

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

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

Date of report (Date of earliest event reported): July 25, 2007

**FIRST ADVANTAGE CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

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(State or Other Jurisdiction  
of incorporation)

**001-31666**

(Commission File Number)

**61-1437565**  
(IRS Employer  
Identification Number)

**100 Carillon Parkway  
St. Petersburg, Florida 33716**  
(Address of principal executive offices)

**(727) 214-3411**  
(Registrant's telephone number)

**Not Applicable.**

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

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

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

**Item 2.02 Results of Operations and Financial Condition.**

On July 25, 2007, First Advantage Corporation, a Delaware corporation, announced financial results for the second quarter ended June 30, 2007. The full text of the press release issued in connection with the announcement is attached hereto as Exhibit 99.1.

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

EBITDA and Adjusted EBITDA are presented in the earnings release. EBITDA was determined by adjusting net income for income taxes, interest expense, minority interest and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for share based compensation expense.

Although EBITDA and Adjusted EBITDA are not financial measures prepared in accordance with generally accepted accounting principles ("GAAP"), they are calculated and communicated by the Company because management believes it is of interest to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds.

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

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

**Item 9.01. Financial Statements and Exhibits**

(c) Exhibits

99.1 Earnings Press Release dated July 25, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 25, 2007

FIRST ADVANTAGE CORPORATION

By: /s/ John Lamson

Name: John Lamson

Title: Executive Vice President and Chief Financial Officer

**NEWS FOR IMMEDIATE RELEASE****Contacts:**

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**FIRST ADVANTAGE CORPORATION REPORTS  
OPERATING RESULTS FOR THE SECOND QUARTER OF 2007**

**ST. PETERSBURG, Fla., July 25, 2007**—**First Advantage Corporation (NASDAQ: FADV)**, a global risk mitigation and business solutions provider, today announced operating results for the second quarter ended June 30, 2007.

First Advantage reported net income of \$18.3 million (31 cents per diluted share) for the quarter ended June 30, 2007, compared with net income of \$16.6 million (29 cents per diluted share) for the quarter ended June 30, 2006.

Total revenue for the company was \$221.0 million and \$205.1 million for the quarters ended June 30, 2007 and June 30, 2006, respectively.

Earnings before interest, taxes, depreciation and amortization, minority interest and share-based compensation expense (adjusted EBITDA) were \$48.8 million and \$46.6 million for the quarters ended June 30, 2007 and 2006, respectively.

“This quarter, we continue to see the benefits of our strategic growth initiatives”, said Anand Nallathambi, president and chief executive officer. “Our Employer Services segment had solid revenue growth during the second quarter as a result of international cross-sell initiatives, product expansion and enhanced operational efficiencies. Although we experienced some volatility in the mortgage industry, our Lender Services segment continues to perform well as the result of increased market share and product mix.

“Margins were improved in our Data Services, Multifamily Services and Investigative and Litigation Support Services segments from the second quarter of last year. As for our Dealer Services segment, the subprime automotive lead processing business continues to face challenges due to market conditions and reorganization of the operations. The automotive credit portion, the bigger piece of the segment’s business, produced consistent growth in credit transactions as a result of increasing market share.”

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**First Advantage Corporation Reports Operating Results for the Second Quarter of 2007**

First Advantage's second quarter 2007 results will be discussed in more detail on **Wednesday, July 25, 2007**, at 5:00 p.m. EDT, via teleconference and webcast. The teleconference dial-in number is 888.791.1856 within the U.S. and 773.799.3727 outside the U.S. The teleconference pass code is "Advantage". The live audio webcast of the call will be accessible from the Investor Relations section of First Advantage's Web site at [www.FADV.com](http://www.FADV.com). An audio replay of the teleconference call will be available through August 8, 2007, by dialing 866.501.2958 within the U.S., or 203.369.1826 outside the U.S. An audio archive of the webcast will also be available for replay on First Advantage's Web site following the call.

**First Advantage Corporation Reports Operating Results for the Second Quarter of 2007**
**Summary Consolidated Income Statement (Unaudited)**

(In thousands, except per share amounts)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Service revenue	\$ 207,353	\$ 191,740	\$ 409,240	\$ 372,959
Reimbursed government fee revenue	13,618	13,383	27,819	26,512
Total revenue	<u>220,971</u>	<u>205,123</u>	<u>437,059</u>	<u>399,471</u>
Cost of service revenue	60,830	59,153	122,018	115,742
Government fees paid	13,618	13,383	27,819	26,512
Total cost of sales	<u>74,448</u>	<u>72,536</u>	<u>149,837</u>	<u>142,254</u>
Gross margin	<u>146,523</u>	<u>132,587</u>	<u>287,222</u>	<u>257,217</u>
Salaries and benefits	65,850	58,746	139,820	117,380
Facilities and telecommunications	8,117	7,529	16,142	14,580
Other operating expenses	27,541	23,500	53,790	46,051
Depreciation and amortization	10,737	9,518	21,182	18,728
Income from operations	<u>34,278</u>	<u>33,294</u>	<u>56,288</u>	<u>60,478</u>
Interest (expense) income:				
Interest expense	(3,097)	(3,250)	(6,323)	(6,491)
Interest income	311	162	652	302
Interest (expense) income, net	<u>(2,786)</u>	<u>(3,088)</u>	<u>(5,671)</u>	<u>(6,189)</u>
Equity in earnings of investee	670	551	1,450	660
Income before income taxes and minority interest	32,162	30,757	52,067	54,949
Provision for income taxes	13,346	13,387	21,448	23,887
Income before minority interest	18,816	17,370	30,619	31,062
Minority interest	469	733	1,029	1,680
Net income	<u>\$ 18,347</u>	<u>\$ 16,637</u>	<u>\$ 29,590</u>	<u>\$ 29,382</u>
Per share amounts:				
Basic earnings per share	\$ .31	\$ .29	\$ .50	\$ .52
Basic weighted-average shares outstanding	58,954	57,730	58,665	56,868
Diluted earnings per share	\$ .31	\$ .29	\$ .50	\$ .51
Diluted weighted-average shares outstanding	59,445	57,929	59,130	58,019
EBITDA and adjusted EBITDA calculation:				
Net income	\$ 18,347	\$ 16,637	\$ 29,590	\$ 29,382
Provision for income taxes	13,346	13,387	21,448	23,887
Minority interest	469	733	1,029	1,680
Interest expense	3,097	3,250	6,323	6,491
Depreciation and amortization	10,737	9,518	21,182	18,728
Earnings before interest, taxes, depreciation and amortization (EBITDA)*	<u>\$ 45,996</u>	<u>\$ 43,525</u>	<u>\$ 79,572</u>	<u>\$ 80,168</u>
Share based compensation expense	2,846	3,112	8,903	5,962
Adjusted EBITDA	<u>\$ 48,842</u>	<u>\$ 46,637</u>	<u>\$ 88,475</u>	<u>\$ 86,130</u>

