its formation and in all other states where the nature and extent of the business transacted by it or the ownership of its assets makes such qualification necessary; (ii) has the requisite power and authority to own its properties and to carry on its business as now being conducted; (iii) is qualified to do business in the state of its formation and in any other state where the nature of its business requires it to so qualify; (iv) is in compliance with all laws, orders, regulations, authorizations and similar matters (collectively the "Governmental Requirements") of all governmental authorities, whether federal, state, county, or municipal (collectively the "Governmental Authority"); (v) has not amended or modified its organizational documents except as previously disclosed in writing to the Bank prior to the execution hereof.

(b) The execution, delivery and performance by the Guarantor of this Guaranty: (i) is within the powers and purposes of the Guarantor; (ii) has been duly authorized by all requisite action of the Guarantor; (iii) does not require the approval of any Governmental Authority; and (iv) will not violate any Governmental Requirement, the organizational documents of the Guarantor or any indenture, agreement or other instrument to which the Guarantor is a party or by which it or any of its property is bound, or be in conflict with, result in a breach of or constitute (with due notice or the lapse of time, or both) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of its property or assets, except as contemplated by the provisions of this Guaranty.

(c) This Guaranty when executed and delivered by the Guarantor will constitute the legal, valid and binding obligation of the Guarantor enforceable in accordance with the terms hereof.

(d) There are no judgments outstanding against the Guarantor and there is no action, suit, proceeding, or investigation now pending (or to the best of the Guarantor's knowledge after diligent inquiry threatened) against, involving or affecting the Guarantor or any of its properties or any part thereof, at law, in equity or before any Governmental Authority that if adversely determined as to the Guarantor, would result in a material adverse change in the business or financial condition of the Guarantor, or the Guarantor's operation and ownership of any of its properties, nor is there any basis for such action, suit, proceeding, or investigation.

(e) The Guarantor will furnish to the Bank such financial statements and tax returns pertaining to the Guarantor as may be required in the Loan Agreement, if any.

(f) All balance sheets, statements of profit and loss and other financial data that have been and will be given to the Bank with respect to the Guarantor: (i) are and will be complete and correct in all material respects; (ii) do and will accurately present the financial condition of the Guarantor as of the dates, and the results of its operations, for the periods for which the same have been and will be furnished; and (iii) have been and will be prepared in accordance with generally accepted accounting principles consistently followed throughout the periods covered and to be covered thereby. All balance sheets disclose and will disclose all known liabilities, direct and contingent, as of their respective dates. There has been no change in the condition of the Guarantor, financial or otherwise, since the date of the most recent financial statements given to the Bank with respect to the Guarantor other than changes in the ordinary course of business, none of which changes has been materially adverse.

(g) The Guarantor is not insolvent and will not be rendered insolvent by the execution, delivery, payment and performance of this Guaranty.

(h) Until the Obligations have been paid and performed in full and the Guarantor shall have performed all of its obligations hereunder, the Guarantor shall not, directly or indirectly, sell, convey, or transfer or permit to be sold, conveyed, or transferred any of its assets to any party or entity to which the Guarantor is related or in which the Guarantor has an interest except on arm's-length terms for fair value in the ordinary course of business.

15. The Guarantors acknowledge that the Bank has relied upon the Guarantors' representations, has made no independent investigation of the truth thereof and is not charged with any knowledge contrary thereto that may have been received by any officer, director, employee, or shareholder of the Bank. The Guarantors further acknowledge that they have not been induced to execute and deliver this Guaranty as a result of, and are not relying upon, any representations, warranties, agreements, or conditions, whether express or implied, written or oral, by the Bank or by any officer, director, employee, or shareholder of the Bank.

16. Notwithstanding anything to the contrary contained in this Guaranty or in the Note or the Loan Documents, the parties intend that any interest for which the Guarantors are obligated hereunder shall not exceed the maximum amount of interest permitted to be enforced against the Guarantors under the applicable laws relating to usury.

17. The Guarantors agree that this Guaranty shall be governed by the substantive law of the State of Florida, without regard to principles of conflicts of laws.

