UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2009

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: 001-31666

FIRST ADVANTAGE CORPORATION

(Exact name of registrant as specified in its charter)

Incorporated in Delaware	**61-1437565**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

12395 First American Way
Poway, California 92064
(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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files). Yes [ ] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of “accelerated filer,” “large accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer [ ]   Accelerated filer [X]   Non-accelerated filer [ ]

Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12-b). Yes [ ] No [X]

There were 12,063,733 shares of outstanding Class A Common Stock of the registrant as of July 27, 2009.
There were 47,726,521 shares of outstanding Class B Common Stock of the registrant as of July 27, 2009.

INDEX

Part I: FINANCIAL INFORMATION

Part II: OTHER INFORMATION

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

First Advantage Corporation

Consolidated Financial Statements (Unaudited)
For the Three and Six Months Ended
June 30, 2009 and 2008

First Advantage Corporation

Consolidated Balance Sheets (Unaudited)

(in thousands)	June 30, 2009	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	$ 60,478	$ 52,361
Accounts receivable (less allowance for doubtful accounts of $11,977 and $8,345, respectively)	118,702	121,531
Prepaid expenses and other current assets	9,634	9,032
Due from affiliates	2,908	-
Deferred income tax asset	16,846	16,695
Total current assets	208,568	199,619
Property and equipment, net	78,982	81,807
Goodwill	752,491	731,369
Customer lists, net	48,507	53,813
Other intangible assets, net	15,311	17,245
Database development costs, net	12,191	11,837
Marketable equity securities	43,389	30,365
Other assets	3,300	3,684
Total assets	$ 1,162,739	$ 1,129,739
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 37,346	$ 38,404
Accrued compensation	22,367	32,423
Accrued liabilities	13,511	11,379
Deferred income	6,755	7,381
Income tax payable	1,037	2,609
Due to affiliates	-	714
Current portion of long-term debt and capital leases	8,807	9,891
Total current liabilities	89,823	102,801
Long-term debt and capital leases, net of current portion	29,357	22,938
Deferred income tax liability	68,429	61,652
Other liabilities	4,971	5,300
Total liabilities	192,580	192,691
Equity:		
First Advantage Corporations Stockholders' Equity:		
Preferred stock, $.001 par value; 1,000 shares authorized, no shares issued or outstanding	-	-
Class A common stock, $.001 par value; 125,000 shares authorized; 12,061 and 11,772 shares issued and outstanding as of June 30, 2009 and December 31, 2008, respectively	12	12
Class B common stock, $.001 par value; 75,000 shares authorized; 47,727 shares issued and outstanding as of June 30, 2009 and December 31, 2008, respectively	48	48
Additional paid-in capital	501,324	502,600
Retained earnings	414,187	390,602
Accumulated other comprehensive income (loss)	10,124	(412)
Total First Advantage Corporation's stockholders' equity	925,695	892,850
Noncontrolling interests	44,464	44,198
Total equity	970,159	937,048
Total liabilities and equity	$ 1,162,739	$ 1,129,739

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

First Advantage Corporation

Consolidated Statements of Income (Unaudited)

(in thousands, except per share amounts)	For the Three Months Ended June 30, 2009	For the Three Months Ended June 30, 2008	For the Six Months Ended June 30, 2009	For the Six Months Ended June 30, 2008
Service revenue	$ 164,668	$ 182,423	$ 354,708	$ 370,677
Reimbursed government fee revenue	13,341	13,122	26,319	27,147
Total revenue	178,009	195,545	381,027	397,824
Cost of service revenue	58,261	53,487	139,601	107,203
Government fees paid	13,341	13,122	26,319	27,147
Total cost of service	71,602	66,609	165,920	134,350
Gross margin	106,407	128,936	215,107	263,474
Salaries and benefits	48,130	62,927	101,297	129,376
Facilities and telecommunications	6,865	8,084	13,524	16,284
Other operating expenses	18,597	22,909	37,944	45,743
Depreciation and amortization	10,895	10,726	21,581	20,622
Impairment loss	-	297	-	297
Total operating expenses	84,487	104,943	174,346	212,322
Income from operations	21,920	23,993	40,761	51,152
Other (expense) income:				
Interest expense	(294)	(1,075)	(669)	(1,500)
Interest income	71	172	284	591
Total other (expense), net	(223)	(903)	(385)	(909)
Income from continuing operations before income taxes	21,697	23,090	40,376	50,243
Provision for income taxes	9,112	9,676	16,958	20,650
Income from continuing operations	12,585	13,414	23,418	29,593
Loss from discontinued operations, net of tax	-	(1,264)	-	(4,241)
Net income	12,585	12,150	23,418	25,352
Less: Net loss attributable to noncontrolling interest	(386)	(238)	(167)	(325)
Net income attributable to First Advantage Corporation ("FADV")	$ 12,971	$ 12,388	$ 23,585	$ 25,677
Basic income per share:				
Income from continuing operations attributable to FADV shareholders	$ 0.22	$ 0.23	$ 0.40	$ 0.50
Loss from discontinued operations attributable to FADV shareholders, net of tax	-	(0.02)	-	(0.07)
Net income attributable to FADV shareholders	$ 0.22	$ 0.21	$ 0.40	$ 0.43
Diluted income per share:				
Income from continuing operations attributable to FADV shareholders	$ 0.22	$ 0.23	$ 0.39	$ 0.50
Loss from discontinued operations attributable to FADV shareholders, net of tax	-	(0.02)	-	(0.07)
Net income attributable to FADV shareholders	$ 0.22	$ 0.21	$ 0.39	$ 0.43
Weighted-average common shares outstanding:				
Basic	59,776	59,435	59,681	59,297
Diluted	59,898	59,617	59,764	59,374
Amounts attributable to FADV shareholders:				
Income from continuing operations, net of tax	$ 12,971	$ 13,652	$ 23,585	$ 29,918
Loss from discontinued operations, net of tax	-	(1,264)	-	(4,241)
Net income	$ 12,971	$ 12,388	$ 23,585	$ 25,677

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

Table of Contents

First Advantage Corporation

Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(in thousands)	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Net income	$ 12,585	$ 12,150	$ 23,418	$ 25,352
Other comprehensive income (loss) , net of tax:				
Foreign currency translation adjustments	3,572	(670)	2,803	2,080
Unrealized gain (loss) on investment, net of tax	5,915	(9,230)	7,733	(29,719)
Total other comprehensive income (loss) , net of tax	$ 9,487	$ (9,900)	$ 10,536	$ (27,639)
Comprehensive income (loss)	$ 22,072	$ 2,250	$ 33,954	$ (2,287)
Comprehensive loss attributable to the noncontrolling interest	(386)	(238)	(167)	(325)
Comprehensive income (loss) attributable to FADV	$ 21,686	$ 2,012	$ 33,787	$ (2,612)

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

First Advantage Corporation

Consolidated Statement of Changes in Equity
For the Six Months Ended June 30, 2009 (Unaudited)

(in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total
Balance at December 31, 2008	59,499	$ 60	$ 502,600	$ 390,602	$ (412)	$ 44,198	$ 937,048
Net income	-	-	-	23,585	-	(167)	23,418
Purchase of subsidiary shares from noncontrolling interest	-	-	(5,506)	-	-	433	(5,073)
Class A Shares issued in connection with share based compensation	289	-	310	-	-	-	310
Share based compensation	-	-	3,920	-	-	-	3,920
Foreign currency translation	-	-	-	-	2,803	-	2,803
Unrealized gain on investment, net of tax	-	-	-	-	7,733	-	7,733
Balance at June 30, 2009	59,788	$ 60	$ 501,324	$ 414,187	$ 10,124	$ 44,464	$ 970,159

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

First Advantage Corporation

Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2009 and 2008 (Unaudited)

(in thousands)	For the Six Months Ended June 30, 2009	For the Six Months Ended June 30, 2008
Cash flows from operating activities:		
Net income	$ 23,418	$ 25,352
Loss from discontinued operations	-	(4,241)
Income from continuing operations	$ 23,418	$ 29,593
Adjustments to reconcile income from continuing operations to net cash provided by (used in) operating activities:		
Depreciation and amortization	21,581	20,919
Bad debt expense	6,483	3,464
Share based compensation	3,920	4,974
Deferred income tax	1,324	7,676
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(3,826)	13,603
Prepaid expenses and other current assets	(547)	(535)
Other assets	126	(116)
Accounts payable	(1,117)	(2,322)
Accrued liabilities	1,905	(1,962)
Deferred income	(604)	(477)
Due from affiliates	(3,622)	(6,782)
Income tax accounts	(1,475)	(59,400)
Accrued compensation and other liabilities	(10,390)	(11,157)
Net cash provided by (used in) operating activities - continuing operations	37,176	(2,522)
Net cash provided by operating activities - discontinued operations	-	754
Cash flows from investing activities:		
Database development costs	(1,939)	(2,092)
Purchases of property and equipment	(9,826)	(17,479)
Cash paid for acquisitions	(19,465)	(51,152)
Proceeds from sale of assets	850	-
Cash balance of companies acquired	-	331
Net cash used in investing activities - continuing operations	(30,380)	(70,392)
Net cash provided by investing activities - discontinued operations	-	1,721
Cash flows from financing activities:		
Proceeds from long-term debt	50,396	90,000
Repayment of long-term debt	(45,139)	(52,033)
Cash contributions from First American to LeadClick Holdings, LLC	-	2,402
Proceeds from class A shares issued in connection with stock option plan and employee stock purchase plan	310	4,365
Cash paid for acquisition of noncontrolling interests	(5,073)	(8,008)
Distribution to noncontrolling interests	-	(949)
Tax expense related to stock options	-	(204)
Net cash provided by financing activities	494	35,573
Effect of exchange rates on cash	827	(146)
Increase (decrease) in cash and cash equivalents	8,117	(35,012)
Cash and cash equivalents at beginning of period	52,361	76,060
Change in cash and cash equivalents of discontinued operations	-	540
Cash and cash equivalents at end of period	$ 60,478	$ 41,588

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

First Advantage Corporation

Consolidated Statements of Cash Flows, continued
For the Six Months Ended June 30, 2009 and 2008 (Unaudited)

(in thousands)	For the Six Months Ended June 30, 2009		For the Six Months Ended June 30, 2008	
Supplemental disclosures of cash flow information:				
Cash paid for interest	$	432	$	1,467
Cash received for income tax refund	$	982	$	987
Cash paid for income taxes	$	17,580	$	69,125
Non-cash investing and financing activities:				
Notes issued in connection with acquisitions	$	-	$	3,026
Class A shares issued for compensation	$	4,997	$	2,767
Unrealized gain (loss) on investment, net of tax	$	7,733	$	(29,719)

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

First Advantage Corporation

Notes to Consolidated Financial Statements

1. Organization and Nature of Business

First Advantage Corporation (the "Company" or "First Advantage") is a global risk mitigation and business solutions provider and operates in five primary business segments: Credit Services, Data Services, Employer Services, Multifamily Services, and Investigative and Litigation Support Services. In the first quarter of 2009, the Company consolidated the previous Lender Services and Dealer Services segments and moved the consumer credit business from the Data Services segment to create the Credit Services segment. The prior periods have been recast to reflect the changed segments.

The First American Corporation and affiliates ("First American") own approximately 80% of the shares of capital stock of the Company as of June 30, 2009. 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.

On June 29, 2009, the Company received an unsolicited proposal from First American to acquire all of the issued and outstanding shares of the Company's common stock not owned by First American at a fixed exchange ratio of 0.5375 of a share of First American's common stock for each share of the Company's common stock. First American's proposal is subject to confirmatory due diligence, the negotiation of an acceptable definitive acquisition agreement and the receipt of all necessary stockholder and regulatory approvals. First American's proposal is under consideration by the Special Committee of the Board of Directors of the Company, which is comprised of directors who are unaffiliated with First American.

As part of the Company's streamlining initiative, in the second quarter of 2008, First Advantage sold First Advantage Investigative Services ("FAIS"), which was included in our Investigative and Litigation Support Services segment, and Credit Management Solutions, Inc. ("CMSI"), which was included in our Credit Services segment. The results of these businesses' operations in the prior period are presented in discontinued operations in the Company's Consolidated Statements of Income.

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. The year-end balance sheet data was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles. This report should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2008 filed with the Securities and Exchange Commission.

Certain amounts for the three and six months ended June 30, 2008 and at December 31, 2008 have been reclassified to conform with 2009 presentation.

Operating results for the three and six months ended June 30, 2009 and 2008 are not necessarily indicative of the results that may be expected for the entire fiscal year.

Subsequent events have been evaluated through July 30, 2009, the date these financial statements were issued.

As of June 30, 2009, the Company's significant accounting policies and estimates, which are detailed in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, have not changed from December 31, 2008, except for the adoption of Statement of Financial Accounting Standards ("SFAS") No. 141 (revised 2007), "Business Combinations," SFAS No. 160, "Noncontrolling Interest in Consolidated Financial Statements," SFAS No. 165, "Subsequent Events," and FASB Staff Position FAS 107-1, "Interim Disclosures about Fair Value of Financial Instruments."

