Registration No. 333-74478

As filed with the Securities and Exchange Commission on December 19, 2001.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3/A
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933
AMENDMENT NO.1

TEAMSTAFF, INC.
(Exact name of Registrant as specified in charter)

New Jersey	22-1899798
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

300 Atrium Drive
Somerset, New Jersey 08873
(732) 748-1700
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Donald W. Kappauf
President and Chief Executive Officer
300 Atrium Drive
Somerset, New Jersey 08873
(732) 748-1700
(Name and address, including zip code, and telephone number, including area code, of agent for service)

With copies to:
Brian C. Daughney, Esq.
Goldstein & DiGioia, LLP
369 Lexington Avenue
New York, New York 10017
Telephone (212) 599-3322
Facsimile (212) 557-0295

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plan, please check the following box. [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE*

Title of Each Class of Securities Being Registered	Amount to be Registered	Proposed Maximum Offering Price per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, $.001 par value(2).....	6,168,511	$5.80	$35,777,363	$8,551
Common Stock, $.001 par value(3).....	26,000	$5.80	$150,800	$36.00
Total.....	6,194,511		$35,928,163	$8,587*

(1) Estimated solely for the purpose of determining the registration fee, based on a share price of $5.80, the average of the high and low prices as quoted by the Nasdaq National Stock Market on November 29, 2001. Fee previously paid with initial filing.

(2) Shares of Common Stock to be sold by certain Selling Security Holders.

(3) Shares of Common Stock issuable upon exercise of outstanding Common Stock Purchase Warrants held by certain Selling Security Holders. Pursuant to Rule 416, there are also being registered such additional number of shares of Common Stock as may become issuable pursuant to the anti-dilution provisions of the Warrants.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION ACTING PURSUANT TO SECTION 8(a) MAY DETERMINE.

P R O S P E C T U S

6,194,511 Shares of Common Stock

TEAMSTAFF, INC.

We are registering for resale 6,168,511 shares of common stock, $.001 par value of TeamStaff, Inc., which shares are presently issued and outstanding and held by certain of our shareholders and an additional 26,000 shares of common stock which we will issue upon the exercise of outstanding common stock purchase warrants held by the holders of outstanding warrants.

Our Common Stock is traded in the over-the-counter market and is included in the National Market of the Nasdaq Stock Market under the symbol "TSTF". On December 14, 2001, the high and low prices for the Common Stock as reported by Nasdaq were $5.79 and $5.32, respectively. The closing price of the Common Stock on December 14, 2001 was $5.79.

We will not receive any proceeds from the sale of the shares by the selling security holders.

The shares may be sold from time to time by the selling security holders, or by their transferees. No underwriting arrangements have been entered into by the selling security holders. The distribution of the shares by the selling security holders may be effected in one or more transactions that may take place on the over the counter market, including ordinary brokers transactions, privately negotiated transactions or through sales to one or more dealers for resale of the shares as principals, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. Usual and customary or specifically negotiated brokerage fees or commissions may be paid by the selling security holders in connection with such sales. The selling security holders and intermediaries through whom such shares are sold may be deemed underwriters within the meaning of the Act, with respect to the shares offered by them.

PLEASE SEE "RISK FACTORS" BEGINNING ON PAGE 11 TO READ ABOUT CERTAIN FACTORS YOU SHOULD CONSIDER BEFORE BUYING SHARES OF COMMON STOCK.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is December ___, 2001

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AVAILABLE INFORMATION

Our company is subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files reports and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy and information statements and other information filed by our company with the Commission pursuant to the informational requirements of the Exchange Act may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the following Regional Offices of the Commission: New York Regional Office, 7 World Trade Center, 13th Floor, New York, New York 10048; and Chicago Regional Office, 500 West Madison Street, Room 1400, Chicago, Illinois 60661. Copies of such material may be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintain an Internet site, http://www.sec.gov, that contains reports, proxy and information statements and other information that we file electronically with the SEC.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, heretofore filed by TeamStaff with the Commission pursuant to the Exchange Act, are hereby incorporated by reference, except as superseded or modified herein:

1. Our Annual Report on Form 10-K for the fiscal year ended September 30, 2000, including information specifically incorporated by reference into our Form 10-K from our definitive Proxy Statement.

2. A description of our common stock contained in our registration statement on Form 8-A filed April 27, 1990.

3. Our Form 8-K filed on September 7, 2001 and Amendment No.1 to Form 8-K filed on October 2, 2001.

4. Our Form 10-Q for the quarter ended December 31, 2000.

5. Our Form 10-Q for the quarter ended March 31, 2001.

6. Our Form 10-Q for the quarter ended June 30, 2001.

Each document filed subsequent to the date of this Prospectus pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of this offering shall be deemed to be incorporated by reference in this Prospectus and shall be part hereof from the date of filing of such document.

All documents filed by the registrant after the date of filing the initial registration statement

on Form S-3 of which this prospectus forms a part and prior to the effectiveness of such registration statement pursuant to Section 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 shall be deemed to be incorporated by reference into this prospectus and to be part hereof from the date of filing of such documents.

We will provide without charge to each person to whom a copy of this Prospectus is delivered, upon the written or oral request of any such person, a copy of any document described above (other than exhibits). Requests for such copies should be directed to TeamStaff, Inc., 300 Atrium Drive, Somerset, New Jersey 08873, telephone (732) 748-1700, attention Donald Kelly.

PROSPECTUS SUMMARY

The following summary is intended to set forth certain pertinent facts and highlights from material contained in the our company's annual report on Form 10-K for the fiscal year ended September 30, 2000 (the "Form 10-K") our quarterly reports on Form 10-Q for the quarters ended December 31, 2000, March 31, 2001 and June 30, 2001 (the "Forms 10-Q"), and our other reports as filed with the Securities and Exchange Commission, all of which are incorporated by reference into this prospectus.

THE COMPANY

TeamStaff, Inc. (referred to as the "Company"), a New Jersey Corporation, was founded in 1969 as a payroll service company and has evolved into a leading provider of human resource management and professional employer organization ("PEO") to a wide variety of industries in 50 states. TeamStaff's wholly-owned subsidiaries include TeamStaff Solutions, Inc., DSI Staff ConnXions-Northeast, DSI Staff ConnXions-Southwest, TeamStaff Rx, Inc., TeamStaff I, Inc., TeamStaff II, Inc., TeamStaff III, Inc., TeamStaff IV, Inc., TeamStaff V, Inc., TeamStaff VI, Inc., TeamStaff Insurance Services, Inc., TeamStaff VIII, Inc., Employee Support Services, Inc., TeamStaff IX, Inc., Digital Insurance Services, Inc., HR2, Inc. and BrightLane.com, Inc. (collectively referred to, with TeamStaff, as the "Company").

The Company currently provides three types of services related to the employee leasing, temporary staffing and payroll service businesses: (1) professional employer organization services, such as payroll processing, personnel and administration, benefits administration, workers' compensation administration and tax filing; (2) employer administrative services, such as payroll processing and tax filing; and (3) contract staffing, or the placement of temporary and permanent employees. TeamStaff currently furnishes PEO employees, payroll and contract staffing services to over 4,300 client organizations with approximately 21,800 worksite employees, 2,600 staffing employees and processing for approximately 30,000 payroll service employees and believes that it currently ranks, in terms of revenues and worksite employees, as one of the top professional employer organizations in the United States. The Company's contract staffing business mainly places temporary help in hospitals and clinics throughout the United States through its Clearwater, Florida and Houston, Texas offices. The Company has six regional offices located in Somerset, New Jersey; Houston and El Paso, Texas; Woburn, Massachusetts; and Delray and Clearwater, Florida and seven sales service centers in New York, New York; El Paso and Houston, Texas; Delray, and Clearwater, Florida; Woburn, Massachusetts; and Somerset, New Jersey.

Essentially, we provide services that function as the personnel department for small to medium sized companies. We believe that by offering services that relieve small and medium size businesses of the ever increasing administrative burden of employee related record keeping, payroll processing, benefits administration, employment of temporary and permanent specialized employees

and other human resource functions, we have positioned our company to take advantage of a major growth opportunity during this decade and the next.

Recognizing the desire by many small businesses to be relieved of the human resource administrative functions, the Company has formulated a strategy of emphasizing PEO and "outsourcing" services. In PEO, a service provider becomes a co-employer of the client company's employees and assigns these employees to the client to perform their intended functions at the worksite.

