

WHITE PAPER

Best Practices

for Real Estate Case Research

Introduction: Overcoming Common Challenges in Real Estate Related Case Research

Many civil lawsuits involve real estate. When they do, it's often a requirement to identify and verify real property information and data. This often occurs when one or more parties involved in the legal matter own or have a vested interest in the real estate. It is essential for attorneys and researchers to gather accurate and up-to-date information and documentation to support the most appropriate outcome in the legal matter.

Accurate property ownership documentation and information is necessary within the discovery process. It often provides insight and answers questions during legal proceedings. It can be vital in legal practice areas, such as:

- **Family Law: Divorce, Estate Planning, Probate**
- **Bankruptcy**
- **Banking and Financial Compliance**
- **Commercial & Residential Real Estate**
- **Foreclosure**
- **Eminent Domain**

Best Practices for Real Estate Case Research

A particular area of concern is within Limited Liability Companies (LLCs). In legal matters involving LLCs, discovery is challenging as piercing the corporate veil to detect individual ownership can be difficult. Property ownership, often legally separated between individual and business, is nevertheless important in many civil matters.

Today's case research tools may slow and even hinder the effective and efficient discovery of property information pertaining to any legal matter. Current research options may not provide the insight and efficiency legal professionals need to complete their research tasks. Specifically, inconveniences related to accessing public record information from county offices and "do it all" case research tools, as well as the inability to see beyond the initially sought information, limit the success of any discovery process.

5 Shortcomings to Current Methods of Identification and Verification of Property Ownership

1 Case Research Platforms Present Serious Real Estate Case Research Drawbacks

Legal professionals spend inordinate amounts of time searching and compiling real property data from disparate sources or case research platforms. Legal professionals need case research platforms in any size legal firm. By analogy, most cities need warehouse shopping clubs where citizens can gather most of what they need in one location. However, these clubs can only stock so much and, as a result, when a consumer needs a specific item, it becomes necessary to turn to a specialty store. The same applies to search methods for legal professionals.

The specialized field of collecting, validating, and providing property and homeowner data and documents equips legal professionals with the most appropriate tools for their research. This ensures that appropriate data are available and that all data and document searches are efficient, convenient and cost effective.

2 Current Real Estate Case Research May Miss the Bigger Picture

A complication of property-centric research is the unintended "tunnel vision" of legal research requests and research tools. If a legal case research task involves gathering information on an individual's property ownership, the obvious solution is to log into the county website where the individual lives to gather data such as deeds and related documents. However, this is limitedly successful since many individuals are involved in property transactions in other states.

In this case, a nationwide search may provide the most clarity beyond what the county database can offer. The utilization of a legal research platform offers some improvement here because it provides information from local and county website databases as well as national data to aid in this research process.

3 The Inability to Leverage the Resources to Disclose the Undisclosed

Limited or inaccurate case research of property ownership creates substantial complications. One example involves bankruptcies. In some situations, trustees have remained liable for undisclosed mortgages on a property due to a lack of thorough information that would have revealed this liability to the trustee. In cases of divorce, one party may withhold information about assets by placing this property within an LLC. This leads to inappropriate management and division of marital assets that both parties may have a legal right to own. Information like this, revealed after the legal proceedings not only requires the reopening of the case, but also reflects negatively on the attorney or law firm that filed the initial action.

4 Lack of Confidence in the Information Discovered

Current methods of researching data and documents on individuals and properties suffer from the inability to verify the recency and validity of the information obtained. Gathering data that is the most up to date is essential. It ensures clear information becomes available regarding the current ownership of property. A further complication occurs when the verification methods are inconsistent and non-standard, which results in wasted time and effort over-validating information or going back to the source to re-validate information that is now suspect. Alternatively, having multiple points of verification within one search process can help to solidify a defensible legal position.

5 Piercing the Corporate Veil is Difficult and Costly

Identification of data and information held within an LLC remains one of the most common challenges of today's researching legal professionals. This type of legal ownership complicates the search process especially when one party has limited information or access to LLC documentation. LLCs are more commonly used today because of their ability to separate individual and business property. In a legal research scenario, this obscurity in ownership makes it easy for a party to hide information. Nevertheless, courts must consider and analyze LLC data and documents to make appropriate legal decisions.

3 Factors for Modern Real Estate Case Research

For any case research need, legal professionals require the most efficient and accurate information available. To achieve this, these professionals need access to the most effective tool available for researching tasks. Most legal professionals have many complex matters to deal with each day. Tasks such as routine case research, including verifying legal and vesting, accessing chain of title, and discovering recorded land documents like deeds of trust, need to be fast and accurate. To ensure this occurs, professionals need to consider these factors.

1 Access to Quality Data and Premium Data Sources

Case research is only as solid as the data supporting it. As a result, every legal professional needs a solution that provides the necessary data and documentation to fulfill the task needed, such as:

- Learning the value of property
- Learning the original amount paid for the property
- Verification of ownership information
- Identification of liens against the property
- Current tax status
- View complete transaction histories
- Obtain an accurate legal description of the property
- Access the recorded document images

While speed and ease of accessing this type of data is paramount to most legal professionals, it's even more valuable to be confident in the accuracy of the information obtained. Legal professionals cannot accurately and justly advise clients on how to handle real estate matters without pertinent aspects of the case including the involvement of real estate. Thus, it is necessary for the legal professional to know that research and records are properly verified against multiple sources.