18. Without in any way limiting the foregoing, the Guarantors hereby waive any other act or omission of the Bank which may change the scope of the Guarantors' risk.

19. Any notice, consent or waiver required or permitted by this Guaranty shall be in writing and shall be deemed delivered if delivered in person or if mailed, on the earlier of the date actually received or the third business day after being sent by first class mail, postage prepaid, as follows, unless such address is changed by written notice hereunder:

If to the Bank:

Bank of America, N.A.
9000 Southside Blvd.
Building 100
Jacksonville, Florida 32256 Attention:
Commercial Credit Services

If to the Guarantors:

c/o First Advantage Corporation
805 Executive Center Drive, Suite 300
St. Petersburg, Florida 33702

20. This Guaranty shall inure to the benefit of the Bank, its successors and assigns, and to any person to whom the Bank may grant an interest in any of the Obligations, and shall be binding upon the Guarantors and their respective successors and assigns. This Guaranty shall not be modified except by instrument in writing signed by the Guarantors and the Bank. No waiver by the Bank of any term hereof shall be valid unless the Bank has executed a written waiver of such term. All Guarantors shall be jointly and severally liable for all obligations hereunder, and all representations, warranties, consents, agreements and covenants of the Guarantors shall be deemed jointly and severally made.

21. This Guaranty is intended to take effect as a document under seal.

22. Each Guarantor, 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 Guarantors 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 Guaranty (including any renewals, restatements, extensions or modifications hereof); or (ii) any document related to this Guaranty.

(b) At the request of any Guarantor 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 Guaranty 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 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 Guaranty.

(d) These arbitration provisions do not limit the right of the Guarantors 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 of the Guarantors 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 Guarantor's executing, and the Bank's accepting, this Guaranty. No provision in this Guaranty 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 Guaranty or in any such other document for arbitration of any controversy or claim.

23. NOTICE OF FINAL AGREEMENT. THIS WRITTEN GUARANTY REPRESENTS THE FINAL AGREEMENT BY THE GUARANTORS IN FAVOR OF THE BANK AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENTIAL ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the Guarantors, intending to be legally bound hereby, have duly executed this Guaranty of Payment on or as of the date and year first written above.

AGENCY RECORDS, INC.

By: /s/ John C. Lamson

Its: Vice President

AMERICAN DRIVING RECORDS, INC.

By: /s/ John C. Lamson

Its: Vice President

BACKGROUND INFORMATION SYSTEMS, INC.

By: /s/ John C. Lamson

Its: Vice President

CIC ENTERPRISES, LLC

By: /s/ John C. Lamson

Its: Vice President

COREFACTS, LLC

By: /s/ John C. Lamson

Its: Vice President

EMPLOYEE HEALTH PROGRAMS, INC.

By: /s/ John C. Lamson

Its: Vice President

HIRECHECK, INC.

By: /s/ John C. Lamson

Its: Vice President

INFOCHECK, LTD.

By: /s/ John C. Lamson

Its: Vice President

LANDLORD PROTECT, INC.

By: /s/ John C. Lamson

Its: Vice President

MVRS, INC.

By: /s/ John C. Lamson

Its: Vice President

OMEGA INSURANCE SERVICES, INC.

By: /s/ Richard J. Taffet

Its: President

PROUDFOOT REPORTS, INC.

By: /s/ John C. Lamson

Its: Vice President

REALEUM, INC.

By: /s/ John C. Lamson

Its: Vice President

SAFERENT, INC.

By: /s/ John C. Lamson

Its: Vice President

SECONDA, LLC

By: /s/ John C. Lamson

Its: Vice President

UD REGISTRY, INC.

By: /s/ John C. Lamson

Its: Vice President

US SEARCH.COM, INC.

By: /s/ John C. Lamson

Its: Vice President

Chief Executive Officer

I, John Long, Chief Executive 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 officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2004

/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 officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2004

/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, 2004 (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.

A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: November 5, 2004

/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, 2004 (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.

A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: November 5, 2004

/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.