Management has determined to emphasize the Company's future growth in the PEO and outsourcing industry. The Company's expansion program will focus on internal growth through the cross marketing of its PEO services to its entire client base and the acquisition of compatible businesses strategically situated in new areas or with a client base serviceable from existing facilities. As part of its effort to expand its PEO business, management has expanded the services of TeamStaff Rx, Inc., the Company's medical contract staffing subsidiary, to include PEO, outsourcing and facilities management. While TeamStaff continues to sell stand-alone employer services, such as payroll and tax filing, it will emphasize the PEO component of its service offerings with a goal of becoming the leading provider of PEO services in the United States. A major component of the Company's growth strategy is the acquisition of well-situated, independent PEO companies whose business can be integrated into the Company's operations. However, there can be no assurance any such acquisition will be consummated by the Company.

TeamStaff, Inc. was organized under the laws of the State of New Jersey on November 25, 1969 and maintains its executive offices at 300 Atrium Drive, Somerset, New Jersey 08873 where its telephone number is (732) 748-1700.

OUR SERVICES

Professional Employer Organization (PEO)

Our company's core business, and the area management will continue to emphasize, is our PEO services. When a client utilizes our services, the client administratively transfers all or some of its employees to us and we in turn provide them back to the client. Our company thereby becomes a co-employer and is responsible for all human resource functions, including payroll, benefits administration, tax reporting and personnel record keeping. The client still manages the employees and determines salary and duties in the same fashion as any employer. The client is, however, relieved of reporting and tax filing requirements and other administrative tasks. Moreover, because of economies of scale, our company is able to negotiate favorable terms on workers' compensation insurance, health benefits, retirement programs, and other valuable services. The client company benefits because it can then offer its employees the same or similar benefits as larger companies, enabling it to successfully compete in recruiting highly qualified personnel, as well as build the morale and loyalty of its staff.

As a PEO service provider, we can offer the following benefits to employees:

COMPREHENSIVE MAJOR MEDICAL PLANS - Management believes that medical insurance costs have forced small employers to reduce coverage provided to its employees and to increase employee contributions. We are able to leverage our large employee base and offer the employees assigned to their clients a variety of health coverage plans from traditional indemnity plans to Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), or a Point of Service Plan (POS).

DENTAL AND VISION COVERAGE - These types of benefits are generally beyond the reach of most small groups. As a result of economies of scale available, a client of our company can obtain these benefits for the assigned employees.

LIFE INSURANCE -- Affordable basic coverage is available.

SECTION 125 PREMIUM CONVERSION PLAN -- Employees can pay for benefits with pre-tax earnings, reduce their taxable income and FICA payments, and increase their take-home pay.

401(K) RETIREMENT PLANS -- Management believes that most small employers do not provide any significant retirement benefits due to the administrative and regulatory requirements associated with the establishment and maintenance of retirement plans. The company enables small business owners to offer the assigned employees retirement programs comparable to those of major corporations. Such plans can be used to increase morale, productivity and promote employee loyalty.

CREDIT UNION - Our company provides an opportunity for employees to borrow money at lower interest than offered at most banks.

PAYROLL SERVICES -- Although ancillary to the PEO services, clients no longer incur the expense of payroll processing either through in-house staff or outside service. Our company's PEO services include all payroll and payroll tax processing.

UNEMPLOYMENT COMPENSATION COST CONTROL - Our company provides an unemployment compensation cost control program to aggressively manage unemployment claims.

HUMAN RESOURCES MANAGEMENT SERVICES - Our company can provide clients with expertise in areas such as personnel policies and procedures, hiring and firing, training, compensation and performance evaluation.

WORKERS' COMPENSATION PROGRAM - Our company has a national workers' compensation policy which can provide our company with a significant advantage in marketing its services, particularly in jurisdictions where workers' compensation policies are difficult to obtain at reasonable costs. We also provide our clients where applicable with independent safety analyses and risk management services to reduce workers' injuries and claims.

Relieved of personnel administrative tasks, the client is able to focus on its core business. The client is also offered a broader benefits package for its assigned employees, a competitive rate in workers' compensation insurance, and savings in time and paperwork previously required in connection with personnel administration.

PAYROLL SERVICES

We were established as a payroll service firm in 1969, and continue to provide basic payroll services to our clients. Historically, the payroll division provided these services primarily to the construction industry and currently 70% of our company's approximately 750 payroll service clients are in the construction industry. Our company offers most, if not all, of what other payroll services provide, including the preparation of checks, government reports, W-2's (including magnetic tape filings), remote processing (via modem) directly to the clients offices, and certified payrolls.

In addition, our company offers a wide array of tax reporting services including timely deposit of taxes, impounding of tax payments, filing of returns, distribution of quarterly and year-end statements and responding to agency inquiries.

TEMPORARY STAFFING SERVICES

We provide temporary staffing services through two subsidiaries which have, in the aggregate, more than 30 years of experience in placing permanent and temporary employees with specialized skills and talents with regional, national and international employers. Temporary staffing enables clients to attain management and productivity goals by matching highly trained professionals and technical personnel to specific project requirements. TeamStaff focuses its temporary staffing services in two specific markets where it places people on a temporary long term assignment, or on a permanent basis: (1) radiologic technologist, diagnostic sonographers, cardiovascular technologists, radiation therapist and other medical professionals with hospitals, clinics and therapy centers throughout the 50 states and (2) technical employees such as engineers, information systems specialists and project managers primarily with Fortune 100 companies for specific projects. Clients whose staffing requirements vary depending on the level of current projects or business are able to secure the services of highly qualified individuals on an interim basis.

Our company's temporary staffing services provide clients with the ability to "rightsize"; that is, expand or reduce its workforce in response to changing business conditions. Management believes that these services provide numerous benefits to the client, such as saving the costs of salary and benefits of a permanent employee whose services are not needed throughout the year. The client also avoids the costs, uncertainty and delays associated with searches for qualified interim employees. Our company also provides insurance bonding where necessary and assumes all responsibility for payroll tax filing and reporting functions, thereby saving the client administrative responsibility for all payroll, workers' compensation, unemployment and medical benefits.

Management believes that its temporary staffing services provides an employer with an increased pool of qualified applicants, since temporary staffing employees have access to a wide array of benefits such as health and life insurance, Section 125 premium conversion plans, and 401(k) retirement plans. These benefits provide interim employees with the motivation of full-time workers without additional benefit costs to the client. A client is also able to temporarily rehire a retired employee for short-term or specialized projects without jeopardizing their pension plan. We believe that we have attained the position of being number one or two in the terms of gross revenues for firms specializing in the placement of temporary medical imaging personnel.

RECENT EVENTS

BrightLane Acquisition.

Effective August 31, 2001, TeamStaff, Inc. completed its acquisition of BrightLane.com, Inc. As a result of a reverse subsidiary merger with a subsidiary of TeamStaff, BrightLane is now a wholly-owned subsidiary of TeamStaff.

Other than payments for fractional shares, the shareholders of BrightLane received an aggregate of 8,066,631 shares (less fractional shares) of TeamStaff's Common Stock in exchange for their BrightLane Common Stock, Series A Preferred, Series B Preferred and Series C Preferred stock. The exchange ratios (rounded) and aggregate shares for the classes of BrightLane capital stock were as follows:

Title of BrightLane Capital Stock	Exchange Ratio	Aggregate TeamStaff Shares
Common Stock	0.2314549	1,601,731 (less fractional shares)
Series A Preferred Stock	22.7740000	874,295
Series B Preferred Stock	1.9410000	3,334,117
Series C Preferred Stock	4.2050000	2,256,488
TOTAL		8,066,631 (less fractional shares)

As a result of issuance to the BrightLane shareholders in the transaction, the former BrightLane shareholders will receive 8,066, 631 shares (prior to reduction for fractional shares) and, assuming all such shares are issued as of December 14, 2001, TeamStaff has approximately 16,156,184 shares outstanding.

In connection with the transaction, persons holding BrightLane options to acquire approximately 2,078,000 BrightLane shares (the equivalent of approximately 481,000 TeamStaff shares) exercised their options. TeamStaff made recourse loans of approximately $1,150,000 principal amount to the holders of these options to assist them in payment of tax obligations incurred with exercise of the options. The loans are repayable upon the earlier of (i) sale of the TeamStaff shares or (ii) three years.