Purchase Accounting

In December 2007, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS 141(R)"). SFAS 141(R) retains the fundamental requirements in SFAS No. 141 that the acquisition method of accounting (which SFAS No. 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. In general, the statement 1) broadens the guidance of SFAS No. 141, extending its applicability to all events where one entity obtains control over one or more other businesses, 2) broadens the use of fair value measurements used to recognize the assets acquired and liabilities assumed, 3) changes the accounting for acquisition related fees and restructuring costs incurred in connection with an acquisition, and 4) increases required disclosures. The Company will apply the provisions of this statement prospectively to business combinations for which the acquisition date is on or after January 1, 2009.

Noncontrolling Interest

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51” (“SFAS 160”). SFAS 160 requires that a noncontrolling interest in a subsidiary be reported as equity and the amount of consolidated net income specifically attributable to the noncontrolling interest be identified in the consolidated financial statements. It also requires consistency in the manner of reporting changes in the parent’s ownership interest and requires fair value measurement of any noncontrolling equity investment retained in a deconsolidation. The Company has applied the provisions of this statement effective beginning on January 1, 2009 and the adoption did not have a material effect on its consolidated financial statements.

Fair Value of Financial Instruments

In April 2009, the FASB issued FASB Staff Position (“FSP”) FSP SFAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments.” This FSP amends Statement of Financial Accounting Standard (“SFAS”) No. 107, “Disclosures About Fair Value of Financial Instruments,” to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This FSP also amends APB Opinion No. 28, “Interim Financial Reporting,” to require those disclosures in summarized financial information at interim reporting periods. This FSP is effective for interim reporting periods ending after June 15, 2009. The FSP does not require disclosures for earlier periods presented for comparative purposes at initial adoption. In periods after initial adoption, this FSP requires comparative disclosures only for periods ending after initial adoption. We adopted this new standard effective April 1, 2009.

The carrying amount of the Company’s financial instruments at June 30, 2009 and December 31, 2008, which includes cash and cash equivalents, marketable equity securities and accounts receivable, approximates fair value because of the short maturity of those instruments. The Company’s marketable equity securities are classified as available for sale securities. Unrealized holding gains and losses for available for sale securities are excluded from earnings and reported, net of taxes, as accumulated other comprehensive (loss) income. The Company considers its variable rate debt to be representative of current market rates and, accordingly, estimates that the recorded amounts approximate fair market value. Fair value estimates of its fixed rate debt were determined using discounted cash flow methods with a discount rate of 3.25% and 3.25%, which are the estimated rates that similar instruments could be negotiated at June 30, 2009 and December 31, 2008, respectively.

The estimated fair values of the Company’s financial instruments, none of which are held for trading purposes, are summarized as follows:

	June 30, 2009		December 31, 2008	
(in thousands)	**Carrying Amount**	**Estimated Fair Value**	**Carrying Amount**	**Estimated Fair Value**
Cash and cash equivalents	$ 60,478	$ 60,478	$ 52,361	$ 52,361
Accounts receivable	118,702	118,702	121,531	121,531
Marketable equity securities	43,389	43,389	30,365	30,365
Long-term debt and capital leases	(38,164)	(38,201)	(32,829)	(32,699)

Subsequent Events

In May 2009, the FASB issued SFAS No. 165, “Subsequent Events” (“SFAS 165”). SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued. SFAS 165 is effective for reporting periods ending after June 15, 2009.

3. **Acquisitions**

During the first six months of 2009, the Company paid consideration of approximately $19.5 million in cash related to earnout provisions from prior year acquisitions and approximately $5.1 million for the final purchase of a portion of noncontrolling interests in LeadClick Media, Inc. The additional consideration related to earnout provisions was recorded to goodwill and the purchase of noncontrolling interests was recorded to additional paid in capital when paid.

The changes in the carrying amount of goodwill, by operating segment, are as follows for the six months ended June 30, 2009:

(in thousands)	Balance at December 31, 2008	Acquisitions, (Disposals) and Earnouts	Adjustments to net assets acquired	Balance at June 30, 2009
Credit Services	$ 107,578	$ -	$ -	$ 107,578
Data Services	218,505	(611)	-	217,894
Employer Services	272,461	2,266	2,245	276,972
Multifamily Services	49,174	-	-	49,174
Investigative and Litigation Support Services	83,651	17,199	23	100,873
Consolidated	$ 731,369	$ 18,854	$ 2,268	$ 752,491

The adjustments to net assets acquired represent post acquisition adjustments for those companies acquired in the past periods.

4. **Discontinued Operations**

As discussed in Note 1, as part of the Company's streamlining initiative, in the second quarter of 2008, the Company sold FAIS, which was included in our Investigative and Litigation Support Services segment, and CMSI, which was included in our Credit Services segment. The results of these businesses' operations in the prior period are presented in discontinued operations in the Company's Consolidated Statements of Income.

First Advantage Corporation

Notes to Consolidated Financial Statements

The following amounts have been segregated from continuing operations and are reflected as discontinued operations for the three and six months ended June 30, 2008.

(in thousands, except per share amounts)	Three months ended June 30, 2008	Six months ended June 30, 2008
Total revenue	$ 2,826	$ 7,671
Loss from discontinued operations before income taxes	$ (2,141)	$ (3,245)
Loss on sale of discontinued operations before income taxes	-	(3,910)
Income tax benefit	(877)	(2,914)
Loss from discontinued operations, net of tax	$ (1,264)	$ (4,241)
Loss per share:		
Basic	$ (0.02)	$ (0.07)
Diluted	$ (0.02)	$ (0.07)
Weighted-average common shares outstanding:		
Basic	59,435	59,297
Diluted	59,617	59,374

5. Goodwill and Intangible Assets

In accordance with SFAS No. 142, “Goodwill and Other Intangible Assets,” the Company will perform the goodwill impairment test for all reporting units in the fourth quarter of 2009. There have been no impairments of goodwill during the six months ended June 30, 2009.

Given the current economic environment and the uncertainties regarding the impact on the Company’s business, there can be no assurance that the Company’s estimates and assumptions regarding the duration of the ongoing economic downturn, or the period or strength of recovery, made for purposes of the Company’s goodwill impairment testing during the year ended December 31, 2008 will prove to be accurate predictions of the future. If the Company’s assumptions regarding forecasted revenue or margin growth rates of certain reporting units are not achieved, the Company may be required to record additional goodwill impairment losses in future periods, whether in connection with the Company’s next annual impairment testing in the fourth quarter of 2009 or prior to that, if any such change constitutes a triggering event in other than the quarter in which the annual goodwill impairment test is performed. It is not possible at this time to determine if any such future impairment loss would result or, if it does, whether such charge would be material.

First Advantage Corporation

Notes to Consolidated Financial Statements

Goodwill and other identifiable intangible assets as of June 30, 2009 and December 31, 2008 are as follows:

(in thousands)	June 30, 2009	December 31, 2008
Goodwill	$ 752,491	$ 731,369
Customer lists	$ 95,556	$ 95,446
Less accumulated amortization	(47,049)	(41,633)
Customer lists, net	$ 48,507	$ 53,813
Other identifiable intangible assets:		
Noncompete agreements	$ 10,186	$ 11,783
Trade names	21,664	21,631
	31,850	33,414
Less accumulated amortization	(16,539)	(16,169)
Other identifiable intangible assets, net	$ 15,311	$ 17,245

Amortization of customer lists and other identifiable intangible assets totaled approximately $3.7 million and $4.4 million for the three months ended June 30, 2009 and 2008, respectively, and approximately $7.3 million and $8.5 million for the six months ended June 30, 2009 and 2008, respectively.

Estimated amortization expense relating to intangible asset balances as of June 30, 2009, is expected to be as follows over the next five years:

(in thousands)	
Remainder of 2009	$ 7,252
2010	13,926
2011	11,307
2012	10,213
2013	8,812
Thereafter	12,308
	$ 63,818

The changes in the carrying amount of identifiable intangible assets are as follows for the six months ended June 30, 2009:

(in thousands)	Other Identifiable Intangible Assets	Customer Lists
Balance, at December 31, 2008	$ 17,245	$ 53,813
Adjustments	33	58
Amortization	(1,967)	(5,364)
Balance, at June 30, 2009	$ 15,311	$ 48,507

First Advantage Corporation

Notes to Consolidated Financial Statements

6. Debt

Long-term debt consists of the following at June 30, 2009:

(in thousands, except percentages)		
Acquisition notes:		
Weighted average interest rate of 3.65% with maturities through 2011	$	11,699
Bank notes:		
$225 million Secured Credit Facility, interest at 30-day LIBOR plus 1.13% (1.44% at June 30, 2009) matures September 2010		25,000
Capital leases and other debt:		
Various interest rates with maturities through 2011		1,465
Total long-term debt and capital leases	$	38,164
Less current portion of long-term debt and capital leases		8,807
Long-term debt and capital leases, net of current portion	$	29,357

At June 30, 2009, the Company was in compliance with the financial covenants of its loan agreement.

First Advantage Corporation

Notes to Consolidated Financial Statements

7. Earnings Per Share

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

(in thousands, except per share amounts)	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Income from continuing operations attributable to FADV shareholders	$ 12,971	$ 13,652	$ 23,585	$ 29,918
Loss from discontinued operations attributable to FADV shareholders, net of tax	-	(1,264)	-	(4,241)
Net income attributable to FADV shareholders	$ 12,971	$ 12,388	$ 23,585	$ 25,677
Denominator:				
Weighted-average shares for basic earnings per share	59,776	59,435	59,681	59,297
Effect of restricted stock	117	75	79	47
Effect of dilutive securities - employee stock options and warrants	5	107	4	30
Denominator for diluted earnings per share	59,898	59,617	59,764	59,374
Earnings per share:				
Basic				
Income from continuing operations attributable to FADV shareholders	$ 0.22	$ 0.23	$ 0.40	$ 0.50
Loss from discontinued operations attributable to FADV shareholders, net of tax	-	(0.02)	-	(0.07)
Net income attributable to FADV shareholders	$ 0.22	$ 0.21	$ 0.40	$ 0.43
Diluted				
Income from continuing operations attributable to FADV shareholders	$ 0.22	$ 0.23	$ 0.39	$ 0.50
Loss from discontinued operations attributable to FADV shareholders, net of tax	-	(0.02)	-	(0.07)
Net income attributable to FADV shareholders	$ 0.22	$ 0.21	$ 0.39	$ 0.43

For the three months ended June 30, 2009 and 2008, options and warrants totaling 3,376,872 and 3,062,601, respectively, were excluded from the weighted average diluted shares outstanding, as they were antidilutive. For the six months ended June 30, 2009 and 2008, options and warrants totaling 3,376,872 and 3,599,011, respectively, were excluded from the weighted average diluted shares outstanding, as they were antidilutive.

8. Share-Based Compensation

In the first quarter of 2008, the Company changed from granting stock options as the primary means of share-based compensation to granting restricted stock units ("RSU"). The fair value of any RSU grant is based on the market value of the Company's shares on the date of the grant and is recognized as compensation expense over the vesting period. RSUs generally vest over three years at a rate of 33.3% for the first two years and 33.4% for last year.

First Advantage Corporation

Notes to Consolidated Financial Statements

Restricted stock activity since December 31, 2008 is summarized as follows:

(in thousands, except exercise prices)	Number of Shares	Weighted Average Grant-Date Fair Value
Nonvested restricted stock outstanding at December 31, 2008	632	$ 21.93
Restricted stock granted	406	$ 10.61
Restricted stock forfeited	(30)	$ 17.99
Restricted stock vested	(253)	$ 23.06
Nonvested restricted stock outstanding at June 30, 2009	755	$ 15.61

The following table illustrates the share-based compensation expense recognized for the three and six months ended June 30, 2009 and 2008.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2009	2008	2009	2008
Stock options	$ 487	$ 1,326	$ 1,120	$ 2,700
Restricted stock	1,459	1,349	2,746	2,188
Employee stock purchase plan	24	42	54	86
	$ 1,970	$ 2,717	$ 3,920	$ 4,974

Stock option activity under the Company's stock plan since December 31, 2008 is summarized as follows:

(in thousands, except exercise prices)	Number of Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value
Options outstanding at December 31, 2008	3,492	$ 23.06	$ 71
Options forfeited	(106)	$ 28.31	
Options outstanding at June 30, 2009	3,386	$ 22.93	$ 68
Options exercisable, end of the quarter	3,137	$ 22.81	$ 68

The following table summarizes information about stock options outstanding at June 30, 2009:

(in thousands, except for exercise prices, years and weighted average amounts)

	Options Outstanding			**Options Exercisable**	
Range of Exercise Prices	Shares	Weighted Avg Remaining Contractual Life in Years	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
$ 7.00 - $ 12.50	9	2.2	$ 11.13	9	$ 11.13
$ 12.51 - $ 25.00	2,254	4.6	$ 20.85	2,167	$ 20.89
$ 25.01 - $ 50.00	1,118	6.2	$ 27.04	956	$ 27.09
$ 50.01 - $242.25	5	1.7	$ 60.50	5	$ 60.50
	3,386			3,137	

The Company had outstanding warrants to purchase up to 41,462 shares of its common stock at exercise prices of $12.05 per share as of June 30, 2009. The weighted average remaining contractual life in years for the warrants outstanding is 1.93.

