



Showcase Project / Case Study #2 “Failure to Disclose Litigation”

Background:

We were tasked to conduct a background investigation in an attempt to identify any potential risk on a prospective new borrower, a Freight Line company. Our client was advised by the subject that they were not involved in any litigation.

Approach:

No records showed up on database for Civil suit or Judgments.

Solution:

However, a physical search revealed over 150 Civil cases (most of them closed; however, some noted as closed had been re-opened).

Results:

Unsatisfied Judgments totaled over \$800,000.

The client would have been unaware of the unsatisfied judgments had they relied on database services alone as the subject failed to disclose the existing litigation.

Our combined approach (database/direct public record search) enabled us to locate the missing pieces of the puzzle and put it together for the client’s consideration.

Some database services do not provide information on civil records, much to our surprise!