First Union Corporation, through an affiliate held all of the BrightLane Series B Preferred stock, and therefore owns 3,334,117 shares of TeamStaff's Common Stock (approximately 20%). In addition, Nationwide Financial Services, Inc. held all of the BrightLane Series C Preferred stock, and therefore owns 2,256,488 shares of TeamStaff's Common Stock (approximately 14%). The Registration Statement of which this Prospectus forms a part includes the shares held by First Union Corporation, Nationwide Financial Services and Mr. Stephen Johnson (including Mr. Johnson's spouse, Mary Johnson).

Under the terms governing the transaction, certain option holders were restricted from selling TeamStaff shares acquired from the exercise of their BrightLane options for a period of up to two years. T. Stephen Johnson and his spouse, Mary Johnson, also a former director of BrightLane, were the only option holders who exercised their options and who were subject to these lockup provisions. Due to the recent significant rise in the Company's stock price and the significant increase in the amount of the tax loans to be made to T. Stephen Johnson and Mary Johnson, the Board of Directors of TeamStaff concluded it would be more appropriate to allow Mr. and Mrs. Johnson to sell a portion of their TeamStaff shares to cover their tax liability rather than carry a large loan receivable on the Company's financial statements. The Board therefore agreed to allow the sale of up to 40% of Mr. and Mrs. Johnson's option shares (approximately 56,230 TeamStaff shares) as an exempt transaction under SEC Rule 16(b)(3).

In addition, three persons who served as directors of TeamStaff, namely John H. Ewing, Rocco J. Marano and Charles R. Dees, Jr. agreed to step down as directors upon consummation of the transaction with BrightLane. Effective September 4, 2001, these persons resigned as directors. In connection with the termination of their services, these individuals received 1,000 warrants for each year of service on the TeamStaff Board of Directors (an aggregate of 26,000 warrants). The registration statement of which this Prospectus forms a part includes the shares of common stock underlying these warrants. The grant of the warrants was approved by the Board of Directors as an exempt transaction under SEC Rule 16(b)(3).

Under the terms of the agreements governing the BrightLane transaction, TeamStaff agreed to register for resale shares obtained by former BrightLane shareholders who would be deemed "affiliates" under SEC rules and regulations. The registration statement of which this prospectus forms a part includes 6,096,946 shares of common stock owned by these persons. Certain former shareholders of BrightLane, who are selling security holders, including First Union Corporation, Nationwide Financial Services and T Stephen Johnson agreed to the terms of a "lockup" agreement whereby they have agreed that the shares of TeamStaff obtained by them may only be sold as

follows: commencing on the first anniversary of the transaction (August 31, 2002) 50% of the acquired shares may be sold and commencing on the second anniversary the remaining shares may be sold. The Board of Directors has reserved the right to release all of part of the shares from the lockup prior to its expiration.

Future Potential Acquisitions and Acquisition Strategy.

TeamStaff has previously announced a corporate policy to expand through acquisitions of similar businesses. A key component of TeamStaff's growth strategy has been, and will continue to be, the acquisition of compatible businesses to expand its operations and customer base. These acquisitions may be acquisitions of entire entities or asset transactions related to our businesses. Currently, the human resource service industry includes numerous small companies seeking to develop services, operations and customer base similar to those developed by TeamStaff. TeamStaff has acquired companies in the human resource industry in the past. However, with the business and strategy of TeamStaff further developed, acquisitions in the future will be concentrated in the PEO and outsourcing business. TeamStaff believes that with a limited number of key acquisitions of regional PEO companies, who possess a strong customer base and regional reputation, TeamStaff will be able to grow into an industry leader in revenue size and scope of services offered.

A prospective acquisition candidate may be either a public or private company, but will be required to meet certain financial criteria and growth potential established by TeamStaff. In addition, as the market and industry evolves, TeamStaff may also consider non-PEO entities for strategic acquisitions or mergers, in an effort to expand the potential client base. TeamStaff management evaluates acquisition candidates by analyzing the target company's management, operations and customer base, which must complement or expand TeamStaff's operations and financial stability, including our profitability and cash flow. Our long-term plan is to expand sales and income potential by achieving economies of scale as it expands and regionalizes its revenue base. There can be no assurance, however, that TeamStaff will be able to successfully identify, acquire and integrate into TeamStaff's operations compatible PEO companies.

Effective December 14, 2001, TeamStaff has executed an agreement to acquire accounts and related assets of Corporate Staffing Concepts LLC., a PEO entity operating primarily in western Massachusetts and Connecticut. The agreement provides that TeamStaff will acquire the PEO related accounts of Corporate Staffing Concepts for a combination of cash paid at closing and stock through an earnout payable in one year which is based upon the number of worksite employees retained from the accounts being acquired. Closing of the transaction is subject to approval of the Board of Directors of the parties, consent of a certain minimum number of the accounts proposed to be sold and other customary closing conditions. The parties anticipate closing to occur on or about January 1, 2002.

In addition, in December 2001 TeamStaff entered into a non-binding letter of intent to acquire a nationally operating PEO business. The parties are continuing to negotiate

definitive terms of the transaction, including the price and the final structure. TeamStaff anticipates that the transaction will include payment by it of cash and shares of its Common Stock. There can be no assurance that the transaction will be consummated.

THE OFFERING

Common Stock outstanding prior to offering(1)	16,156,184
Shares being offered for sale by selling security holders	6,168,511 (2)
Shares underlying warrants being offered for sale by selling security holders	26,000
Common Stock outstanding after the offering	16,182,184 (2)
Risk Factors	This offering involves a high degree of risk. See "Risk Factors."
Use of Proceeds (3)	All of the proceeds of this offering will be paid to the respective selling security holders and none of the proceeds will be received by our company. We anticipate that proceeds received from exercise of any warrants will be used for working capital purposes. See "Use of Proceeds."
Nasdaq Market Symbol	TSTF

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(1) As of November 29, 2001. Does not include:

- - Options to purchase 1,714,286 Shares reserved for issuance under our 2000 Employee Stock Option Plan of which 635,000 are issued and outstanding and options to purchase 21,550 Shares issued and outstanding under our 1990 Employee Stock Option Plan, which expired in April, 2000.

- - Options to purchase 207,290 Shares issued and outstanding under our 1990 Senior Management Plan, which expired in April, 2000.

- - Options to purchase 22,134 Shares issued and outstanding under our 1990 Non-Executive Director Plan, which expired in April, 2000 and options to acquire 60,000 shares issuable and outstanding under our 2000 Non-Executive Director Stock Option Plan.

- - Up to approximately 109,569 Shares reserved for issuance upon exercise of outstanding warrants of which 26,000 warrants are being included in the registration statement of which this Prospectus forms a part.

(2) The 6,096,946 shares being offered by the Selling Security Holders have been issued by TeamStaff in connection with the acquisition of BrightLane.com, Inc., and therefore are included in the 16,156,184 shares outstanding as of November 16, 2001.

(3) We will receive approximately $114,496 in proceeds if all of the warrants being registered in this prospectus are exercised.

SELECTED FINANCIAL DATA
(amounts in thousands, except per share data)

The following table sets forth selected consolidated financial data of our historical operations for each of the five years in the period ended September 30, 2000 and for each of the nine month periods ended June 30, 2000 and 2001, respectively. The selected financial data related to (Loss) earnings per share and weighted average shares outstanding have been restated for all periods presented to consider the 3.5 for 1 reverse stock split that went into effect on June 2, 2000.