First Advantage Corporation

Notes to Consolidated Financial Statements

9. Income Taxes

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, various state jurisdictions, and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal examinations by tax authorities for years before 2005, and state and local, and non-U.S. income tax examinations by tax authorities before 2003. In April 2009, the Internal Revenue Service ("IRS") concluded an examination of First Advantage's consolidated 2005 federal income tax return without any material adjustments. In March 2009, the IRS initiated an examination of First Advantage's consolidated 2006 and 2007 federal income tax returns, which the Company does not anticipate will result in material adjustments.

As of June 30, 2009, the Company has a $4.9 million total liability recorded for unrecognized tax benefits as well as a $0.4 million total liability for income tax related interest. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is $2.6 million. The majority of the unrecognized tax benefits that would affect the effective tax rate and associated interest relates to foreign operations. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Company does not currently anticipate that the total amount of unrecognized tax benefits will significantly increase or decrease by the end of 2009.

10. Segment Information

The Company operates in five primary business segments: Credit Services, Data Services, Employer Services, Multifamily Services, and Investigative and Litigation Support Services. In the first quarter of 2009, the Company consolidated the previous Lender Services and Dealer Services segments and moved the consumer credit business from the Data Services segment to create the Credit Services segment. The prior periods have been recast to reflect the changed segments.

The Credit Services segment include business lines that offer lenders credit reporting solutions for mortgage and home equity needs, that provide consumer credit reporting services and serve the automotive dealer marketplace by delivering consolidated consumer credit reports and automotive lead generation services.

The Data Services segment includes business lines that provide transportation credit reporting, motor vehicle record reporting, fleet management, criminal records reselling, specialty finance credit reporting, and lead generation services. Revenue for the Data Services segment includes $1.0 million and $1.4 million of inter-segment sales for the three months ended June 30, 2009 and 2008, respectively, and $1.9 million and $2.8 million of inter-segment sales for the six months ended June 30, 2009 and 2008, respectively.

The Employer Services segment includes employment background screening, occupational health services, tax incentive services and hiring solutions. 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. Hiring solutions include applicant tracking software, recruiting services and outsourced management of payroll and human resource functions. Tax incentive services include services related to the administration of employment-based and location-based tax credit and incentive programs, sales and use tax programs and fleet asset management programs. Revenue for the Employer Services segment includes $0.1 million of inter-segment sales for the three months ended June 30, 2008, and $0.2 million and $0.5 million of inter-segment sales for the six months ended June 30, 2009 and 2008, respectively.

The Multifamily Services segment includes resident screening and software services. Resident screening services include criminal background and eviction searches, credit reporting, employment verification and lease performance and payment histories. Revenue for the Multifamily Services segment includes $0.2 million of inter-segment sales for each of the three months ended June 30, 2009 and 2008, and $0.3 million and $0.4 million of inter-segment sales for the six months ended June 30, 2009 and 2008, respectively.

The Investigative and Litigation Support Services segment includes all investigative services. Products and services offered by the Investigative and Litigation Support Services segment includes computer forensics, electronic discovery, due diligence reports and other high level investigations.

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

Service revenue for international operations included in the Employer Services segment was $7.0 million and $12.3 million for the three months ended June 30, 2009 and 2008, respectively, and $13.5 million and $23.4 million for the six months ended June 30, 2009 and 2008, respectively. Service revenue for international operations included in the Investigative and Litigation Support Services segment was $1.4 million and $11.7 million for the three months ended June 30, 2009 and 2008, respectively, and $6.8 million and $24.6 million for the six months ended June 30, 2009 and 2008, respectively.

First Advantage Corporation

Notes to Consolidated Financial Statements

The following table sets forth segment information for the three and six months ended June 30, 2009 and 2008.

(in thousands)	Service Revenue	Depreciation and Amortization	Income (Loss) From Operations	Assets
Three Months Ended June 30, 2009				
Credit Services	$ 67,705	$ 1,488	$ 17,584	$ 200,797
Data Services	28,842	2,427	2,153	300,290
Employer Services	40,168	3,772	2,681	391,370
Multifamily Services	19,685	1,509	7,579	85,018
Investigative and Litigation Support Services	8,694	727	270	120,482
Corporate and Eliminations	(426)	972	(8,347)	64,782
Consolidated	$ 164,668	$ 10,895	$ 21,920	$ 1,162,739
Three Months Ended June 30, 2008				
Credit Services	$ 66,984	$ 1,565	$ 11,961	$ 190,311
Data Services	19,533	2,534	3,764	313,651
Employer Services	55,511	3,295	3,004	410,989
Multifamily Services	19,986	1,429	6,569	89,342
Investigative and Litigation Support Services	21,178	858	7,535	115,539
Corporate and Eliminations	(769)	1,045	(8,840)	64,152
Consolidated	$ 182,423	$ 10,726	$ 23,993	$ 1,183,984
Six Months Ended June 30, 2009				
Credit Services	$ 132,124	$ 2,937	$ 32,331	$ 200,797
Data Services	87,942	4,932	7,799	300,290
Employer Services	77,619	7,287	2,181	391,370
Multifamily Services	37,588	3,011	13,253	85,018
Investigative and Litigation Support Services	20,420	1,452	1,416	120,482
Corporate and Eliminations	(985)	1,962	(16,219)	64,782
Consolidated	$ 354,708	$ 21,581	$ 40,761	$ 1,162,739
Six Months Ended June 30, 2008				
Credit Services	$ 141,886	$ 2,752	$ 28,308	$ 190,311
Data Services	38,500	5,031	7,534	313,651
Employer Services	109,198	6,374	6,475	410,989
Multifamily Services	38,335	2,798	11,341	89,342
Investigative and Litigation Support Services	44,681	1,623	17,060	115,539
Corporate and Eliminations	(1,923)	2,044	(19,566)	64,152
Consolidated	$ 370,677	$ 20,622	$ 51,152	$ 1,183,984

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. In addition to the risk factors set forth above and in this quarterly report on Form 10-Q, you should carefully consider the risk factors set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, as well as the other information contained the Company's Annual Report, as updated or modified in subsequent filings. The Company faces risks other than those listed in the Annual Report, as updated, including those that are unknown and others of which the Company may be aware but, at present, considers immaterial. 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") provides global risk mitigation, screening services and credit reporting to enterprise and consumer customers. The Company operates in five primary business segments: Credit Services, Data Services, Employer Services, Multifamily Services, and Investigative & Litigation Support Services. In the first quarter of 2009, the Company consolidated the previous Lender Services and Dealer Services segments and moved the consumer credit business from the Data Services segment to create the Credit Services segment. The prior periods have been recast to reflect the changed segments. First Advantage is headquartered in Poway, California and has approximately 3,700 employees in offices throughout the United States and abroad.

The current economic downturn has caused decreased service revenue in the Credit Services segment related to the mortgage and auto industries and the Data Services segment related to the transportation and specialty finance businesses. Management expects continued weakness in the real estate and mortgage markets to continue impacting the Company's Credit Services segment and the transportation and specialty credit businesses in the Data Services segment. In addition, the effect of the issues in the real estate and related credit markets together with the other macroeconomic matters has resulted in higher unemployment rates negatively impacting the volumes in the Employer Services segment. Given this outlook, management is focusing on expense reductions, operating efficiencies, and increasing market share throughout the Company.

Given the current economic environment and the uncertainties regarding the impact on the Company's business, there can be no assurance that the Company's estimates and assumptions regarding the duration of the ongoing economic downturn, or the period or strength of recovery, made for purposes of the Company's goodwill impairment testing during the year ended December 31, 2008 will prove to be accurate predictions of the future. If the Company's assumptions regarding forecasted revenue or margin growth rates of certain reporting units are not achieved, the Company may be required to record additional goodwill impairment losses in future periods, whether in connection with the Company's next annual impairment testing in the fourth quarter of 2009 or prior to that, if any such change constitutes a triggering event in other than the quarter in which the annual goodwill impairment test is performed. It is not possible at this time to determine if any such future impairment loss would result or, if it does, whether such charge would be material.

Operating results for the three months ended June 30, 2009 included total service revenue of $164.7 million, this represents a decrease of 9.7% over the same period in 2008. Operating results for the six months ended June 30, 2009 included total service revenue of $354.7 million, this represents a decrease of 4.3% over the same period in 2008. Operating income for the three and six months ended June 30, 2009 was $21.9 million and $40.8 million, respectively. Operating income decreased $2.1 million for the three months ended June 30, 2009 in comparison to the same period in 2008. Operating income decreased $10.4 million for the six months ended June 30, 2009 in comparison to the same period in 2008.

On June 29, 2009, the Company received an unsolicited proposal from First American to acquire all of the issued and outstanding shares of the Company's common stock not owned by First American at a fixed exchange ratio of 0.5375 of a share of First American's common stock for each share of the Company's common stock. First American's proposal is subject to confirmatory due diligence, the negotiation of an acceptable definitive acquisition agreement and the receipt of all necessary stockholder and regulatory approvals. First American's proposal is under consideration by the Special Committee of the Board of Directors of the Company, which is comprised of directors who are unaffiliated with First American.

As part of the Company's streamlining initiative, in the second quarter of 2008, First Advantage sold First Advantage Investigative Services ("FAIS"), which was included in our Investigative and Litigation Support Services segment, and Credit Management Solutions, Inc. ("CMSI"), which was included in our Credit Services segment. The results of these businesses' operations in the prior period are presented in discontinued operations in the Company's Consolidated Statements of Income.

The following is a summary of the operating results by the Company's business segments for the three and six months ended June 30, 2009 and June 30, 2008.

(in thousands, except percentages)

Three Months Ended June 30, 2009	**Credit Services**	**Data Services**	**Employer Services**	**Multifamily Services**	**Invest/Litigation Support Services**	**Corporate and Eliminations**	**Total**
Service revenue	$ 67,705	$ 28,842	$ 40,168	$ 19,685	$ 8,694	$ (426)	$ 164,668
Reimbursed government fee revenue	391	11,570	2,243	-	-	(863)	13,341
Total revenue	68,096	40,412	42,411	19,685	8,694	(1,289)	178,009
Cost of service revenue	30,544	15,404	10,666	1,751	526	(630)	58,261
Government fees paid	391	11,570	2,243	-	-	(863)	13,341
Total cost of service	30,935	26,974	12,909	1,751	526	(1,493)	71,602
Gross margin	37,161	13,438	29,502	17,934	8,168	204	106,407
Salaries and benefits	12,063	4,367	15,615	5,792	5,050	5,243	48,130
Facilities and telecommunications	1,633	659	2,128	730	725	990	6,865
Other operating expenses	4,393	3,832	5,306	2,324	1,396	1,346	18,597
Depreciation and amortization	1,488	2,427	3,772	1,509	727	972	10,895
Income (loss) from operations	$ 17,584	$ 2,153	$ 2,681	$ 7,579	$ 270	$ (8,347)	$ 21,920
Operating margin percentage	26.0%	7.5%	6.7%	38.5%	3.1 %	N/A	13.3%

Three Months Ended June 30, 2008	**Credit Services**	**Data Services**	**Employer Services**	**Multifamily Services**	**Invest/Litigation Support Services**	**Corporate and Eliminations**	**Total**
Service revenue	$ 66,984	$ 19,533	$ 55,511	$ 19,986	$ 21,178	$ (769)	$ 182,423
Reimbursed government fee revenue	-	11,906	2,226	-	-	(1,010)	13,122
Total revenue	66,984	31,439	57,737	19,986	21,178	(1,779)	195,545
Cost of service revenue	30,392	5,710	16,070	1,759	440	(884)	53,487
Government fees paid	-	11,906	2,226	-	-	(1,010)	13,122
Total cost of service	30,392	17,616	18,296	1,759	440	(1,894)	66,609
Gross margin	36,592	13,823	39,441	18,227	20,738	115	128,936
Salaries and benefits	14,916	5,010	20,339	6,386	8,442	7,834	62,927
Facilities and telecommunications	2,136	640	2,554	896	713	1,145	8,084
Other operating expenses	6,014	1,875	9,952	2,947	3,190	(1,069)	22,909
Depreciation and amortization	1,565	2,534	3,295	1,429	858	1,045	10,726
Impairment loss	-	-	297	-	-	-	297
Income (loss) from operations	$ 11,961	$ 3,764	$ 3,004	$ 6,569	$ 7,535	$ (8,840)	$ 23,993
Operating margin percentage	17.9%	19.3%	5.4%	32.9%	35.6 %	N/A	13.2%

