

Why Conducting and Asset Search is an Essential Due Diligence Tool

1. Personal Injury Attorney

The most obvious use of an asset search is when a client is injured in an automobile accident or personal injury case. The attorney representing his clients must use due diligence to determine whether the person or entities responsible for the client's injuries and damages have assets to attach if there is insufficient insurance coverage. An attorney's failure to inform the client of their right to find and possibly go after assets to make the client whole, exposes the attorney and their firm to a potential malpractice complaint. Since asset searches only cost between \$185.00- \$300.00 on the average, it makes no sense not to conduct a search or at the very least, propose that a search be conducted to the client. If the client refuses, the attorney is covered and more important, if the search is conducted, assets may be discovered and attached thereby further compensating the client and their attorney.

2. Parties to a Divorce Action

The most important part of any divorce case is the discovery process. Knowing what to look for and knowing what to ask in interrogatories, document requests and depositions can make or break ones success in being able to properly care for oneself after a divorce. Even though parties must file a probate and family court financial statement, parties have selective amnesia sometimes. A thorough and properly conducted asset search will help verify financial statements and will ascertain assets omitted, or lead to the discovery of assets transferred, prior to the divorce filing. Prudent divorce attorneys regularly make conducting an asset search part of their family law discovery process for good reason.

3. Collection of a debt

In many states creditors are allowed to attach assets at the commencement of a law suit to put them in a better negotiation position during litigation and or settlement negotiation. Since discovery is not filed or answered until well into a case, conducting an asset search prior to filing a creditors lawsuit, will allow a plaintiff's attorney to seize or tie up the assets at the very onset of their lawsuit. This puts the creditor in a superior bargaining position and may foster a faster more favorable outcome of their case.

Even more important, an asset search will provide both the assets and liabilities of the subject debtor. This allows the creditor to make a determination as to whether the collection process is financially viable. Nobody likes to throw good money after bad debt.

4. Corporate Hiring/ Mergers and Acquisitions

Nothing is probably more important to in-house counsel or hiring committees than corporate due diligence. Since job applicants often mistake or omit information in their applications, an asset and liability search often fills in holes and gives the company a good snap shot of who they are about to hire . Often asset searches will provide not only assets but liabilities such as prior lawsuits, criminal records, judgments, federal and state tax liens and sexual predator data. So true when merging with another company this same information can be obtained for a corporate entity at www.assetsearchesplus.com. For example, both individual and corporate asset searches can be conducted providing information on a subject for as little as \$165.00 nationwide and includes, but is not limited to:

1. Real Estate;
2. Recent Deed Transfers;
3. Automobile;
4. Planes;
5. Watercraft;
6. Entities associated with the subject such as trusts, limited partnerships, and other corporations;
7. Professional licenses;
8. Trademarks;
9. Bankruptcies;
10. Judgments;
11. Uniform Commercial Code liens; and
12. Criminal records and Other Lawsuits.

Conclusion:

Do both yourself and your clients a favor and satisfy your due diligence and take advantage of the many benefits that an asset search provides. The turnaround time is usually 1-2 business days and most searches are e-mailed to you with explanatory reports so that they can be shared and understood by you and your clients.