	Fiscal Year Ended September 30,					Nine Months Ended June 30,	
	1996	1997	1998	1999	2000	2000	2001
Revenues	$ 100,927	$ 122,559	$ 139,435	$ 244,830	$ 447,743	$ 299,140	$ 487,497
Direct Expenses	92,490	113,894	129,747	228,294	426,987	284,134	466,891
Gross Profit	8,437	8,665	9,688	16,536	20,756	15,006	20,606
Selling, General and Administrative Expenses (includes Depreciation and Amortization)	8,801	11,316	8,050	13,305	18,338	12,973	17,513
(Loss) Income From Operations	(364)	(2,651)	1,638	3,231	2,418	2,033	3,093
Net (Loss) Income	$ (597)	$ (2,832)	$ 2,703	$ 1,776	$ 951	936	1,360
(Loss) Earnings per share(1)							
Basic	$ (0.12)	$ (0.52)	$ 0.49	$ 0.25	$ 0.12	$ 0.12	$ 0.17
Diluted	$ (0.12)	$ (0.52)	$ 0.49	$ 0.25	$ 0.12	$ 0.12	$ 0.17
Weighted average shares outstanding (1)							
Basic	4,812	5,449	5,506	7,128	7,954	7,956	8,011
Diluted	4,812	5,449	5,544	7,145	7,991	8,008	8,171

	As of September 30,					As of June 30,	
BALANCE SHEET DATA:	1996	1997	1998	1999	2000	1999	2000
Assets	$ 14,800	$ 14,163	$ 16,648	$ 36,382	$ 49,514	$ 44,829	$ 54,737
Liabilities	7,632	9,291	8,774	19,417	31,455	26,722	31,640
Long-Term Debt	100	89	2,981	4,502	6,222	6,703	3,487
Working Capital (Deficiency)	286	(1,401)	3,319	2,968	3,065	3,616	5,038
Shareholders' Equity	$ 7,168	$ 4,872	$ 7,874	$ 16,965	$ 18,059	$ 18,107	$ 23,097

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1. In accordance with Statement of Accounting Standards 128, basic and diluted earnings (loss) per share have replaced primary and diluted earnings (loss) per share.

RISK FACTORS

An investment in the securities offered hereby involves a high degree of risk. The following factors, in addition to those discussed elsewhere, should be considered carefully in evaluating us and our business. An investment in the securities is suitable only for those investors who can bear the risk of loss of their entire investment.

WE MAY ACQUIRE ADDITIONAL COMPANIES WHICH MAY RESULT IN ADVERSE EFFECTS ON OUR EARNINGS.

We may at times become involved in discussions with potential acquisition candidates. Any acquisition that we may consummate may have an adverse effect on our liquidity and earnings and may be dilutive to our earnings. In the event that we consummate an acquisition or obtain additional capital through the sale of debt or equity to finance an acquisition, our shareholders may experience dilution in their shareholders' equity.

OUR FINANCIAL CONDITION MAY BE AFFECTED BY INCREASES IN HEALTH CARE AND WORKERS' COMPENSATION INSURANCE COSTS.

Health care insurance premiums and workers' compensation insurance coverage comprise a significant part of our operating expenses. Accordingly, we use managed care procedures in an attempt to control these costs. Changes in health care and workers' compensation laws or regulations may result in an increase in our costs and we may not be able to immediately incorporate such increases into the fees charged to clients because of our existing contractual arrangements with clients. As a result, any such increases in these costs could have a material adverse effect on our financial condition, results of operations and liquidity.

OUR FINANCIAL CONDITION MAY BE AFFECTED BY RISKS ASSOCIATED WITH THE HEALTH AND WORKERS' COMPENSATION CLAIMS EXPERIENCE OF OUR CLIENTS.

Although we utilize only fully-insured plans of health care and incur no direct risk of loss under those plans, the premiums that we pay for health care insurance are directly affected by the claims experience of our clients. If the experience of the clients is unfavorable, the premiums that are payable by us will increase. We may not be able to pass such increases onto our clients, which may reduce our profit margin. Increasing health care premiums could also place us at a disadvantage in competing for new clients. In addition, periodic reassessments of workers' compensation claims of prior periods may require an increase or decrease to our reserves, and therefore may also affect our present and future financial condition.

OUR FINANCIAL CONDITION MAY BE AFFECTED BY INCREASES IN HEALTH INSURANCE PREMIUMS, UNEMPLOYMENT TAXES AND WORKERS' COMPENSATION RATES.

Health insurance premiums, state unemployment taxes and workers' compensation rates are in part determined by our claims experience and comprise a significant portion of our direct costs.

If we experience a large increase in claim activity, our unemployment taxes, health insurance premiums or workers' compensation insurance rates could increase. Although we employ internal risk management procedures in an attempt to manage our claims incidence, estimate claims expenses and structure our benefits contracts to provide as much cost stability as possible, we may not be able to prevent increases in claim activity, accurately estimate our claims expenses or pass the cost of such increases on to our clients. Since our ability to incorporate such increases into service fees to our clients is constrained by contractual arrangements with clients, a delay could result before such increases could be reflected in service fees. As a result, such increases could have a material adverse effect on our financial condition or results of operations.

SIGNIFICANT GROWTH THROUGH ACQUISITIONS MAY ADVERSELY AFFECT OUR MANAGEMENT AND OPERATING SYSTEMS.

We completed three significant acquisitions during the past two calendar years and intend to continue to pursue a strategy of acquiring compatible businesses in the future. Our growth is making significant demands on our management, operations and resources, including working capital. If we are not able to effectively manage our growth, our business and operations will be materially harmed. To manage growth effectively, we will be required to continue to improve our operational, financial and managerial systems, procedures and controls, hire and train new employees while managing our current operations and employees. Historically, our cash flow from operations has been insufficient to expand operations and sufficient capital may not be available in the future.

OUR PAYROLL BUSINESS MAY BE ADVERSELY AFFECTED IF THERE IS AN ECONOMIC DOWNTURN IN THE CONSTRUCTION BUSINESS.

Although we have expanded our services to a number of industries, our payroll service business continues to rely to a material extent on the construction industry. During the last fiscal year, construction related business accounted for approximately 70% of our payroll service business' total customers. Accordingly, if there is a slowdown in construction activities, it will affect our revenues and profitability. Management believes its reliance on the construction business will continue to decline as its customer base expands and becomes more diversified.

OUR BUSINESS MAY BE ADVERSELY AFFECTED TO DUE ECONOMIC CONDITIONS IN SPECIFIC GEOGRAPHIC MARKETS.

While we have offices located in seven markets in five different states, the majority of our revenues are derived through our Florida and Texas operations. While we believe that our market diversification will eventually lessen this risk in addition to generating significant revenue growth, we may not be able to duplicate in other markets the revenue growth and operating results experienced in our Florida and Texas markets.

UNFAVORABLE INTERPRETATIONS OF GOVERNMENT LAWS MAY HARM OUR OPERATIONS.

Our operations are affected by many federal, state and local laws relating to labor, tax, insurance and employment matters and the provision of managed care services. Many of the laws related to the employment relationship were enacted before the development of alternative employment arrangements, such as those that we provide, and do not specifically address the obligations and responsibilities of non-traditional employers. The unfavorable resolution of unsettled interpretive issues concerning our relationship could have a material adverse effect on our results of operations, financial condition and liquidity. Uncertainties arising under the Internal Revenue Code of 1986 include, but are not limited to, the qualified tax status and favorable tax status of certain benefit plans we and other alternative employers provide. In addition, new laws and regulations may be enacted with respect to its activities which may also have a material adverse effect on our business, financial condition, results of operations and liquidity.

IF GOVERNMENT REGULATIONS REGARDING PEOS ARE IMPLEMENTED, OR IF CURRENT REGULATIONS ARE CHANGED, OUR BUSINESS COULD BE HARMED.

Because many of the laws related to the employment relationship were enacted prior to the development of professional employer organizations and other staffing businesses, many of these laws do not specifically address the obligations and responsibilities of non-traditional employers. Our operations are affected by numerous federal, state and local laws and regulations relating to labor, tax, insurance and employment matters. By entering into an employment relationship with employees who work at client locations, we assume obligations and responsibilities of an employer under these laws. Uncertainties arising under the Internal Revenue Code of 1986, include, but are not limited to, the qualified tax status and favorable tax status of certain benefit plans provided by our company and other alternative employers. The unfavorable resolution of these unsettled issues could have a material adverse effect on results of operations and financial condition. While many states do not explicitly regulate PEOs, approximately one-third of the states have enacted laws that have licensing or registration requirements for PEOs, and several additional states are considering such laws. Such laws vary from state to state but generally provide for the monitoring of the fiscal responsibility of PEOs and specify the employer responsibilities assumed by PEOS. There can be no assurance that we will be able to comply with any such regulations which may be imposed upon us in the future, and our inability to comply with any such regulations could have a material adverse effect on our results of operations and financial condition. In addition, there can be no assurance that existing laws and regulations which are not currently applicable to us will not be interpreted more broadly in the future to apply to our existing activities or that new laws and regulations will not be enacted with respect to our activities. Either of these changes could have a material adverse effect on our business, financial condition, results of operations and liquidity.