Six Months Ended June 30, 2009	Credit Services	Data Services	Employer Services	Multifamily Services	Invest/Litigation Support Services	Corporate and Eliminations	Total
Service revenue	$ 132,124	$ 87,942	$ 77,619	$ 37,588	$ 20,420	$ (985)	$ 354,708
Reimbursed government fee revenue	391	23,318	4,345	-	-	(1,735)	26,319
Total revenue	132,515	111,260	81,964	37,588	20,420	(2,720)	381,027
Cost of service revenue	59,601	56,387	20,716	3,239	871	(1,213)	139,601
Government fees paid	391	23,318	4,345	-	-	(1,735)	26,319
Total cost of service	59,992	79,705	25,061	3,239	871	(2,948)	165,920
Gross margin	72,523	31,555	56,903	34,349	19,549	228	215,107
Salaries and benefits	24,239	9,745	32,733	12,108	11,705	10,767	101,297
Facilities and telecommunications	3,382	1,207	4,212	1,493	1,310	1,920	13,524
Other operating expenses	9,634	7,872	10,490	4,484	3,666	1,798	37,944
Depreciation and amortization	2,937	4,932	7,287	3,011	1,452	1,962	21,581
Income (loss) from operations	$ 32,331	$ 7,799	$ 2,181	$ 13,253	$ 1,416	$ (16,219)	$ 40,761
Operating margin percentage	24.5%	8.9%	2.8%	35.3%	6.9 %	N/A	11.5%

Six Months Ended June 30, 2008	Credit Services	Data Services	Employer Services	Multifamily Services	Invest/Litigation Support Services	Corporate and Eliminations	Total
Service revenue	$ 141,886	$ 38,500	$ 109,198	$ 38,335	$ 44,681	$ (1,923)	$ 370,677
Reimbursed government fee revenue	-	24,215	5,031	-	-	(2,099)	27,147
Total revenue	141,886	62,715	114,229	38,335	44,681	(4,022)	397,824
Cost of service revenue	63,150	10,830	30,807	3,314	1,021	(1,919)	107,203
Government fees paid	-	24,215	5,031	-	-	(2,099)	27,147
Total cost of service	63,150	35,045	35,838	3,314	1,021	(4,018)	134,350
Gross margin	78,736	27,670	78,391	35,021	43,660	(4)	263,474
Salaries and benefits	30,710	10,119	40,571	13,638	17,695	16,643	129,376
Facilities and telecommunications	4,341	1,279	5,050	1,830	1,495	2,289	16,284
Other operating expenses	12,625	3,707	19,624	5,414	5,787	(1,414)	45,743
Depreciation and amortization	2,752	5,031	6,374	2,798	1,623	2,044	20,622
Impairment loss	-	-	297	-	-	-	297
Income (loss) from operations	$ 28,308	$ 7,534	$ 6,475	$ 11,341	$ 17,060	$ (19,566)	$ 51,152
Operating margin percentage	20.0%	19.6%	5.9%	29.6%	38.2 %	N/A	13.8%

Credit Services Segment

Three Months Ended June 30, 2009 Compared to Three Months Ended June 30, 2008

Service revenue was $67.7 million for the three months ended June 30, 2009, an increase of $0.7 million compared to service revenue of $67.0 million for the three months ended June 30, 2008. The increase is due to a $6.0 million increase in revenue related to our direct to consumer credit business and a $4.8 million increase in mortgage related credit revenue reflecting increased lending volumes as compared to the same period in 2008. These increases are partially offset by a $10.1 million decrease in revenue related to vehicle financing reflecting an overall decline in auto and truck sales.

Gross margin was $37.2 million for the three months ended June 30, 2009, an increase of $0.6 million compared to gross margin of $36.6 million in the same period of 2008. The impact of the increase in transactions resulted in an overall increase in gross margin. Gross margin was 54.9% for the three months ended June 30, 2009 as compared to 54.6% for the three months ended June 30, 2008.

Salaries and benefits decreased by $2.9 million. Salaries and benefits were 17.8% of service revenue for the three months ended June 30, 2009 compared to 22.3% during the same period in 2008. Salaries and benefits expense decreased primarily due to operational efficiencies.

Facilities and telecommunication expenses decreased $0.5 million. Facilities and telecommunication expense were 2.4% and 3.2% of service revenue for the three months ended June 30, 2009 and 2008, respectively. The decrease is due to the consolidation of operations.

Other operating expenses decreased by $1.6 million. Other operating expenses were 6.5% of service revenue in the second quarter of 2009 compared to 9.0% for the same period of 2008. The decrease in 2009 is due to a decrease in lease expense, service fees, professional service fees, marketing expense, bad debt expense and travel expense, offset by an increase in temporary labor.

Depreciation and amortization was flat compared to the same period in 2008. Depreciation and amortization was 2.2% of service revenue during the second quarter of 2009 compared to 2.3% in the same period in 2008.

Income from operations was $17.6 million for the three months ended June 30, 2009 compared to $12.0 million in the same period of 2008. The operating margin percentage increased from 17.9% to 26.0% primarily due operational efficiencies gained related to the segment's cost reduction measures in 2008.

Data Services Segment

Three Months Ended June 30, 2009 Compared to Three Months Ended June 30, 2008

Total service revenue was $28.8 million for the three months ended June 30, 2009, an increase of $9.3 million compared to service revenue of $19.5 million in the same period of 2008. This segment has experienced a significant increase in service revenue primarily due to the lead generation business, offset by reduced volumes in the specialty credit and transportation businesses as a result of the overall economic downturn.

Gross margin was $13.4 million for the three months ended June 30, 2009, a decrease of $0.4 million compared to gross margin of $13.8 million in the same period of 2008. Gross margin as a percentage of service revenue was 46.6% for the three months ended June 30, 2009 as compared to 70.8% for the three months ended June 30, 2008. The decrease in the gross margin as a percentage of service revenue is primarily due to the revenue mix. The lead generation eAdvertising business has lower margins.

Salaries and benefits decreased by $0.6 million. Salaries and benefits were approximately 15.1% of service revenue in the second quarter of 2009 compared to 25.6% of service revenue in the second quarter of 2008. The decrease in expense is related to the decrease in staffing as compared to the same period in 2008.

Facilities and telecommunication expenses for the second quarter of 2009 were comparable to the same period in 2008. Facilities and telecommunication expenses were approximately 2.3% of service revenue in the second quarter of 2009 compared to 3.3% of service revenue in the second quarter of 2008.

Other operating expenses increased by $2.0 million. Other operating expenses were 13.3% of service revenue in the second quarter of 2009 and 9.6% in the second quarter of 2008. The expense increase is primarily due to the increase in bad debt expense at the lead generation business.

Depreciation and amortization for the second quarter of 2009 was comparable to the same period in 2008. Depreciation and amortization was 8.4% of service revenue during the second quarter of 2009 compared to 13.0% in the same period in 2008.

The operating margin percentage decreased from 19.3% to 7.5% in comparing the second quarter of 2008 to the second quarter of 2009. The decrease in the operating margin is primarily due to the increase in bad debt expense and the change in the revenue mix of the businesses in the second quarter of 2009 compared to the same period in 2008.

Income from operations was $2.2 million for the second quarter of 2009, a decrease of $1.6 million compared to $3.8 million in the second quarter of 2008. The decrease is primarily driven by the lead generation business where cost of service and operating expenses have increased offset by an increase in revenue.

Employer Services Segment

Three Months Ended June 30, 2009 Compared to Three Months Ended June 30, 2008

Total service revenue was $40.2 million for the three months ended June 30, 2009, a decrease of $15.3 million compared to service revenue of $55.5 million in the same period of 2008. The decrease was a result of a decrease in hiring in the United States and abroad. The recession has caused increased unemployment, which directly affects this segment.

Salaries and benefits decreased by $4.7 million. Salaries and benefits were 38.9% of service revenue in the second quarter of 2009 compared to 36.6% in the same period of 2008. The expense decrease is a direct effect of office consolidations and the reduction in staffing, offset by an increase in salary and benefit expense related to moving technology personnel from Corporate to Employer Services.

Facilities and telecommunication expenses decreased by $0.4 million. Facilities and telecommunication expenses were 5.3% of service revenue in the second quarter of 2009 and 4.6% in the second quarter of 2008. The expense decrease is a direct effect of office consolidations.

Other operating expenses decreased by $4.6 million. Other operating expenses were 13.2% and 17.9% of service revenue in the second quarter of 2009 and 2008, respectively. The expense decrease in other operating expenses is primarily due to moving technology personnel from Corporate to Employer Services which were previously allocated from Corporate to other expenses, a decrease in temporary labor, professional fees, bad debt expense and decreased foreign currency losses.

Depreciation and amortization increased by $0.5 million. Depreciation and amortization was 9.4% of service revenue in the second quarter of 2009 compared to 5.9% in the same period of 2008. The increase is primarily due to accelerated depreciation on software related to outsourcing some services in our drug screening division in the second quarter of 2009.

The operating margin percentage increased from 5.4% to 6.7% primarily due to the decline in operating expenses offset by a decline in revenue.

Income from operations was $2.7 million for the three months ended June 30, 2009, a decrease of $0.3 million compared to income from operations of $3.0 million in the same period of 2008. The decrease is due to the decline in service revenue, offset by an approximately 26% decrease in operating expenses.

Multifamily Services Segment

Three Months Ended June 30, 2009 Compared to Three Months Ended June 30, 2008

Total service revenue was $19.7 million for the three months ended June 30, 2009, a decrease of $0.3 million compared to service revenue of $20.0 million in the same period of 2008. The decrease is primarily due to a decline in revenue at the screening business due to the current economic conditions.

Salaries and benefits cost decreased $0.6 million. Salaries and benefits were 29.4% of service revenue for the second quarter of 2009 compared to 32.0% of service revenue in the same period of 2008. The expense decrease is primarily due to a reduction in employees.

Facilities and telecommunication expenses decreased $0.2 million. Facilities and telecommunication expenses were 3.7% of service revenue in the second quarter of 2009 and 4.5% in the second quarter of 2008. The expense decrease is a direct effect of office consolidations.

Other operating expenses decreased $0.6 million. Other operating expenses were 11.8% of service revenue in the second quarter of 2009 compared to 14.7% in the same period of 2008. The decrease is due to reduced leased equipment, marketing and travel expenses.

Depreciation and amortization was flat when compared to the second quarter of 2008. Depreciation and amortization was 7.7% of service revenue in the second quarter of 2009 compared to 7.2% in the same period of 2008.

Income from operations was $7.6 million in the second quarter of 2009 compared to income from operations of $6.6 million in the same period of 2008. The operating margin percentage increased from 32.9% to 38.5% primarily due to reduced operating expenses. The increase in operating margin is primarily due to management’s cost containment initiatives.

Investigative and Litigation Services Segment

Three Months Ended June 30, 2009 Compared to Three Months Ended June 30, 2008

Total service revenue was $8.7 million for the three months ended June 30, 2009, a decrease of $12.5 million compared to service revenue of $21.2 million in the same period of 2008. The decrease is primarily due to the case activity level in the Litigation Support Services division.

Salaries and benefits decreased by $3.4 million. Salaries and benefits were 58.1% of service revenue in the second quarter of 2009 compared to 39.9% in the same period of 2008. The expense decrease is mainly due to the decline of compensation related to revenue and profitability.

Facilities and telecommunication expenses were flat compared to the same period in 2008. Facilities and telecommunication expenses were 8.3% of service revenue in the second quarter of 2009 and 3.4% in the second quarter of 2008.

Other operating expenses decreased by $1.8 million. Other operating expenses were 16.1% of service revenue in the second quarter of 2009 and 15.1% for the same period of 2008. The decrease in expense is primarily due to a reduction in bad debt expense, travel expenses and professional fees.

Depreciation and amortization was flat when compared to the second quarter of 2008. Depreciation and amortization was 8.4% of service revenue in the second quarter of 2009 compared to 4.1% in the same period of 2008.

The operating margin percentage decreased from 35.6% to 3.1%. The decrease in margin is primarily due to the revenue decline on the higher margin electronic discovery business.

Income from operations was $0.3 million for the second quarter of 2009 compared to $7.5 million for the same period of 2008. The decrease is primarily due to the revenue decrease on the higher margin electronic discovery business.

Corporate

Three Months Ended June 30, 2009 Compared to Three Months Ended June 30, 2008

Corporate costs and expenses represent primarily compensation and benefits for senior management, administrative staff, and their related expenses in addition to an administrative fee paid to First American. The corporate expenses were $8.3 million in the second quarter of 2009 compared to expenses of $8.8 million in the same period of 2008. The expense decrease is due to moving technology personnel from Corporate to Employer Services, decreases in compensation and benefit expenses, and travel expenses.

Consolidated Results

Three Months Ended June 30, 2009 Compared to Three Months Ended June 30, 2008

Consolidated service revenue for the three months ended June 30, 2009 was $164.7 million, a decrease of $17.7 million compared to service revenue of $182.4 million in the same period in 2008. The decrease in service revenue compared to the second quarter of 2008 is directly related to the downturn in domestic and international hiring, weakness in the credit markets, and overall economic slowdown, offset by the increase in the Data Services segment.

Salaries and benefits decreased $14.8 million. Salaries and benefits were 29.2% of service revenue for the three months ended June 30, 2009 and 34.5% for the same period in 2008. The decrease is primarily due to strategic reductions in employees, a decline of compensation related to revenue and profitability, and a reduction in the 401(k) match expense.

