

Why Should an Investor or Business Conduct an Asset Search?

If used properly and if conducted by a reputable asset search company, asset searches can be used as a valuable pre-investment tool for an investor, partnership, joint venture or other business entity before entering into a contract. Often is the case when an investor or attorney has a client that is about to complete a deal and knows very little about the other side, other than what they know from “word of mouth” or Google. The question then becomes whether to take a chance and just invest and/or contract or whether one should do a little more digging to satisfy his or her “due diligence.” Moreover, what duty does the investor or attorney have to the client to reveal potential liabilities, liens, lawsuits or state and federal criminal records that the subject has that could endanger the deal. Also, what happens to the attorney or investor who fails to inform the client, or other partners, that they could have conducted an asset search to uncover all existing liabilities?

Most asset searches cost less than \$300.00. At www.assetsearchesplus.com, for example, a nationwide asset search costs \$185.00 for an individual subject and \$165.00 for a corporate entity. At the very least, shouldn't the client or your partner be given the opportunity to pay for and conduct a search just in case there are significant liabilities associated with the subject or their company? If the client or partner refuses, the attorney and investor are protected. If the client agrees to conduct the search, then the investor and attorney and partner have satisfied their “due diligence” by conducting a nationwide asset search, which may very well reveal additional liabilities and exposure. In addition, where the subject may be concealing existing or prior litigation involving the subject matter of the deal or debt, prior bankruptcies, liens and the like, the asset search report will provide a road map for the investor, partnership or joint venture.

A thorough asset search provides existing assets of the subject, such as, what they own for real estate and other personal assets, together with the liabilities mentioned above that are

associated with the subject, including but not limited to, other lawsuits, bankruptcies, state and federal tax liens, uniform commercial code filings and state and federal criminal records. These searches usually take 1-3 days to conduct. Detailed reports are then emailed to the investor to share with his or her client or partners. Upon receipt, an informed decision can be made with you and your counsel with how to proceed with the deal. Remember, "if there is nothing to obtain, there is nothing to gain." If after reviewing the asset search report, it can be reasonably established that the subject(s) of the business deal is a legitimate player, then you can be more confident in entering into a contract or not... depending on the search results.

Under most circumstances, asset searches verify the following:

- (a) The subject's name and address and all alias names;
- (b) Driver's license information;
- (c) Real estate;
- (d) Motor vehicles;
- (e) Watercrafts;
- (f) FAA certifications and aircrafts;
- (g) Professional licenses;
- (h) Bankruptcies;
- (i) Liens and court judgments;
- (j) UCC filings;
- (k) Corporate entities associated with the subject;
- (l) Voter registration information;
- (m) Sexual offenses;
- (n) Employment information; and
- (o) State and federal criminal records.

The only information that is usually needed from you or your client is the subject's name and last known address, which can be filled out online or on an order form, which can be faxed and mailed to your office.

Finally, when choosing an asset search firm, make sure to ask the following questions:

- 1.) Does the firm have attorneys on staff that understands why you need the information and generate reports that are most useful for the joint venture, investor, attorney, partners or their clients?
- 2.) Do they only use "legal" and reliable sources and methods to conduct their searches?
- 3.) Does the firm stand behind the quality of their work?
- 4.) Does all work remain confidential?
- 5.) Does the firm provide a professional looking report that you will be eager to share with your client?

For additional information regarding our services, feel free to contact me at 1(800)290-1012 at ext.11, or at edamaral@assetsearchesplus.com or www.assetsearchesplus.com.

Sincerely,

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