WE MAY NOT BE ABLE TO OBTAIN ALL OF THE LICENSES AND CERTIFICATIONS THAT WE NEED TO OPERATE.

State and federal authorities extensively regulate the managed health care industry and some of our arrangements relating to specialty managed care services or the maintenance or operation of

health care provider networks require us to satisfy operating, licensing or certification requirements. Any further expansion of the range of specialty managed care services that we offer is likely to require that we satisfy additional licensing and regulatory requirements. In addition, certain states require entities operating in the PEO business to be licensed. If we are unable to obtain or maintain all of the required licenses or certifications that we need, we could experience material adverse effects to our results of operations, financial condition and liquidity.

HEALTH CARE OR WORKERS' COMPENSATION REFORM COULD IMPOSE UNEXPECTED BURDENS ON OUR ABILITY TO CONDUCT OUR BUSINESS.

Regulation in the health care and workers' compensation fields continues to evolve, and we cannot predict what additional government regulations affecting our business may be adopted in the future. Changes in any of these laws or regulations may adversely impact the demand for our services, require that we develop new or modified services to meet the demands of the marketplace, or require that we modify the fees that we charge for our services. Any such changes may adversely impact our competitiveness and financial condition.

IF WE LOSE OUR QUALIFIED STATUS FOR CERTAIN TAX PURPOSES, OUR BUSINESS WOULD BE ADVERSELY AFFECTED.

The Internal Revenue Service established an Employee Leasing Market Segment Group for the purpose of identifying specific compliance issues prevalent in certain segments of the PEO industry. One issue that arose in the course of these audits is whether PEOs should be considered the employers of worksite employees under Internal Revenue Code provisions applicable to employee benefit plans, which would permit PEOs to offer benefit plans that qualify for favorable tax treatment to worksite employees. If the IRS concludes that PEOs are not employers of worksite employees for purposes of the Internal Revenue Code, we would need to respond to the following adverse implications:

- - the tax qualified status of our 401(k) plan could be revoked and our cafeteria plan may lose its favorable tax status;

- - worksite employees would not be able to continue to participate in such plans or in other employee benefit plans;

- - we may no longer be able to assume the client company's federal employment tax withholding obligations;

- - if such a conclusion were applied retroactively, then employees' vested account balances in the 401(k) plan would become taxable immediately, we would lose our tax deduction to the extent contributions were not vested, the plan trust would become a taxable trust and penalties, and additional taxes for prior periods could be assessed.

In such a circumstance, we would face the risk of client dissatisfaction as well as potential litigation, and our financial condition, results of operations and liquidity could be materially adversely affected.

WE ARE LIABLE FOR THE COSTS OF WORKSITE EMPLOYEE PAYROLL AND BENEFITS AND BEAR THE RISK IF SUCH COSTS EXCEED THE FEES PAYABLE TO US BY OUR CLIENTS.

Under our standard client service agreement, we become a co-employer of worksite employees and assume the obligations to pay the salaries, wages and related benefit costs and payroll taxes of such worksite employees. We assume these obligations as a principal, not merely as an agent of the client company. If a client company does not pay us or if the costs of benefits provided to worksite employees exceeds the fees paid by a client company, our ultimate liability for worksite employee payroll and benefits costs could have a material adverse effect on our financial condition or results of operations. Our obligations include responsibility for

- - payment of the salaries and wages for work performed by worksite employees, regardless of whether the client company makes timely payment to us of the associated service fee; and

- - providing benefits to worksite employees even if the costs we incur to provide those benefits exceed the fees paid by the client company.

WE BEAR THE RISK OF NONPAYMENT FROM OUR CLIENTS.

To the extent that any client experiences financial difficulty, or is otherwise unable to meet its obligations as they become due, our financial condition and results of operations could be adversely affected. For work performed prior to the termination of a client agreement, we may be obligated, as an employer, to pay the gross salaries and wages of the client's worksite employees and the related employment taxes and workers' compensation costs, whether or not our client pays us on a timely basis, or at all. We have in the past incurred bad debt expense in connection with our contract staffing business. In addition, in each payroll period we have a nominal number of clients who fail to make timely payment prior to delivery of the payroll. A significant increase in our uncollected account receivables may have a material adverse effect on our earnings and financial condition.

WE MAY BE HELD LIABLE FOR THE ACTIONS OF OUR CLIENTS AND EMPLOYEES AND THEREFORE INCUR UNFORESEEN LIABILITIES.

A number of legal issues with respect to the co-employment arrangements among PEOs, their clients and worksite employees remain unresolved. These issues include who bears the ultimate liability for violations of employment and discrimination laws. As a result of our status as a co- employer, we may be liable for violations of these or other laws despite contractual protections. While our client service agreements generally provide that the client is to indemnify us for any liability caused by the client's failure to comply with our contractual obligations and the requirements imposed by law, we may not be able to collect on such a contractual indemnification claim and may then be responsible for satisfying such liabilities. In addition, worksite employees may be deemed to be our agents, which could make us liable for their actions.

OUR STAFFING OF HEALTHCARE PROFESSIONALS EXPOSES US TO POTENTIAL MALPRACTICE LIABILITY.

Through our TeamStaff Rx subsidiary, we engage in the business of contract staffing of temporary and permanent healthcare professionals. The placement of such employees increases our potential liability for negligence and professional malpractice of those employees. Although we are covered by liability insurance which we deem reasonable under the circumstances, not all of the potential liability we face will be fully covered by insurance. Any significant adverse claim which is not covered by insurance may have a material adverse effect on us.

WE MAY BE LIABLE FOR THE ACTIONS OF WORKSITE EMPLOYEES OR CLIENTS AND OUR INSURANCE POLICIES MAY NOT BE SUFFICIENT TO COVER SUCH LIABILITIES.

Our client agreement establishes a contractual division of responsibilities between our company and each client for various human resource matters, including compliance with and liability under various governmental laws and regulations. However, we may be subject to liability for violations of these or other laws despite these contractual provisions, even if we do not participate in such violations. Although such client agreements generally provide that the client indemnify us for any liability attributable to the client's failure to comply with its contractual obligations and to the requirements imposed by law, we may not be able to collect on such a contractual indemnification claim, and thus may be responsible for satisfying such liabilities. In addition, worksite employees may be deemed to be our agents, subjecting us to liability for the actions of such worksite employees. As an employer, we, from time to time, may be subject in the ordinary course of our business to a wide variety of employment-related claims such as claims for injuries, wrongful death, harassment, discrimination, wage and hours violations and other matters. Although we carry $3 million of general liability insurance, with a $10,000 deductible, and carry employment practices liability insurance in the amount of $1 million, with a $25,000 deductible, there can be no assurance that any such insurance we carry will be sufficient to cover any judgments, settlements or costs relating to any present or future claims, suits or complaints. There also can be no assurance that sufficient insurance will be available to us in the future and, if available, on satisfactory terms. If the insurance we carry is not sufficient to cover any judgments, settlements or costs relating to any present or future claims, suits or complaints, then our business and financial condition could be materially adversely affected.

OUR CLIENTS MAY BE HELD LIABLE FOR EMPLOYMENT TAXES, WHICH COULD DISCOURAGE SOME COMPANIES FROM TRANSACTING BUSINESS WITH US.

Pursuant to the client service agreement, we assume sole responsibility and liability for the payment of federal employment taxes imposed under the Internal Revenue Code with respect to wages and salaries paid to our worksite employees. While the client service agreement provides that we have the sole legal responsibility for making these tax contributions, the Internal Revenue Service or applicable state taxing authority could conclude that such liability cannot be completely transferred to us. Accordingly, in the event that we fail to meet our tax withholding and payment obligations, the client company may be held jointly and severally liable therefor. There are essentially three types of federal employment tax obligations:

- - income tax withholding requirements;

- - obligations under the Federal Income Contribution Act; and

- - obligations under the Federal Unemployment Tax Act.

While this interpretive issue has not, to our knowledge, discouraged clients from enrolling with us, it is possible that a definitive adverse resolution of this issue would not do so in the future.

WE MAY NOT BE FULLY COVERED BY THE INSURANCE WE PROCURE.

Although we carry liability insurance, the insurance we purchase may not be sufficient to cover any judgments, settlements or costs relating to any present or future claims, suits or complaints. In addition, sufficient insurance may not be available to us in the future on satisfactory terms or at all. If the insurance we carry is not sufficient to cover any judgments, settlements or costs relating to any present or future claims, suits or complaints, our business, financial condition, results of operations and liquidity could be materially adversely affected.