Facilities and telecommunication decreased by $1.2 million compared to the same period in 2008. Facilities and telecommunication expenses were 4.2% of service revenue in the second quarter of 2009 and 4.4% in the second quarter of 2008. The decrease is primarily due to savings related to office consolidations.

Other operating expenses decreased by $4.3 million compared to the same period in 2008. Other operating expenses were 11.3% and 12.6% of service revenue for the three months ended June 30, 2009 and 2008, respectively. The decrease in expense is due to office consolidations and cost reduction measures. This is offset by an increase in bad debt expense at the Data Services segment.

Depreciation and amortization increased by $0.2 million due to fixed asset additions and the roll out of internally developed software, offset by certain fixed assets and intangibles becoming fully depreciated.

The consolidated operating margin was 13.3% for the three months ended June 30, 2009, compared to 13.2% for the same period in 2008. Income from operations was $21.9 million for the three months ended June 30, 2009 compared to $24.0 million for the same period in 2008. The decrease of $2.1 million is comprised of a decrease in operating income of $7.3 million in Investigative and Litigation Support Services, $1.6 million in Data Services, and $0.3 million at Employer Services offset by increases in operating income of $5.6 million in Credit Services, $1.0 million in Multifamily Services and a decrease of corporate expenses of $0.5 million.

Credit Services Segment

Six Months Ended June 30, 2009 Compared to Six Months Ended June 30, 2008

Service revenue was $132.1 million for the six months ended June 30, 2009, a decrease of $9.8 million compared to service revenue of $141.9 million for the six months ended June 30, 2008. A decrease in revenue at the dealer services division resulted in an overall decrease in service revenue, which is partially offset by an increase in revenue from the mortgage credit and consumer credit divisions. The challenging credit markets and overall economy continues to affect our credit reporting businesses compared to the first half of 2008.

Gross margin was $72.5 million for the six months ended June 30, 2009, a decrease of $6.2 million compared to gross margin of $78.7 million in the same period of 2008. The decline in gross margin is primarily due to the overall decrease in revenue and the revenue mix compared to prior year. Gross margin was 54.9% for the six months ended June 30, 2009 as compared to 55.5% for the six months ended June 30, 2008.

Salaries and benefits decreased by $6.5 million. Salaries and benefits were 18.3% of service revenue in the first six months of 2009 compared to 21.6% during the same period in 2008. Salaries and benefits expense decreased due to operational efficiencies and reduced staffing.

Facilities and telecommunication expenses decreased $1.0 million. Facilities and telecommunication expense were 2.6% of service revenue in the first six months of 2009 compared to 3.1% in the same period of 2008. The decrease is due to the consolidation of offices.

Other operating expenses decreased by $3.0 million. Other operating expenses were 7.3% of service revenue in the six months ended June 30, 2009 compared to 8.9% for the same period of 2008. The decrease in 2009 is due to a decrease in service fees, lease expense, marketing expense, bad debt expense and travel expense, offset by an increase in temporary labor and professional service fees.

Depreciation and amortization increased by $0.2 million. Depreciation and amortization was 2.2% of service revenue during the first six months of 2009 compared to 1.9% in the same period in 2008. The increase is primarily due to the rollout of new software projects.

Income from operations was $32.3 million for the six months ended June 30, 2009 compared to $28.3 million in the same period of 2008. The operating margin percentage increased from 20.0% to 24.5% primarily due operational efficiencies gained related to the segment's cost reduction measures in 2008.

Data Services Segment

Six Months Ended June 30, 2009 Compared to Six Months Ended June 30, 2008

Total service revenue was $87.9 million for the six months ended June 30, 2009, an increase of $49.4 million compared to service revenue of $38.5 million in the same period of 2008. This segment has experienced a significant increase in service revenue primarily due to the lead generation business, offset by reduced volumes in the specialty credit and transportation businesses as a result of the overall economic downturn.

Gross margin was $31.6 million for the six months ended June 30, 2009, an increase of $3.9 million compared to gross margin of $27.7 million in the same period of 2008. Gross margin as a percentage of service revenue was 35.9% for the six months ended June 30, 2009 as compared to 71.9% for the six months ended June 30, 2008. The decrease in the gross margin as a percentage of service revenue is primarily due to the revenue mix. The lead generation eAdvertising business has lower margins.

Salaries and benefits decreased by $0.4 million. Salaries and benefits were approximately 11.1% of service revenue in the first six months of 2009 compared to 26.3% of service revenue in the same period of 2008. The decrease in expense is related to the decrease in staffing as compared to the same period in 2008.

Facilities and telecommunication expenses for the six months ended June 30, 2009 were comparable to the same period in 2008. Facilities and telecommunication expenses were approximately 1.4% of service revenue in the first six months of 2009 compared to 3.3% of service revenue in the same period of 2008.

Other operating expenses increased by $4.2 million. Other operating expenses were 9.0% of service revenue for the six months ended June 30, 2009 and 9.6% in the same period of 2008. The expense increase is primarily due to the increase in bad debt expense at the lead generation business.

Depreciation and amortization for the six months ended June 30, 2009 was comparable to the same period in 2008.

The operating margin percentage decreased from 19.6% to 8.9% in comparing the six months ended June 30, 2008 to same period of 2009. The decrease in the operating margin is primarily due to the revenue mix of the businesses in the first half of 2009 compared to the same period in 2008.

Income from operations was $7.8 million for the six months ended June 30, 2009, an increase of $0.3 million compared to $7.5 million in the first six months of 2008. The increase is primarily driven by the lead generation business where revenue has increased, offset by increased cost of service and operating expenses.

Employer Services Segment

Six Months Ended June 30, 2009 Compared to Six Months Ended June 30, 2008

Total service revenue was $77.6 million for the six months ended June 30, 2009, a decrease of $31.6 million compared to service revenue of $109.2 million in the same period of 2008. The decrease was a result of a decrease in hiring in the United States and abroad. The recession has caused increased unemployment, which directly affects this segment.

Salaries and benefits decreased by $7.8 million. Salaries and benefits were 42.2% of service revenue in the first six months of 2009 compared to 37.2% in the same period of 2008. The decrease in expense is a direct effect of office consolidations and the reduction in staffing, offset by an increase in expense related to moving technology personnel from Corporate to Employer Services.

Facilities and telecommunication expenses decreased by $0.8 million. Facilities and telecommunication expenses were 5.4% of service revenue in the six months ended June 30, 2009 and 4.6% in the same period of 2008. The expense decrease is a direct effect of office consolidations.

Other operating expenses decreased by $9.1 million. Other operating expenses were 13.5% and 18.0% of service revenue in the six months ended June 30, 2009 and 2008, respectively. The expense decrease in other operating expenses is primarily due to moving technology personnel from Corporate to Employer Services which increased costs allocated out of Employer services, a decrease in temporary labor, bad debt expense and decreased foreign currency losses.

Depreciation and amortization increased by $0.9 million primarily. Depreciation and amortization was 9.4% of service revenue in the second quarter of 2009 compared to 5.8% in the same period of 2008. The increase is primarily due to the rollout of internally developed software and the accelerated depreciation on software related to outsourcing some services in our drug screening division.

The operating margin percentage decreased from 5.9% to 2.8% primarily due to the decline in service revenue.

Income from operations was $2.2 million for the six months ended June 30, 2009, a decrease of $4.3 million compared to income from operations of $6.5 million in the same period of 2008. The decrease is due to the decline in service revenue, offset by an approximately 24% decrease in operating expenses.

Multifamily Services Segment

Six Months Ended June 30, 2009 Compared to Six Months Ended June 30, 2008

Total service revenue was $37.6 million for the six months ended June 30, 2009, a decrease of $0.7 million compared to service revenue of $38.3 million in the same period of 2009. The decrease is primarily due to a decline in revenue due to the current economic conditions.

Salaries and benefits cost decreased $1.5 million. Salaries and benefits were 32.2% of service revenue for the six months ended June 30, 2009 compared to 35.6% of service revenue in the same period of 2008. The expense decrease is primarily due to a reduction in employees.

Facilities and telecommunication expenses decreased $0.3 million. Facilities and telecommunication expenses were 4.0% of service revenue in the first six months of 2009 and 4.8% in the same period of 2008. The expense decrease is a direct effect of office consolidations.

Other operating expenses decreased $0.9 million. Other operating expenses were 11.9% of service revenue in the first six months of 2009 compared to 14.1% in the same period of 2008. The decrease is due to reduced leased equipment, marketing and travel expenses.

Depreciation and amortization increased $0.2 million. Depreciation and amortization was 8.0% of service revenue in the first quarter of 2009 compared to 7.3% in the same period of 2008.

The operating margin percentage increased from 29.6% to 35.3% due to reduced operating expenses.

Income from operations was $13.3 million in the first six months of 2009 compared to income from operations of $11.3 million in the same period of 2008.

Investigative and Litigation Services Segment

Six Months Ended June 30, 2009 Compared to Six Months Ended June 30, 2008

Total service revenue was $20.4 million for the six months ended June 30, 2009, a decrease of $24.3 million compared to service revenue of $44.7 million in the same period of 2008. The decrease is primarily due to the case activity level in the Litigation Support Services division.

Salaries and benefits decreased by $6.0 million. Salaries and benefits were 57.3% of service revenue in the first six months of 2009 compared to 39.6% in the same period of 2008. The expense decrease is mainly due to the decline of compensation related to revenue and profitability.

Facilities and telecommunication expenses decreased $0.2 million. Facilities and telecommunication expenses were 6.4% of service revenue in the six months ended June 30, 2009 and 3.3% in the first quarter of 2008.

Other operating expenses decreased by $2.1 million. Other operating expenses were 18.0% of service revenue in the first six months of 2009 and 13.0% for the same period of 2008. The decrease in expense is primarily due to a reduction in bad debt expense, travel expenses and professional fees.

Depreciation and amortization decreased $0.2 million. Depreciation and amortization was 7.1% of service revenue in the six months ended June 30, 2009 compared to 3.6% in the same period of 2008.

The operating margin percentage decreased from 38.2% to 6.9%. The decrease in margin is primarily due to the revenue decline on the higher margin electronic discovery business.

Income from operations was $1.4 million for the six months ended June 30, 2009 compared to $17.1 million for the same period of 2008. The decrease is primarily due to the revenue decrease on the higher margin electronic discovery business.

Corporate

Six Months Ended June 30, 2009 Compared to Six Months Ended June 30, 2008

Corporate costs and expenses represent primarily compensation and benefits for senior management, administrative staff, and their related expenses in addition to an administrative fee paid to First American. The corporate expenses were $16.2 million in the six months ended June 30, 2009 compared to expenses of $19.6 million in the same period of 2008. The expense decrease is due to moving technology personnel from Corporate to Employer Services, decreases in compensation and benefit expenses, and travel expenses.

Consolidated Results

Six Months Ended June 30, 2009 Compared to Six Months Ended June 30, 2008

Consolidated service revenue for the six months ended June 30, 2009 was $354.7 million, a decrease of $16.0 million compared to service revenue of $370.7 million in the same period in 2008. The decrease in service revenue is directly related to the downturn in domestic and international hiring, the decline in the mortgage industry, weakness in the credit markets, and overall economic slowdown, partially offset by an increase in the Data Services segment.

Salaries and benefits decreased $28.1 million. Salaries and benefits were 28.6% of service revenue for the six months ended June 30, 2009 and 34.9% for the same period in 2008. The decrease is primarily due to strategic reductions in employees, a decline of compensation related to revenue and profitability, and a reduction in the 401(k) match expense.

Facilities and telecommunication decreased by $2.8 million compared to the same period in 2008. Facilities and telecommunication expenses were 3.8% of service revenue in the first six months of 2009 and 4.4% in the first quarter of 2008. The decrease is primarily due to savings related to office consolidations.

Other operating expenses decreased by $7.8 million compared to the same period in 2008. Other operating expenses were 10.7% and 12.3% of service revenue for the six months ended June 30, 2009 and 2008, respectively. The decrease in expense is due to office consolidations and cost reduction measures. This is offset by an increase in bad debt expense at the Data Services segment.

Depreciation and amortization increased by $1.0 million due to fixed asset additions and the roll out of internally developed software, offset by certain fixed assets and intangibles becoming fully depreciated.

The consolidated operating margin was 11.5% for the six months ended June 30, 2009, compared to 13.8% for the same period in 2008. Income from operations was $40.8 million for the six months ended June 30, 2009 compared to $51.2 million for the same period in 2008. The decrease of $10.4 million is comprised of a decrease in operating income of $15.6 million in Investigative and Litigation Support Services, and $4.3 million at Employer Services offset by increases in operating income of $4.0 million in Credit Services, $1.9 million in Multifamily Services, $0.3 million in Data Services, and a decrease of corporate expenses of $3.3 million.

Critical Accounting Estimates

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, 2008.

Liquidity and Capital Resources

Overview

The Company’s principal sources of capital include, but are not limited to, existing cash balances, operating cash flows and borrowing under its Secured Credit Facility (see Note 6 to the Consolidated Financial Statements). The Company’s short-term and long-term liquidity depends primarily upon its level of net income, working capital management (accounts receivable, accounts payable and accrued expenses), capital expenditures and bank borrowings. The Company believes that, based on current forecasts and anticipated market conditions, sufficient operating cash flow will be generated to meet all operating needs, to make planned capital expenditures, scheduled debt payments, and tax obligations for the next twelve months. Any material variance of operating results could require us to seek other funding alternatives including raising additional capital, which may be difficult in the current economic conditions.