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

**First Advantage Corporation Reports Operating Results for the Second Quarter of 2007**

**Segment Financial Information (Unaudited)**

(In thousands, except percentages)	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
<b>Service revenue</b>				
Lender Services	\$ 42,833	\$ 45,649	\$ 88,470	\$ 90,951
Data Services	38,694	35,278	78,736	71,159
Dealer Services	29,877	31,168	59,644	60,797
Employer Services	57,823	46,840	112,521	86,502
Multifamily Services	19,676	18,759	37,281	35,452
Investigative & Litigation Support Services	18,940	15,069	34,238	30,115
Corporate	(490)	(1,023)	(1,650)	(2,017)
Consolidated	<u>\$ 207,353</u>	<u>\$ 191,740</u>	<u>\$ 409,240</u>	<u>\$ 372,959</u>
<b>Income (Loss) from operations</b>				
Lender Services	\$ 11,686	\$ 14,385	\$ 24,342	\$ 27,866
Data Services	10,995	9,267	22,716	18,902
Dealer Services	3,576	4,973	7,088	8,901
Employer Services	6,799	5,663	11,910	8,001
Multifamily Services	5,866	4,886	10,180	8,090
Investigative & Litigation Support Services	4,430	3,087	6,616	6,156
Corporate	(9,074)	(8,967)	(26,564)	(17,438)
Consolidated	<u>\$ 34,278</u>	<u>\$ 33,294</u>	<u>\$ 56,288</u>	<u>\$ 60,478</u>
<b>Operating margin percentage of service revenue</b>				
Lender Services	27.28%	31.51%	27.51%	30.64%
Data Services	28.42%	26.27%	28.85%	26.56%
Dealer Services	11.97%	15.96%	11.88%	14.64%
Employer Services	11.76%	12.09%	10.58%	9.25%
Multifamily Services	29.81%	26.05%	27.31%	22.82%
Investigative & Litigation Support Services	23.39%	20.49%	19.32%	20.44%
Corporate	N/A	N/A	N/A	N/A
Consolidated	<u>16.53%</u>	<u>17.36%</u>	<u>13.75%</u>	<u>16.22%</u>

## First Advantage Corporation Reports Operating Results for the Second Quarter of 2007

### About First Advantage Corporation

First Advantage Corporation (NASDAQ: FADV) combines industry expertise with information to create products and services that organizations worldwide use to make smarter business decisions. First Advantage is a leading provider of consumer credit information in the mortgage, automotive and specialty finance markets; business credit information in the transportation industry; lead generation services; motor vehicle record reports; supply chain security consulting; employment background verifications; occupational health services; applicant tracking systems; recruiting solutions; skills and behavioral assessments; business tax consulting services; insurance fraud, corporate and litigation investigations; surveillance; computer forensics; electronic discovery; data recovery; due diligence reporting; resident screening; property management software; renters insurance and consumer location services. First Advantage ranks among the top companies in all of its major business lines. First Advantage is headquartered in St. Petersburg, Fla., and has more than 4,700 employees in offices throughout the United States and abroad. More information about First Advantage can be found at [www.FADV.com](http://www.FADV.com).

First Advantage is a majority-owned subsidiary of The First American Corporation (NYSE: FAF), a FORTUNE 500® company that traces its history to 1889. First American is America's largest provider of business information, supplying businesses and consumers with valuable information products to support the major economic events of people's lives. Additional information about the First American Family of Companies can be found at [www.firstam.com](http://www.firstam.com).

Certain statements in this press release are forward looking. Risks and uncertainties exist that may cause results to differ materially from those set forth in these forward-looking statements. Factors that could cause the anticipated results to differ from those described in the forward-looking statements include: general volatility of the capital markets and the market price of the company's Class A common stock; the company's ability to successfully raise capital; the company's ability to identify and complete acquisitions and successfully integrate businesses it acquires; changes in applicable government regulations; the degree and nature of the company's competition; increases in the company's expenses; continued consolidation among the company's competitors and customers; unanticipated technological changes and requirements; the company's ability to identify suppliers of quality and cost-effective data; and other risks identified from time-to-time in the company's SEC filings. The forward-looking statements speak only as of the date they are made. The company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made. Investors are advised to consult the company's filings with the SEC, including its 2006 Annual Report on Form 10-K and subsequent amendments, for a further discussion of these and other risks.

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