IF WE ARE NOT ABLE TO RENEW ALL OF THE INSURANCE PLANS WHICH COVER WORKSITE EMPLOYEES, OUR BUSINESS WOULD BE ADVERSELY IMPACTED.

The maintenance of health and workers' compensation insurance plans that cover worksite employees is a significant part of our business. If we are unable to secure such renewal contracts, our business would be adversely affected. The current health and workers' compensation contracts are provided by vendors with whom we have an established relationship, and on terms that we believe to be favorable. While we believe that renewal contracts could be secured on competitive terms without causing significant disruption to our business, there can be no assurance in this regard.

OUR BUSINESS WILL SUFFER IF OUR SERVICES ARE NOT COMPETITIVE.

Each of the payroll, temporary employee placement and the employee leasing industries are characterized by vigorous competition. Since we compete with numerous entities that have greater resources than us in each of our business lines, our business will suffer if we are not competitive with respect to each of the services we provide. We believe that our major competitors with respect to our payroll and tax services are Automatic Data Processing, Inc., Ceridian Corp. and Paychex, Inc., and with respect to employee placement (including temporary placements and employee leasing), Butler Arde, Tech Aid, Inc., Comp Health, Staff Leasing, Inc. and Administaff, Inc. These companies have greater financial and marketing resources than us. We also compete with manual payroll systems and computerized payroll services provided by banks, and smaller independent companies.

IF WE CANNOT OBTAIN SUFFICIENT LEVELS OF TEMPORARY EMPLOYEES, OUR BUSINESS MAY BE AFFECTED.

Two of our subsidiaries, TeamStaff Solutions and TeamStaff Rx, are temporary employment agencies which depend on a pool of qualified temporary employees willing to accept assignments for our clients. The business of these subsidiaries is materially dependent upon the continued availability of such qualified temporary personnel. Our inability to secure temporary personnel would have a material adverse effect on our business.

OUR CLIENT AGREEMENTS ARE SHORT TERM IN NATURE AND IF A SIGNIFICANT NUMBER OF CLIENTS DO NOT RENEW THEIR CONTRACTS, OUR BUSINESS MAY SUFFER.

Our standard client agreement provides for successive one-year terms, subject to termination by us or by the client upon 60 days' prior written notice. A significant number of terminations by clients could have a material adverse effect on our financial condition, results of operations and liquidity.

IF WE ARE UNABLE TO RENEW OR REPLACE CLIENT COMPANIES, OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS WILL BE ADVERSELY AFFECTED.

Our standard client service agreement is subject to cancellation on 30 days notice by either us or the client. Accordingly, the short-term nature of the client service agreement makes us vulnerable to potential cancellations by existing clients, which could materially and adversely affect our financial condition and results of operations. In addition, our results of operations are dependent in part upon our ability to retain or replace our client companies upon the termination or cancellation of the client service agreement. Clients may determine to cancel their relationship with us for numerous reasons, including economic factors. It is possible that the number of contract cancellations will increase in the future.

SINCE WE HAVE NOT PAID DIVIDENDS ON OUR COMMON STOCK, YOU CANNOT EXPECT DIVIDEND INCOME FROM AN INVESTMENT IN OUR COMMON STOCK.

We have not paid any dividends on our common stock since our inception and do not contemplate or anticipate paying any dividends on our common stock in the foreseeable future. Our lender prohibits us from paying dividends without its prior consent. Therefore, holders of our common stock may not receive any dividends on their investment in us. Earnings, if any, will be retained and used to finance the development and expansion of our business.

WE HAVE SOLD RESTRICTED SHARES OF COMMON STOCK WHICH MAY DILUTE OUR STOCK PRICE WHEN THEY ARE SELLABLE UNDER RULE 144.

Of the approximately 16,156,184 issued and outstanding shares (assuming surrender of all shares held by former BrightLane shareholders and the issuance of the 8,066,631 shares as contemplated in the transaction) of our common stock as of the date of this prospectus, approximately 207,000 shares may be deemed "restricted shares" (excluding the shares being registered in this projection) and, in the future, may be sold in compliance with Rule 144 under the Act. Possible or actual sales of our common stock by our present shareholders under Rule 144 may, in the future, have a depressing effect on the price of our common stock in the open market. Rule 144 provides that a person holding restricted securities which have been outstanding for a period of one year after the later of the issuance by our company or sale by an affiliate of our company, may sell in brokerage transactions an amount equal to 1% of our outstanding common stock every three months. A person who is a "non-affiliate" of our company and who has held restricted securities for over two years is not subject to the aforesaid volume limitations as long as the other conditions of the Rule are met. In addition, during fiscal 2000, we registered 2,570,000 shares on behalf of selling stockholders and have outstanding approximately 577,821 previously registered shares under our stock option plans. The sale of any of these shares may depress the trading price of our common stock.

WE MAY ISSUE PREFERRED STOCK WITH RIGHTS SENIOR TO OUR COMMON STOCK WHICH MAY ADVERSELY IMPACT THE VOTING AND OTHER RIGHTS OF THE HOLDERS OF OUR COMMON STOCK.

Our certificate of incorporation authorizes the issuance of "blank check" preferred stock with such designations, rights and preferences as may be determined from time to time by our board of directors up to an aggregate of 5,000,000 shares of preferred stock. Accordingly, our board of directors is empowered, without stockholder approval, to issue preferred stock with dividend, liquidation, conversion, voting or other rights which would adversely affect the voting power or other rights of the holders of our common stock. In the event of issuance, the preferred stock could be utilized, under certain circumstances, as a method of discouraging, delaying or preventing a change in control of our company, which could have the effect of discouraging bids for our company and thereby prevent stockholders from receiving the maximum value for their shares. Although we have no present intention to issue any shares of our preferred stock, in order to discourage or delay a change of control of our company, we may do so in the future. In addition, we may determine to issue preferred stock in connection with capital raising efforts.

ANTI-TAKEOVER PROVISIONS IN OUR ARTICLES OF INCORPORATION MAKE A CHANGE IN CONTROL OF OUR COMPANY MORE DIFFICULT.

The provisions of our articles of incorporation and the New Jersey Business Corporation Act, together or separately, could discourage potential acquisition proposals, delay or prevent a change in control and limit the price that certain investors might be willing to pay in the future for our common stock. Among other things, these provisions:

- - require certain supermajority votes;

- - establish certain advance notice procedures for nomination of candidates for election as directors and for shareholders' proposals to be considered at shareholders' meetings; and

- - divide the board of directors into three classes of directors serving staggered three-year terms.

Pursuant to our articles of incorporation, the board of directors has authority to issue up to 5,000,000 preferred shares without further shareholder approval. Such preferred shares could have dividend, liquidation, conversion, voting and other rights and privileges that are superior or senior to our common stock. Issuance of preferred shares could result in the dilution of the voting power of our common stock, adversely affecting holders of our common stock in the event of its liquidation or delay, and defer or prevent a change in control. In certain circumstances, such issuance could have the effect of decreasing the market price of our common stock. In addition, the New Jersey Business Corporation Act contains provisions that, under certain conditions, prohibit business combinations with 10% shareholders and any New Jersey corporation for a period of five years from the time of acquisition of shares by the 10% shareholder. The New Jersey Business Corporation Act also contains provisions that restrict certain business combinations and other transactions between a New Jersey corporation and 10% shareholders.

SELLING SECURITY HOLDERS

The following table sets forth certain information as of November 29, 2001 with respect to each selling security holder with respect to which we are including shares for resale in the registration statement of which this prospectus forms a part. The percentages reflected below assume the issuance of 8,066,631 shares in connection with the transaction with BrightLane.com, Inc. and does not take into account (i) a reduction for fractional shares and that not all BrightLane shareholders have returned their BrightLane shares for exchange as of November 29, 2001. The transaction with BrightLane was consummated on August 31, 2001. The common stock is the only voting securities of TeamStaff.