In previous years, First Advantage sought 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.

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. Management expects continued weakness in the real estate and mortgage markets to continue impacting the Company’s Credit Services segment and the transportation and specialty credit businesses in the Data Services segment. In addition, the effect of the issues in the real estate and related credit markets and other macroeconomic matters has resulted in higher unemployment rates negatively impacting the volumes in the Employer Services segment. Given this outlook, management is focusing on expense reductions, operating efficiencies, and increasing market share throughout the Company.

Statements of Cash Flows

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. As of June 30, 2009, cash and cash equivalents were $60.5 million.

Net cash provided by operating activities of continuing operations was $37.2 million in the six months ended June 30, 2009 compared to cash used in operating activities of continuing operations was $2.5 million for same period in 2008. Cash provided by operating activities of continuing operations increased by $39.7 million when comparing the six months ended June 30, 2009 and the same period in 2008. Income from continuing operations was $23.4 million in the first half of 2009 and $29.6 million for the same period in 2008. The increase in cash provided by operating activities was primarily due to the income tax payments of $56.9 million in 2008 related to the sale of DealerTrack shares.

Cash used in investing activities of continuing operations was $30.4 million and $70.4 million for the six months ended June 30, 2009 and 2008, respectively. In the six months ended June 30, 2009, net cash in the amount of $19.5 million was used for acquisitions compared to $51.2 million in the same period of 2008. Purchases of property and equipment were $9.8 million in the first half of 2009 compared to $17.5 million in the same period of 2008.

Cash provided by financing activities of continuing operations was $0.5 million for the six months ended June 30, 2009, compared to $35.6 million for the six months ended June 30, 2008. In the six months ended June 30, 2009, proceeds from existing credit facilities were $50.4 million compared to $90.0 million in the same period of 2008. Repayment of debt was $45.1 million in the first half of 2009 and $52.0 million in the same period of 2008. Cash used to acquire noncontrolling interest in a consolidated subsidiary was $5.1 million and $8.0 million for the six months ended June 30, 2009 and 2008, respectively.

Debt and Capital

In 2005, the Company executed a revolving credit agreement with a bank syndication (the "Credit Agreement"). Borrowings available under the Credit Agreement total up to $225 million. The Credit Agreement includes a $10 million sub-facility for the issuance of letters of credit and up to a $5 million swing loan facility. The credit facility maturity date is September 28, 2010. The Credit Agreement is collateralized by the stock and accounts receivable of the Company's subsidiaries.

At June 30, 2009, the Company had available lines of credit of $195.1 million. At June 30, 2009, the Company was in compliance with the financial covenants of its loan agreements.

First Advantage filed a Registration Statement with the Securities and Exchange Commission for the issuance of up to 5.0 million 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 January 9, 2006. A total of 1,338,631 shares were issued for acquisitions as of June 30, 2009.

Contractual Obligations and Commercial Commitments

The following is a schedule of long-term contractual commitments, as of June 30, 2009, over the periods in which they are expected to be paid.

(In thousands)	2009	2010	2011	2012	2013	Thereafter	Total
Minimum contract purchase commitments	$ 2,042	$ 2,618	$ 902	$ 41	$ 41	$ 26	$ 5,670
Advertising commitments	167	-	-	-	-	-	167
Operating leases	7,161	12,222	8,849	7,029	6,963	13,402	55,626
Debt and capital leases	4,548	32,921	492	72	78	53	38,164
Interest payments related to debt (1)	768	549	4	-	-	-	1,321
Total (2)	$ 14,686	$ 48,310	$ 10,247	$ 7,142	$ 7,082	$ 13,481	$ 100,948

(1) Estimated interest payments are calculated assuming current interest rates over minimum maturity periods specified in debt agreements.
(2) Excludes FIN 48 tax liability of $4.9 million due to uncertainty of payment period.

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, 2008.

Item 4. Controls and Procedures

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), 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 and such information is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding disclosures.

There was no change in the Company's internal control over financial reporting during the quarter ended June 30, 2009 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

First Advantage's subsidiaries are involved in litigation from time to time in the ordinary course of their businesses. The Company does not believe that the outcome of any pending or threatened litigation involving these entities will have a material adverse effect on our financial position, operating results or cash flows.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in the Company's Form 10-K for Fiscal Year Ending December 31, 2008.

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

None

Item 3. Defaults Upon Senior Securities

None

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

a) The annual meeting of the shareholders (the "Meeting") of First Advantage Corporation (the "Company") was held on April 28, 2009.

b) The names of the persons who were nominated to serve as directors of the Company for the ensuing year are listed below, together with a tabulation of the results of the voting with respect to each nominee. Each of the persons named was recommended by the Board of Directors and Nominating Committee of the Company and all such nominees were elected.

Name of Nominee	Votes For	Votes Withheld
Parker Kennedy	9,947,340	442,683
Anand Nallathambi	9,999,555	390,468
J. David Chatham	9,708,958	681,065
Barry Connelly	9,953,281	436,742
Frank McMahon	9,742,635	647,388
Donald Nickelson	7,769,680	2,620,343
Donald Robert	10,324,492	65,531
Jill Kanin-Lovers	10,187,926	202,097
D. Van Skilling	9,708,902	681,121
David Walker	9,092,155	1,297,868

Item 5. Other Information

None

Item 6. Exhibits

See Exhibit Index.

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: July 30, 2009

By: /s/ *ANAND NALLATHAMBI*
Name *Anand Nallathambi*
Title *Chief Executive Officer*

Company Name

Date: July 30, 2009

By: /s/ *JOHN LAMSON*
Name: *John Lamson*
Title: *Chief Financial Officer*

EXHIBIT INDEX

Exhibit No.	Description
10.1	Third Amended and Restated Services Agreement between The First American Corporation and First Advantage Corporation, effective January 1, 2009.
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

Exhibit 10.1

THIRD AMENDED AND RESTATED SERVICES AGREEMENT

This THIRD AMENDED AND RESTATED SERVICES AGREEMENT is entered into as of January 1, 2009 ("Effective Date"), (this "Agreement"), between THE FIRST AMERICAN CORPORATION, a California corporation ("First American"), and FIRST ADVANTAGE CORPORATION, a Delaware corporation (the "Company"; First American and the Company are each referred to herein as a "Party" and collectively, as the "Parties").

W I T N E S S E T H:

WHEREAS, the Parties are parties to that certain Second Amended and Restated Services Agreement, dated as of September, 2005 (the "Second Amended Services Agreement"), which amended and restated that certain Amended and Restated Services Agreement dated January 1, 2004, (the "Amended Services Agreement"), which amended and restated that certain Services Agreement dated as of June 5, 2003, by and among the Parties;

WHEREAS, the Parties believe it is in their respective best interests to amend and restate the Amended Services Agreement as provided in this Agreement;

WHEREAS, the Second Amended Services Agreement and Amended Services Agreement require that a majority of the Audit Committee (as defined below) resolve to amend the Second Amended Services Agreement and the Amended Services Agreement;

WHEREAS, the Audit Committee has unanimously resolved to authorize this Agreement.

NOW, THEREFORE, in consideration of these premises and the terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, First American and the Company agree as follows:

ARTICLE I.

DEFINITIONS AND CONSTRUCTION

1.1. Definitions. Capitalized terms used herein but not defined herein shall have the meanings assigned to them in the Merger Agreement. For purposes of this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural terms defined):

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person; provided that, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; provided, further, that, for the purposes of this definition, the Company and its Subsidiaries shall not be deemed to be Affiliates of First American; provided, further, that, for the purposes of this definition, First American and its Affiliates (excluding the Company and its Subsidiaries) shall not be deemed to be Affiliates of the Company.

"Audit Committee" shall mean, on any date of determination, the Company's duly appointed Audit Committee.

"Bundled Reports Fee" shall have the meaning provided in Section 3.1(c) hereof.

"Business Services" shall mean those services described in Column A of Schedule I, which services exclude, for the avoidance of doubt, any services provided outside of the United States of America and Puerto Rico or by First Indian Corporation or the First Indian division of the Information Services Group of First American.

"Business Services Fee" shall mean, with respect to each of the Business Services set forth in Column A of Schedule I, the fees or the method of determining the fees set forth opposite such Business Services in Column B of Schedule I.

"Company" shall have the meaning provided in the introductory paragraph.

"Company Common Stock" shall have the meaning provided in the Standstill Agreement.

"Company Members" shall have the meaning provided in Section 2.4(c) hereof.

"Company Services" shall have the meaning provided in Section 2.2(a) hereof.

"Communications Hub" shall have the meaning provided in Section 2.4(f) hereof.

"Confidential Company Information" shall mean any information derived by the First American Entities in connection with the provision of Business Services, except such information which (a) was previously known by First American or its Affiliates and not considered confidential, and/or (b) is or becomes generally available to the public other than as a result of disclosure by First American, its Affiliates or their directors, officers, employees, agents or representatives, and/or (c) is or becomes available to First American or its Affiliates on a non-confidential basis from a source other than the Company and its Subsidiaries.

"Confidential FAF Information" shall mean any information derived by the Company or its Affiliates from any of the First American Entities in connection with the provision of Company Services, except such information which (a) was previously known by the Company and not considered confidential, and/or (b) is or becomes generally available to the public other than as a result of disclosure by the Company or its Affiliates or their directors, officers, employees, agents or representatives, and/or (c) is or becomes available to the Company or its Affiliates on a non-confidential basis from a source other than First American or its Affiliates.

"Control" means, with respect to any Person, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Cure Period" shall have the meaning provided in Section 2.4(a)(ii) hereof.

"Entity" shall mean any Person that is not a natural Person.

"FAF Members" shall have the meaning provided in Section 2.4(c) hereof.

"FAOS Services" shall mean those services described in Schedule II.

"FAOS Services Fee" shall mean the actual cost to First Advantage Offshore Services Private Limited (f/k/a ZappApp India Private Limited) ("FAOS") of providing the FAOS Services.

"FARES" shall mean First American Real Estate Solutions LLC, a California limited liability company and Subsidiary of First American.

"First American" shall have the meaning provided in the introductory paragraph.

"First American Entity" and "First American Entities" shall mean one or more, as applicable, of First American and any Affiliate of First American.

"Merged Reports" shall have the meaning provided in Section 2.4(a)(i) hereof.

"Merger Agreement" means that certain Agreement and Plan of Merger, dated as of December 13, 2002, to which First American, US SEARCH, the Company and Stockholm Seven Merger Corp., a Delaware corporation, are parties.

"Mortgage Consumer Reports and Services" shall have the meaning provided in Section 2.4(a)(i) hereof.

"Mortgage Consumer Reports Fees" shall have the meaning provided in Section 3.1(c) hereof.

"Mortgage Customers" shall have the meaning provided in Section 2.4(a)(i) hereof.

"Mortgage Marketing Services" shall have the meaning provided in Section 2.4(b) hereof.

"Mortgage Services" shall have the meaning provided in Section 2.4(a)(i) hereof.

"Non-Bundled Reports Fee" shall have the meaning provided in Section 3.1(c) hereof.

"Notice of Deficiency" shall have the meaning provided in Section 2.4(a)(ii) hereof.

"Operating Committee" shall have the meaning provided in Section 2.4(c) hereof.

"Party" and "Parties" shall have the meaning provided in the introductory paragraph.

"Person" shall mean and include a partnership, a joint venture, a corporation, a limited liability company, a limited liability partnership, an incorporated organization, a group and a government or other department, agency or political subdivision thereof.

"Requisite Service Levels" shall have the meaning provided in Section 2.4(a)(ii) hereof.

"Standstill Agreement" shall mean the Standstill Agreement, dated as of June 5, 2003, between First American and the Company.

"Subsidiary" and "Subsidiaries" shall mean, with respect to any Person, (a) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (b) any Entity (other than a corporation) in which such Person and/or one more Subsidiaries of such Person has more than a 50% equity interest at the time or otherwise controls the management and affairs of such Entity (including the power to veto any material act or decision).

"Term" shall have the meaning provided in Section 4.1 hereof.

1.2. Principles of Construction.

(a) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including."

(c) The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", unless already expressly followed by such phrase or the phrase "but not limited to".

(d) Article and Section headings and captions used herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

(e) All words importing any gender shall be deemed to include the other gender and the neuter.

(f) In the event that the final day of any time period provided herein does not fall on a business day, such time period shall be extended such that the final day of such period shall fall on the next business day thereafter.

(g) Unless otherwise specified, references to agreements and other contractual instruments shall be deemed to include all subsequent amendments, modifications and supplements thereto.