Technology can offer a solution. Technology now delivers access to data that was once locked in recorded document images. It is no longer necessary for professionals to spend the time and money ordering documents they believe may contain key information necessary in their legal case. It is now possible to search for and verify content within such documents and files, for example by searching for a particular subject's name, before having to order the document. Technological advances maximize the legal professionals' time.

2 Efficient Property and Homeowner-Based Case Research

The method of conducting such research needs to be both thorough and efficient. The tool legal professionals use to achieve this goal needs to be flexible enough to work in the way needed. A key factor is the ability for the case researcher to begin property and ownership searches at any point. Users need to be able to start a search at any point and, once that information is in hand, it should be easy to share the data. Advances in property-centric research technology makes this possible. This technology brings integrated search components, such as the use of addresses, owners, APN, map, and advanced search features, all in a single search bar. This allows for greater search efficiency when conducting case research.

Efficiency hinges on the ability to gather information quickly and across multiple sources. For example, it allows for accessing data that goes beyond the use of a specific, single address. It may also involve the research of a person's assets beyond what is available in a county database. In short, technology needs to provide the bigger picture for the researcher by leveraging cross-country and even nationwide search capabilities.

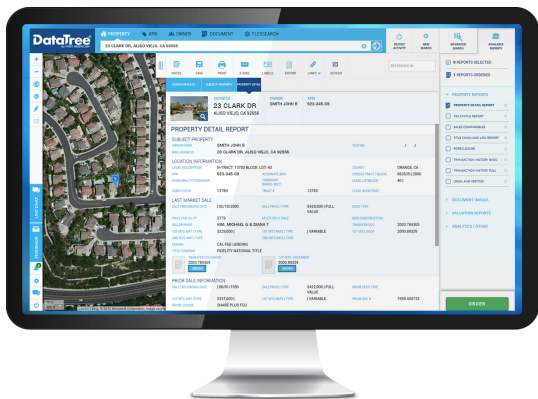
3 Ease of Use

Legal firms must consider ease of use as a component of the decision to switch to any new technology. Ultimately, the new solution must be easy to use to allow fast and effective onboarding of research teams. Implementation needs to be seamless within the busy legal firm. Key pain points for many firms include finding a solution that allows for:

- Single resource for nationwide recorded documents
- Easy access to property and homeownership reports
- Fast, accurate search and discovery of real estate related information
- Confidence in the accuracy of the data and documents acquired
- Capability of running multiple searches at one time

These factors define what makes a real estate case research powerful and yet simple to complete, maximizing outcome with minimal investment of time and cost.

DataTree by First American Delivers Comprehensive Case Research Benefits



First American is advancing the process of real property case research to support legal needs through the use of DataTree. This solution provides a combination of property, homeowner, and mortgage data, plus recorded documents and uses innovative technology. It's changing the game for legal professionals and providing better information at a lower cost and at a faster rate.



First American

For a limited time, First American is offering a free trial of DataTree. Visit DataTree.com/law or call **800.708.8463** to learn more.

DataTree alleviates numerous complications and provides critical benefits to case research activities, including:

- **Recorded Documents:** Use one platform to obtain county recorded documents nationwide
- **Nationwide Owner Search:** Uncover all property assets owned
- **FlexSearch™:** Allows users to search the entire text of recorded document images, making once inaccessible insight and intelligence available during the search.
- **Verified Record:** Key fields in standard mortgage transaction information are digitally matched with at least two independent sources.
- **Title Chain and Lien Report:** This exclusive, real-time report provides direct access to First American's title plant data, including open deeds of trust, mortgages, involuntary liens, assessment, tax status, and more.

Additionally, DataTree provides current nationwide data instantly for researchers. This information becomes available on any desktop or mobile phone.

DataTree by First American provides a fundamentally better approach to real property identification and research processes. It easily provides law firms with speed, accuracy and lower costs, aligning with the drivers of today's legal profession. It provides access to billions of documents and maintains all property reports, ownership details and documents in a single tool.

Many legal proceedings depend on accurate information about real property ownership. Case research used to support legal matters often relies on older tools that have numerous limitations, drastically limiting the success and clarity of any legal professional during a research case. However, a significant improvement is seen when professionals utilize a system that focuses on enhanced function, speed, efficiency and across-the-board search. First American's DataTree provides a comprehensive tool that's easy to use, easy to implement, and efficient in case research. Most importantly, it provides access to accurate data in a faster method, reducing costs and improving comprehensive understanding of real property ownership and needs.

With DataTree, legal professionals can retrieve information effectively and with dependable results while minimizing the amount of time and money put into the process. DataTree enables legal professionals to have confidence in all sourced data and documents while minimizing risks across the board.