NAME AND ADDRESS OF SECURITY HOLDER	SHARES OWNED PRIOR TO OFFERING (1)(2)	SHARES OFFERED	PERCENT OF TEAMSTAFF SHARES OWNED PRIOR TO OFFERING	SHARES OWNED AFTER OFFERING	PERCENTAGE OF SHARES OWNED AFTER OFFERING
First Union Private Capital(3)(4)	3,334,117	3,334,117	20.6%	0	
Nationwide Financial Services(3)(4)	2,256,488	2,256,488	13.9%	0	
T. Stephen Johnson and Mary Johnson(3)(5)	286,785	286,785	1.7%	0	*
D. Alan Najjar (3)(6)	117,679	42,679	*	0	*
Vinson A. Brannon (3)	131,698	131,698	*	0	*
William James Stokes (3)	37,032	37,032	*	0	*
D. R. Grimes (3)	18,516	18,516	*	0	*
Thomas Heaps (3)	61,196	61,196	*	0	*
Rocco J. Marano (7)	12,856	2,000	*	10,856	*
John H. Ewing (7)	34,034	11,000	*	23,034	*
Charles R. Dees, Jr. (7)	14,381	3,000	*	11,381	*
Martin J. Delaney (8)	65,448	10,000	*	55,448	*

* denotes less than one percent (1%)

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1. Unless otherwise indicated in the footnotes, includes all shares as to which the individual has sole or shared voting power or investment power and also any shares that the individual has the right to acquire within 60 days of the date of this prospectus through the exercise of any stock option or other right. Unless otherwise indicated in the footnotes, each individual has sole voting and investment power (or shares such powers with his or her spouse) with respect to the shares shown as beneficially owned).

2. See "Plan of Distribution."

3. Represents shares obtain in connection with the acquisition of BrightLane.com, Inc. completed as of August 31, 2001 and as described in TeamStaff's SEC reports which have ben incorporated by reference.

4. The selling security holder has agreed to the terms of a lockup in favor of TeamStaff whereby the selling security holder may sell only up to 50% of the shares held by him, her or it, as the case may be, commencing on September 1, 2002 and the remaining 50% commencing on September 1, 2003.

5. T. Stephen Johnson and Mary Johnson are husband and wife. Mr. Johnson is the Chairman of TeamStaff. Listed shares consists of (a) 111,221 shares owned by Mr. Johnson; (b) 120,016 shares owned by Ms. Johnson; and (c) an aggregate of 27,774 held in custodial accounts for the children and a grandchild of the listed holders.

6. Mr. Najjar is employed as President of BrightLane.com, Inc., a wholly-owned subsidiary of TeamStaff. Shares offered does not include 75,000 options to purchase common stock issued to Mr. Najjar under his employment agreement.

7. Listed shares include warrants to purchase Common Stock issued in connection with the termination of the selling security holder's service as director of TeamStaff effective September 4, 2001. The warrants are exercisable at $5.1562 per share. The warrants and underlying securities are intended to be issued in issuances determined by the Board of Directors as exempt under Rule 16(b)3.

8. Mr. Delaney is a director of TeamStaff. Listed shares include 10,000 warrants issued in December 2000. The warrants haven an exercise price of $3.20 per share.

PLAN OF DISTRIBUTION

The common stock covered by this prospectus, including the shares underlying the warrants which will be issued by TeamStaff upon the exercise by the holders of the warrants, may be offered and sold from time to time by the selling security holders, and pledgees, donees, transferees or other successors in interest selling shares received after the date of this prospectus from the selling security holders as a pledge, gift or other non-sale related transfer, including in one or more of the following transactions:

- on the over the counter market;
- in transactions other than on the over the counter market such as private resales;
- in connection with short sales;
- by pledge to secure debts and other obligations;
- in connection with the writing of options, in hedge transactions, and in settlement of other transactions in standardized or over-the-counter options;
- in a combination of any of the above transactions; or
- pursuant to Rule 144 under the Securities Act, assuming the availability of an examination from registration.

First Union Corporation, Nationwide Financial Services and T Stephen Johnson, who are selling security holders, have agreed to the terms of a "lockup" agreement whereby they have agreed that the shares of TeamStaff owned by them only be sold as follows: commencing on the first anniversary of the transaction (August 31, 2002) 50% of their shares may be sold and commencing on the second anniversary the remaining shares may be sold. The Board of Directors has reserved the right to release all of part of the shares from the lockup prior to its expiration.

The selling security holders may sell their shares at market prices prevailing at the time of sale, at prices related to prevailing market prices, at negotiated prices, or at fixed prices.

Broker-dealers that are used to sell shares will either receive discounts or commissions from the selling shareholders, or will receive commissions from the purchasers for whom they acted as agents.

The selling security holders and intermediaries through whom shares are sold may be deemed underwriters within the meaning of the Securities Act with respect to the shares offered.

There can be no assurance that the selling security holders will sell all or any of the common stock.

We have agreed to keep this prospectus effective for a period expiring on the earlier of the date on which all of the selling security holders' shares have been sold or the date on which all such shares are eligible for sale pursuant to Rule 144 under the Securities Act.

The selling shareholders and us have agreed to customary indemnification obligations with respect to the sale of common stock by use of this prospectus.

REPORTS TO SHAREHOLDERS

Our company distributes annual reports to its stockholders, including financial statements examined and reported on by independent public accountants, and will provide such other reports as management may deem necessary or appropriate to keep stockholders informed of our company's operations.

LEGAL MATTERS

The legality of the offering of the shares will be passed upon for us by Goldstein & DiGioia, LLP, 369 Lexington Avenue, New York, New York 10017.

EXPERTS

The audited financial statements and schedules incorporated by reference in this prospectus and elsewhere in the registration statement pertaining to TeamStaff, Inc., have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

The financial statements of BrightLane.com, Inc. (a development stage company) as of December 31, 1999 and 2000 and for the periods May 7, 1999 (Date of Inception) through December 31, 1999 and the year ended December 31, 2000 and the period May 7, 1999 (Date of Inception) through December 31, 2000, incorporated by reference in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report with respect thereto, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

ADDITIONAL INFORMATION

Our company has filed a Registration Statement under the Act with the Securities and Exchange Commission, with respect to the securities offered by this prospectus. This prospectus

does not contain all of the information set forth in the registration statement. For further information with respect to our company and such securities, reference is made to the registration statement and to the exhibits and schedules filed therewith. Each statement made in this prospectus referring to a document filed as an exhibit to the registration statement is qualified by reference to the exhibit for a complete statement of its terms and conditions. The registration statement, including exhibits thereto, may be inspected without charge to anyone at the office of the Commission, and copies of all or any part thereof may be obtained from the Commission's principal office in Washington, D.C. upon payment of the Commission's charge for copying.

FORWARD LOOKING STATEMENTS

Certain statements contained herein constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "1995 Reform Act"). TeamStaff, Inc. desires to avail itself of certain "safe harbor" provisions of the 1995 Reform Act and is therefore including this special note to enable TeamStaff to do so. Forward-looking statements included in this report involve known and unknown risks, uncertainties, and other factors which could cause TeamStaff's actual results, performance (financial or operating) or achievements to differ from the future results, performance (financial or operating) achievements expressed or implied by such forward-looking statements. Such future results are based upon management's best estimates based upon current conditions and the most recent results of operations. These risks include, but are not limited to, risks associated with TeamStaff's risks of current as well as future acquisitions, risks from potential workers compensation claims and required payments, risks associated with payroll and employee related taxes which may require unanticipated payments by TeamStaff, liabilities associated with TeamStaff's status under certain federal and state employment laws as a co-employer, effects of competition and technological changes and dependence upon key personnel.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Expenses in connection with the issuance and distribution of the securities being registered herein are estimated.

	Amount
Securities and Exchange Commission Registration Fee	$ 8,587
Printing and Engraving Expenses	$ 0
Accounting Fees and Expenses	$20,000*
Legal Fees and Expenses	$25,000*
Blue Sky Fees and Expenses	$ 0*
Transfer Agent and Registrar Fees	$ 500*
Miscellaneous Fees and Expenses	$ 1,000*
Total	$55,087*

* Estimated.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Our company's By-Laws require us to indemnify, to the full extent authorized by Section 14A:3-5 of the New Jersey Business Corporation Act, any person with respect to any civil, criminal, administrative or investigative action or proceeding instituted or threatened by reason of the fact that he, his testator or intestate is or was a director, officer or employee of our company or any predecessor of our company is or was serving at the request of our company or a predecessor of our company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

Section 14A:3-5 of the New Jersey Business Corporation Act authorized the indemnification of directors and officers against liability incurred by reason of being a director or officer and against expenses (including attorneys fees) in connection with defending any action seeking to establish such liability, in the case of third-party claims, if the officer or director acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and if such officer or director shall not have been adjudged liable for negligence or misconduct, unless a court otherwise determines. Indemnification is also authorized with respect to any criminal action or proceeding where the officer or director had no reasonable cause to believe his conduct was unlawful.