(h) Each Party has reviewed and commented upon this Agreement and, therefore, any rule of construction requiring that any ambiguity be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

ARTICLE II.
SERVICES

2.1. Business Services. During the applicable Term, First American shall, or shall cause one or more of the other First American Entities to, provide the Company and/or its Affiliates with the Business Services. First American shall, and shall cause the First American Entities to, allocate resources with regard to the Business Services in a manner that is consistent with the allocation of such resources, as of the Effective Date of this Amendment, by First American and/or the First American Entities to the Company or its Affiliates.

2.2. Company Services.

(a) During the applicable Term, the Company shall, and shall cause its Affiliates to, provide First American and/or its Affiliates with products and services offered by or through the Company or its Affiliates from time to time (collectively (but excluding the FAOS Services and the Mortgage Services), the "Company Services") at rates and on terms no less favorable than those generally offered by the Company and its Affiliates to third parties. In the event that any such products and services are provided pursuant to a written agreement entered into by the Parties, the terms of any such agreement shall govern such products and services, notwithstanding anything to the contrary herein.

(b) During the applicable Term, the Company shall, and shall cause its Affiliates to, provide First American and/or its Affiliates with the FAOS Services. The Company shall, and shall cause its Affiliates to, allocate resources with regard to the FAOS Services in a manner that is consistent with the allocation of such resources by the Company and its Affiliates.

2.3. Additional First American Services. During the applicable Term, First American may, and may cause the other First American Entities to, offer to provide the Company and/or its Affiliates, and the Company and/or its Affiliates may purchase, products and services offered by or through the First American Entities from time to time during the applicable Term in the ordinary course of business at rates and on terms then offered by the First American Entities to comparable third parties. Nothing in this Agreement shall change or affect the terms and conditions of any agreement or understanding listed on Schedules 4.9, 4.10, 4.20 and 4.27 to the Merger Agreement. The Company and/or its Affiliates on the one hand, and any First American Entity on the other hand, may renew any such agreement or understanding on terms substantially similar to those in such agreements or understanding.

2.4. Mortgage Services.

(a) Mortgage Consumer Reports and Services.

(i) During the applicable Term, the Company shall, and shall cause its applicable Affiliates to allow First American and its Affiliates to market merged, multiple-source or single-source credit reports created by accessing one or more of the national credit database repositories and other information sources, which credit reports shall include basic, partial and fully verified Instant Merge Reports (including Merge Plus Reports and Residential Mortgage Consumer Reports and Services), Instant Merge Reports (such three-bureau merged credit reports, together with other three-bureau merged credit reports, the "Merged Reports"), other credit and other consumer reports incorporating credit scores, fraud check products, verification services, products which list creditor addresses and phone numbers, and other related information and enhancements that the Company and/or its Affiliates may offer from time to time (collectively, "Mortgage Consumer Reports and Services"), to national and strategic customers, including mortgage lenders, mortgage servicers, mortgage brokers, underwriters, and other users of information in the mortgage lending process and their respective customers (collectively, "Mortgage Customers"). It is understood, acknowledged, and agreed by the Parties that such Mortgage Customers must have a direct, written agreement with Company or its applicable Affiliates prior to being able to order, access and receive Mortgage Consumer Reports and Services. The provision of Mortgage Consumer Reports and Services by the Company and its Affiliates to Mortgage Customers through the marketing efforts of First American and its Affiliates is referred to herein as the "Mortgage Services". Mortgage Services includes the following types of sales and marketing services: (i) relationship development by serving as a central point of contact for corporate and executive communications; (ii) account sales team leadership; (iii) developing and executing account business planning by leveraging appropriate products and services of First American and the Company to best fit the clients' needs; (iv) account business development; and (v) managing the account scorecard for the purposes of measuring and improving overall client relationships.

(ii) During the applicable Term, in providing Mortgage Services hereunder, the Company shall, and shall cause its Affiliates to, meet certain baseline performance metrics, as set forth in the following table (the "Requisite Service Levels"):

	Metrics	Service Level
1.	Hours of system (DataHQ) availability	Monday –Friday: 4:00 AM – 11:00 PM (Pacific Time) Saturday: 5:00 AM – 10:00 PM (Pacific Time) Sunday: 7:00 AM – 11:00 PM (Pacific Time)
2.	System (DataHQ) uptime	99.5%
3.	Turn time for Instant Merge Reports	95% of transactions in under 20 seconds, or such other better service level required from time to time by Fannie Mae
4.	Customer service metrics for developed mortgage reports	Merge Plus: 24 hours Residential Mortgage Credit Report (RMCR): 48 hours
5.	Average speed of answer (ASA)	80% or greater of calls to be answered within 30 seconds
6.	Abandonment rate	Less than 5%
7.	Consumer disputes	To be handled per Federal requirements for service time in accordance with the Fair Credit Report Act, the Fair and Accurate Credit Transactions Act and other applicable law

In the event that the Company or its Affiliates does not meet the Requisite Service Levels at any time during the applicable Term, First American shall provide the Company with a written notice of deficiency (each, a "Notice of Deficiency"). Following receipt of a Notice of Deficiency, the Company shall, and shall cause its Affiliates to, (i) provide within ten (10) business days of receipt of such Notice of Deficiency to First American a written plan to cure the deficiency identified therein, which plan shall be subject to revision as First American may reasonably request within five (5) days of receipt thereof, and (ii) cure the deficiency identified in such Notice of Deficiency in accordance with the foregoing written plan within thirty (30) calendar days from receipt of the Notice of Deficiency (such thirty (30) day period, the "Cure Period"). The Company shall be solely responsible for the implementation of remedial actions (including any and all fees, costs and expenses incurred in connection therewith) to cure all deficiencies noted in any Notice of Deficiency. If the Company does not cure or cause to be cured any deficiency identified in any Notice of Deficiency within the applicable Cure Period, First American shall have the right (but not the obligation) to assume control of the implementation of remedial action to cure such deficiency (including hiring third party service providers), and the Company shall promptly reimburse First American for any fees, costs and expenses incurred in connection therewith.

(b) Preferred Marketing Partner. During the applicable Term, the Company appoints and the Company shall cause its applicable Affiliates to appoint First American and its Affiliates as, and First American hereby accepts for itself and for its Affiliates appointment as, preferred providers of Mortgage Consumer Reports and Services to Mortgage Customers. For purposes of the Fair Credit Reporting Act, as amended, and bureau contractual requirements, Company and its applicable Affiliates must have a direct contractual relationship with the Mortgage Customers; however, where requested by First American, these contractual relationships will be managed and controlled by First American. In furtherance of the foregoing, First American may be responsible for all sales, marketing, delivery, pricing and collections with regard to the sale of Mortgage Consumer Reports and Services to Mortgage Customers it desires, and First American shall have the right to decide upon and implement strategies to carry out sales, marketing, delivery, pricing and collections with regard to the sale of Mortgage Consumer Reports and Services to selected Mortgage Customers (the "Mortgage Marketing Services"). The Company shall, and shall cause its Affiliates to, cooperate with First American and its Affiliates in the marketing and sale of Mortgage Consumer Reports and Services to Mortgage Customers and provide reasonable technical assistance to First American and its Affiliates for such purpose, including responding in a timely fashion to service requests that arise from time to time, training and telephone assistance regarding the Company's or its Affiliates service options, delivery systems, service practices, software installation and use, systems interface, and other applicable policies and procedures. The Company shall manage and engage in its own sales, marketing, delivery, pricing and collections activities with respect to Mortgage Customers provided such activities are not in conflict with the Mortgage Marketing Services provided by First American and any of its Affiliates. The Operating Committee will resolve any disputes or potential conflicts that may arise as a result of the Company performing its own activities pursuant to this section 2.4 (b).

(c) Operating Committee. The Parties shall collectively appoint four (4) individuals to serve on a committee (the "Operating Committee") which shall be responsible for managing the provision of the Mortgage Services, except where the management thereof has been given to a Party hereunder, in the following manner: (i) First American shall be entitled to appoint two (2) members (the "FAF Members") and (ii) the Company shall be entitled to appoint two (2) members (the "Company Members"). The Party that appoints a member of the Operating Committee may remove such member at any time, with or without cause, and such Party shall have the authority to name a replacement member to the Operating Committee.

(d) Allocation of Project Resources. The Company shall, and shall cause its Affiliates to, allocate information technology and project resources with regard to Mortgage Services in a manner that is consistent with the allocation of such resources by First American's CREDCO Division as of the Effective Date of this Amendment and that equals or exceeds the allocation of such resources to other businesses of the Company and its Affiliates, and the Company shall not, and shall not permit its Affiliates to, discriminate against the provision of Mortgage Services in the allocation of information technology and project resources when measured against the allocation of such resources to other businesses of the Company and its Affiliates. In addition, the Company recognizes that Mortgage Consumer Reports and Services prepared for certain Mortgage Customers that have key client relationships with First American and its Affiliates require certain superior service levels and the Company shall, and shall cause its Affiliates to, dedicate appropriate and sufficient resources as may be reasonably necessary to meet such superior service levels with regard to such key Mortgage Customers identified by First American.

(e) Technology Support Services. In providing the technology support services contemplated in Item (2) of Schedule I hereto, First American shall, or shall cause its Affiliates to, meet certain baseline performance metrics, as set forth in the following table:

	Metrics	Service Level
1.	Web Services Platform	General systems availability: Monday-Friday 1:00 am to 11:00 pm Pacific Saturday: 1:00 am to 8:00 pm Pacific Sunday 4:00 am to 11:00 pm Pacific Minimum System Uptime and Availability: 99.9%; Reported Monthly, Measured Quarterly Transaction Processing Time (Credit): not to exceed 10 seconds in addition to the response time of credit vendor Service Level Response Time: · Critical Need: Within 2 Hours · Normal Need: Within 1 Business Day New Account Setup: · Within 2 Business Days of request for User Interface account · Within 2 weeks for new client integrations to standard interface specifications, including Digital Certificates set-up Services Provided: · Ordinary course portal and system-to-system ordering of products and services · Ordinary course client integration and implementation engagement management · Solution analysis, design and delivery · Application and system support services
2.	Oracle Applications (GL, AP, AR, FA, CM, iExpense, etc.)	General Availability: 7x24x365 except for Saturday 10:00 pm to Sunday 3:00 am Central Minimum System Uptime and Availability: 99% Service Level Response Time for Tickets: · Critical Need: Within 15 minutes as long as the on-call service is contacted via the IT Service Center · Normal Need: Within 48 hours the team will respond to the ticket with the commit date and level of effort Service Level Response Time for Projects: · The published project methodology will be followed, which will specify communication plans, timeframes, and approvals that are required Services Provided: · Oracle Applications ongoing support in form of tickets · Adding new functionalities or services in form of projects, including converting new companies into Oracle or other related services
3.	Disaster Recovery [1]	Data Center Availability: 7x24x365 Internet Availability: 7x24x365 Service Level Response Time: · Critical Need: Within 2 hours · Normal Need: Within 48 hours

(f) Santa Ana Communications Hub. During the applicable Term, First American will cause FARES to provide the Company with reasonable access to its voice communications hub (the "Communications Hub") for the purpose of routing customer service calls to and the monitoring of personnel at the Company's operations both domestically and in India.

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[1] It being understood that as of the Effective Date the Disaster Recovery system is being transitioned and is nonfunctional; however, First American will begin testing its newly transitioned Disaster Recovery system in September 2009 and anticipates that it will be fully operational shortly thereafter. In the event of a disaster in the interim First American is maintaining backup tapes and anticipates that it should be able to provide disaster recovery support vis a vis it's Santa Ana and Westlake data centers, respectively, although somewhat delayed response times from those identified with regard to Disaster Recovery should be expected.

2.5. Personnel.

(a) During the applicable Term, First American or the other First American Entities shall continue to employ all personnel performing the Business Services directly and shall be solely responsible for and pay all of their salary, benefits, workers' compensation premiums, unemployment insurance premiums, and all other compensation, insurance and benefits, including participation in employee benefit plans, if applicable. First American and the other First American Entities shall be solely responsible for timely payment, withholding and reporting of all applicable Federal, state, foreign and local withholding, employment and payroll taxes with respect to the personnel that perform the Business Services. First American or the other First American Entities shall maintain workers' compensation and employers' liability insurance, in accordance with applicable law, covering the personnel that perform the Business Services.

(b) During the applicable Term, the Company or its Affiliates shall continue to employ all personnel performing the Company Services, the FAOS Services and the Mortgage Services directly and shall be solely responsible for and pay all of their salary, benefits, workers' compensation premiums, unemployment insurance premiums, and all other compensation, insurance and benefits, including participation in employee benefit plans, if applicable. The Company and its Affiliates shall be solely responsible for timely payment, withholding and reporting of all applicable Federal, state, foreign and local withholding, employment and payroll taxes with respect to the personnel that perform the Company Services, the FAOS Services and the Mortgage Services. The Company and its Affiliates shall maintain workers' compensation and employers' liability insurance, in accordance with applicable law, covering the personnel that perform the Company Services, the FAOS Services and the Mortgage Services.

ARTICLE III.
FEES; PAYMENT

3.1. Fees.

(a) Business Services Fee. The Company shall pay First American (i) the Business Services Fee in consideration for the Business Services and (ii) such fees as may be negotiated from time to time with respect to the services described in Section 2.3.

(b) FAOS Services Fee; Company Services Fees. First American shall pay the Company (i) the FAOS Services Fee in consideration for the FAOS Services and (ii) such fees as may be negotiated from time to time with respect to Company Services.

(c) Mortgage Consumer Report Fees. First American shall pay the Company a fee of $12.60 for each of the Merged Reports provided to First American or its Affiliates that is bundled with other products or services sold by First American or its Affiliates (the "Bundled Reports Fee"). Fees paid by First American and its Affiliates to the Company in consideration for Mortgage Consumer Reports and Services that are not bundled with other First American products or services shall be negotiated by the Parties on a case-by-case basis (the "Non-Bundled Reports Fee" and collectively with the Bundled Reports Fee, the "Mortgage Consumer Reports Fees"). In addition, any additional fees paid by First American and its Affiliates to the Company in consideration of pairing, appending and/or bundling other consumer information and related services may be negotiated by the Parties on a case-by-case basis.

(d) Communications Hub Fees. The Company shall pay FARES its pro rata share (based on actual usage by the Company and its Subsidiaries) of the total actual cost to FARES of the Communications Hub.

3.2. Payment.

(a) Business Services. First American shall deliver to the Company an invoice containing a description of the Business Services covered by such invoice and provided during the relevant period and the amount of the Business Services Fee for such period. Each invoice shall be due and payable immediately upon receipt, and payment shall be made no later thirty (30) calendar days after receipt of such invoice. The Business Services Fee shall, where appropriate, accrue during any month (or portion thereof) during the applicable Term.

(b) FAOS Services. The Company shall deliver to First American an invoice on a quarterly basis containing a description of the FAOS Services provided during the relevant period and the amount of the FAOS Services Fee for such period. Each invoice shall be due and payable immediately upon receipt, and payment shall be made no later thirty (30) calendar days after receipt of such invoice.

(c) Mortgage Services. The Company may deliver to First American an invoice for Mortgage Consumer Report Fees upon delivery of the underlying Mortgage Consumer Reports and Services to First American or its Affiliates, or at such later intervals as the Company determines. Each such invoice shall contain a description of the Mortgage Consumer Reports and Services provided during the relevant period and the amount of the Mortgage Consumer Reports Fees for such period. Each such invoice shall be due and payable immediately upon receipt, and payment shall be made no later ninety (90) calendar days after receipt of such invoice.

(d) Communications Hub. First American shall cause FARES to deliver to the Company an invoice containing a reasonable description of the fees payable by the Company pursuant to Section 3.1(d). Each invoice shall be due and payable immediately upon receipt, and payment shall be made no later thirty (30) calendar days after receipt of such invoice.

ARTICLE IV.
TERM

4.1. Term. The term of this Agreement (the "Term") shall be for a period of twelve months from the Effective Date of this Agreement, unless both parties agree in writing to extend the term for an additional twelve month term.

4.2. Termination. In the event of termination of this Agreement with respect to any service or Section hereof, all outstanding unpaid fees owed by the Company and First American with respect to such service or Section hereof shall become immediately due and payable. The termination of this Agreement with respect to any service or Section hereof as to any Party shall be without prejudice to any rights or liabilities of the other Party hereunder which shall have accrued prior to such termination and shall not affect any provisions of this Agreement that are expressly or by necessary implication intended to survive such termination. This Agreement shall continue in full force and effect with respect to any services and/or Section hereof that has not been terminated in accordance herewith until terminated in accordance herewith.

ARTICLE V.
MISCELLANEOUS

5.1. Cooperation. The Parties will cooperate in good faith to carry out the purposes of this Agreement. Without limiting the generality of the foregoing, each Party will assist the other Party and furnish the other Party with such information and documentation as the other Party may reasonably request.

5.2. No Liability.

(a) In providing the Business Services hereunder, neither First American nor any of its Affiliates shall be liable to the Company or its Affiliates for any error or omission except to the extent that such error or omission results from the gross negligence or willful misconduct of First American or such Affiliate to perform the Business Services required by it hereunder. In no event shall First American or any of its Affiliates be liable to the Company or any of its Affiliates or any third party for any special or consequential damages, including, without limitation, lost profits or injury to the goodwill of the Company or any of its Affiliates, in connection with the performance, misfeasance or nonfeasance hereunder of First American or any of its Affiliates.

(b) In providing the FAOS Services hereunder, neither the Company nor any of its Affiliates shall be liable to First American or its Affiliates for any error or omission except to the extent that such error or omission results from the gross negligence or willful misconduct of the Company or such Affiliate to perform the FAOS Services required by it hereunder. In no event shall the Company or any of its Affiliates be liable to First American or any of its Affiliates or any third party for any special or consequential damages, including, without limitation, lost profits or injury to the goodwill of First American or any of its Affiliates, in connection with the performance, misfeasance or nonfeasance hereunder of the Company or any of its Affiliates.

(c) In providing the Mortgage Services hereunder, the Company shall, and shall cause its Affiliates to, promptly reimburse First American and its Affiliates for any amounts First American or its Affiliates are required to pay as a result of the failure of the Company or one of its Affiliates to meet the standard of care required by the agreements pursuant to which Mortgage Consumer Reports and Services are provided to Mortgage Customers.

5.3. Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered in person, by mail, postage prepaid, or sent by facsimile, to the Parties, at the following addresses and facsimile numbers:

(a) If to First American, to:

The First American Corporation

1 First American Way

Santa Ana, California 92707

Facsimile:(714) 250-8403

Attention: Parker S. Kennedy

Kenneth D. DeGiorgio

(b) If to the Company, to:

First Advantage Corporation

100 Carillon Parkway

St. Petersburg, Florida 33716

Facsimile:(727) 214-3401

Attention: John Lamson

Bret Jardine

or to such other Person or address as any Party shall specify by notice in writing to the other Party in accordance herewith. Except for a notice of a change of address, which shall be effective only upon receipt, all such notices, requests, demands, waivers and communications properly addressed shall be effective and deemed received by the applicable Party: (i) if sent by U.S. mail, three business days after deposit in the U.S. mail, postage prepaid; (ii) if sent by Federal Express or other overnight delivery service, one business day after delivery to such service; (iii) if sent by personal courier, upon receipt; and (iv) if sent by facsimile, upon receipt.

5.4. Assignment. This Agreement shall be binding upon and inure to the benefit of the successors of each of the Parties. First American may assign this Agreement to any of its Affiliates, including, for the avoidance of doubt, an Affiliate subject to a plan to be distributed to the shareholders of First American. Except for the foregoing, this Agreement shall not be assigned by any Party without the prior written consent of the other Party.

5.5. No Third Parties. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any natural person or Person other than First American, its Affiliates, the Company, its Affiliates and their respective successors and assignees. Nothing in this Agreement is intended to relieve or discharge the obligations or liability of any third parties to First American, its Affiliates, the Company or its Affiliates. No provision of this Agreement shall give any third party any right of action over or against First American, its Affiliates, the Company or its Affiliates.

5.6. Amendments and Waivers. This Agreement may not be amended, and none of its provisions may be modified, except expressly by a written instrument signed by the Parties hereto. No failure or delay of a Party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right, or any abandonment or discontinuance of steps to enforce such a power or right, preclude any other or further exercise thereof or the exercise of any other power or right. No waiver by a Party of any provision of this Agreement or consent to any departure therefrom shall in any event be effective unless the same shall be in writing and signed by such Party, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding anything to the contrary contained herein, First American shall not amend, or cause the Company to amend, any of the provisions of this Agreement or terminate this Agreement unless (a) the holders of a majority of the shares of Company Common Stock then outstanding (calculated without reference to any Shares held by First American and its Affiliates (as defined in the Merger Agreement)) approve a proposal submitted by the Company's board of directors authorizing such amendment or (b) a majority of the Audit Committee shall approve a resolution authorizing such amendment or termination.

5.7. GOVERNING LAW. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL SUBSTANTIVE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO THE CONFLICT OF LAWS RULES THEREOF.

5.8. Confidentiality.

(a) Confidential Company Information. First American will, and will cause its Affiliates to, hold all Confidential Company Information confidential and will not disclose any such Confidential Company Information to any Person except as may be required to perform the Business Services, as authorized in advance by the Company or its Affiliates in writing or otherwise, or as may be required by law, in which case First American shall promptly provide notice to the Company that such Confidential Company Information has been subpoenaed or otherwise demanded, so that the Company may seek a protective order or other appropriate remedy. First American will, and will cause its Affiliates to, use its reasonable best efforts (but without out-of-pocket costs or expense) to obtain or assist the Company in obtaining such protective order or other remedy.

(b) Confidential FAF Information. The Company will, and will cause its Affiliates to, hold all Confidential FAF Information confidential and will not disclose any such Confidential FAF Information to any Person except as may be required to perform Company Services for First American Entities hereunder, as authorized in advance by First American in writing or otherwise, or as may be required by law, in which case the Company shall promptly provide notice to First American that such Confidential FAF Information has been subpoenaed or otherwise demanded, so that First American may seek a protective order or other appropriate remedy. The Company will, and will cause its Affiliates to, use its reasonable best efforts (but without out-of-pocket costs or expense) to obtain or assist First American in obtaining such protective order or other remedy.

5.9. Legal Enforceability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without affecting the validity or enforceability of the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

5.10. Capacity. Each of the Parties hereto acknowledges and agrees that First American and each of its Affiliates is acting solely as an agent of the Company in rendering the Business Services hereunder and nothing herein contained, express or implied, is intended to create any other relationship, whether as principal or otherwise.

5.11. Counterparts. This Agreement may be executed in several counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

5.12. Complete Agreement. This Agreement, the Merger Agreement and the agreements expressly contemplated hereby and thereby set forth the entire understanding of the Parties with respect to the subject matter hereof and thereof and supersede all prior letters of intent, agreements, covenants, arrangements, communications, representations, or warranties, whether oral or written, by any officer, employee, or representative or any Party relating thereto.

5.13. Affiliates. Each of First American and the Company shall cause each of its relevant Affiliates to comply with its obligations under this Agreement.

5.14. Representations. Each Party hereby represents and warrants to the other Party that (a) it has the corporate power and authority to execute, deliver and perform this Agreement, (b) the execution, delivery and performance of this Agreement has been duly authorized by it, and (c) this Agreement is a valid and binding agreement enforceable against such Party according to its terms, except as may be limited by laws affecting creditors' rights generally or equitable principles generally.

5.15. Effect. The Amended Services Agreement is hereby terminated. Any future reference to the Amended Services Agreement shall from and after the date hereof be deemed to be a reference to this Agreement.

* * *

IN WITNESS WHEREOF, each of the Parties has caused its corporate name to be hereunto subscribed by its officer thereunto duly authorized, all as of the day and year first above written.

THE FIRST AMERICAN CORPORATION

By: /s/ Ken DeGiorgio
Name: Ken DeGiorgio
Title: Executive Vice President

FIRST ADVANTAGE CORPORATION

By: /s/ John Lamson
Name: John Lamson
Title: Executive Vice President and CFO

Schedule I

BUSINESS SERVICES

Column A – Service	Column B – Price
1. Business Services including solely the following services:	Total flat fee of $3,900,000 per calendar year – itemized as follows:
a. Mortgage marketing services (excluding commissions paid pursuant to sales compensation plans or other direct costs, provided that the Company shall not be obligated to pay any fees for additional direct costs in the event that such direct costs are in excess of $20,000 per incident);	$1,150,000
b. Benefits administration (including administration of the following plans: 401k; employee pension; employee stock purchase plan; workers compensation; and plan document updates; but excluding a company car program);	$50,000
c. Technology Support Services:	
i. Oracle systems license and support (*up to a maximum of 5,500 support and development hours) and related Disaster Recovery services; and	$2,200,000
ii. Web Service Platform and related Disaster Recovery services.	$500,000
2. Additional Oracle support and development hours (*beyond the 5,500 included in the Business Services flat fee)	$120 per hour
3. Any additional services not otherwise itemized herein	Actual cost (or if not a direct cost, then the fee otherwise that would be charged/allocated to another First American Affiliate)

Schedule II

FAOS SERVICES

1. Leasing of real and personal property in India
2. Management support for Indian operations
3. Human resources/payroll support in India
4. Services incidental to the provision of the foregoing services

Exhibit 31.1

Chief Executive Officer

I, Anand Nallathambi 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) 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

d) Disclosed in this 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; and

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: *July 30, 2009*

By: /s/ *ANAND NALLATHAMBI*
Name: *Anand Nallathambi*
Title: *Chief Executive Officer*

Exhibit 31.2

Chief Financial Officer

I, John Lamson 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) 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

d) Disclosed in this 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; and

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: *July 30, 2009*

By: /s/ *JOHN LAMSON*
Name: *John Lamson*
Title: *Chief Financial Officer*

Exhibit 32.1

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, 2009 (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.

Date: *July 30, 2009*	By: /s/ *ANAND NALLATHAMBI*
	Name: *Anand Nallathambi*
	Title *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.

Exhibit 32.2

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, 2009 (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.

Date: *July 30, 2009*	By: /s/ *JOHN LAMSON*
	Name: *John Lamson*
	Title: *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.