In accordance with Section 14A:2-7 of the New Jersey Business Corporation Act, our company's Certificate of Incorporation eliminates the personal liability of officers and directors to our company and to stockholders for monetary damage for violation of a director's duty owed to our company or our shareholders, under certain circumstances.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, or persons controlling our company pursuant to the foregoing provisions, our company has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in such Act and is therefore unenforceable.

ITEM 16. EXHIBITS

The exhibits designated with (*) are filed herewith. The exhibits designated with (**) have previously been filed and, pursuant to 17 C.F.R. Secs. 20l.24 and 240.12b-32, are incorporated by reference to the document referenced in brackets following the descriptions of such exhibits. Those exhibits designated with (***) will be filed upon amendment.

Exhibit No.	Description
2.1**	Plan and Agreement of Merger and Reorganization dated as of October 29, 1998 among the Company, the Merger Corporations, the TeamStaff Entities and certain individuals and trusts as shareholders of the TeamStaff Entities (filed as Exhibit A to Proxy Statement of Digital Solutions, Inc, dated November 12, 1998).
2.2**	Form of Asset Purchase Agreement dated as of April 7, 2000 by and between TeamStaff Inc., TeamStaff V, Inc., Outsource International, Inc. and Synadyne I, Inc., Synadyne II, Inc., Synadyne III, Inc., Synadyne IV, Inc., Synadyne V, Inc., Guardian Employer East LLC and Guardian Employer West LLC. (Filed as Exhibit 3.1 to Form 8-K dated April 19, 2000).
2.3**	Agreement and Plan of Merger by and among TeamStaff, Inc., TeamSub, Inc. and BrightLane.com, Inc., dated as of March 6, 2001, as amended by Amendment No. 1 dated as of March 21, 2001 and Amendment No. 2 dated as of April 6, 2001 (filed as Appendix A to the proxy statement/prospectus filed on August 7, 2001, SEC File No. 333- 61730, as part of Registrant's Registration Statement on Form S-4).
3.1**	Amended and Restated Certificate of Incorporation of Registrant (Filed as Exhibit A to Definitive Proxy Material dated July 20, 1990).

3.1.1**	Form of Amendment to Amended and Restated Certificate of Incorporation (filed as Exhibit G to our company's Proxy Statement dated November 12, 1998 as filed with the Securities and Exchange Commission).
3.1.2**	Amended and Restated Certificate of Incorporation (filed as Exhibit A to Definitive Proxy Statement dated May 1, 2000 as filed with the Securities and Exchange Commission).
3.2**	Amended By-Laws of Registrant adopted as of January 25, 1999 (filed as Exhibit 3.2 to the Registration Statement on Form S-4 SEC File No. 333-61730).
3.3**	Form of Form of Certificate of Designation of Series A Preferred Stock (filed as Exhibit 3.1 to Form 8-K dated April 6, 2001).
3.4**	Amended By-Laws of Registrant adopted as of May 15, 2001 (filed as Exhibit 3.4 to the Registration Statement on Form S-4 SEC File No. 333-61730).
3.5*	Amended By-Laws of Registrant adopted as of August 29, 2001.
4.1**	Form of Common Stock Certificate (Exhibit 4.1 to Registration Statement on Form S-18, File No. 33-46246-NY)
4.2**	2000 Employee Stock Option Plan (filed as Exhibit B to the Proxy Statement dated as of March 8, 2000 with respect to the Annual meeting of Shareholders held on April 13, 2000).
4.3**	2000 Non-Executive Director Stock Option Plan (filed as Exhibit B to the Proxy Statement dated as of March 8, 2000 with respect to the Annual meeting of Shareholders held on April 13, 2000).
5.1*	Opinion of Goldstein & DiGioia, LLP re: Legality of Shares.
10.1**	Form of Employment Agreement between TeamStaff, Inc. and Donald Kappauf dated as of April 2, 2001.
10.2**	Form of Employment Agreement between TeamStaff, Inc. and Donald Kelly dated as of April 2, 2001.
10.3**	Form of Employment agreement between TeamStaff, Inc. and Kenneth Jankowski dated as of February 16, 2000.

10.4**	Lease dated May 30, 1997 for office space at 300 Atrium, Somerset, New Jersey (Exhibit 10.6.1 to Form 10-K for the fiscal year ended September 30, 1997).
10.5**	Seventh Amended Loan Agreement between Registrant and Summit Bank and sixth amended Promissory Note (Exhibit 10.16.1 to Form 10-K for the fiscal year ended September 30, 1997).
10.6**	Loan and Security Agreement dated April 28, 1998 among Digital Solutions, Inc. and FINOVA Capital Corporation (Filed as Exhibit 10.17 to Form 10-K filed January 12, 1999).
10.7**	Secured Promissory Note in the principal amount of $2,500,000 dated April 28, 1998 in favor of FINOVA Capital Corporation (Filed as Exhibit 10.18 to Form 10-K filed January 12, 1999).
10.8**	Stock Pledge Agreement (Security Agreement) dated April 28, 1998 between FINOVA Capital Corporation and Digital Solutions, Inc. (Filed as Exhibit 10.19 to Form 10-K filed January 12, 1999).
10.9**	Employment Agreement between our company and Kirk Scoggins dated January 25, 1999 (Filed as Exhibit 10.1 to Form 8-K dated January 25, 1999).
10.10**	Registration Rights Agreement between our company and certain former shareholders of the TeamStaff Companies dated as of January 25, 1999 (Filed as Exhibit 10.2 to Form 8-K dated January 25, 1999).
10.11**	Amended and Restated Loan and Security Agreement between our company and FINOVA Capital Corporation dated January 25, 1999 (Filed as Exhibit 10.3 to Form 8-K dated January 25, 1999).
10.12**	Amended and Restated Note in the principal amount of $2,166,664 dated January 25, 1999 (Filed as Exhibit 10.4 to Form 8-K dated January 25, 1999).
10.13**	Secured Note in the amount of $2,500,000 in favor of FINOVA Capital Corporation dated January 25, 1999 (Filed as Exhibit 10.5 to Form 8-K dated January 25, 1999).
10.14**	Secured Note in the amount of $750,000 in favor of FINOVA Capital Corporation dated January 25, 1999 (Filed as Exhibit 10.6 to Form 8-K dated January 25, 1999).

10.15**	Schedule to Amended and Restated Loan Agreement dated January 25, 1999 with FINOVA Capital Corporation (Filed as Exhibit 10.7 to Form 8-K dated January 25, 1999).
10.16**	Form of Agreement between TeamStaff and Donald & Co. Securities, Inc. (Filed as Exhibit 10.27 to Form S-3/A dated June 28, 2000).
10.17**	First Amendment to the Amended and Restated Schedule to the Amended and Restated Loan and Security Agreement among TeamStaff, Inc. and its Subsidiaries as Co-Borrowers and FINOVA Capital Corporation dated April 7, 2000 (Filed as Exhibit 10.1 to Form 8-K dated April 19, 2000).
10.18**	Second Amended and Restated Secured Promissory Note A dated April 7, 2000 in the principal amount of $1,541,659 payable to FINOVA Capital Corporation (Filed as Exhibit 10.2 to Form 8-K dated April 19, 2000).
10.19**	Amended and Restated Secured Promissory Note B dated April 7, 2000 in the principal amount of $1,899,996 payable to FINOVA Capital Corporation (Filed as Exhibit 10.3 to Form 8-K dated April 19, 2000).
10.20**	Secured Promissory Note C dated April 7, 2000 in the principal amount of $4,000,000 payable to FINOVA Capital Corporation (Filed as Exhibit 10.4 to Form 8-K dated April 19, 2000).
10.21**	Employment Agreement dated October 1, 1999 between our company and Donald Kappauf (Filed as Exhibit 10.32 to Form S-3/A dated June 28, 2000).
10.22**	Employment Agreement dated October 1, 1999 between our company and Donald Kelly (Filed as Exhibit 10.33 to Form S-3/A dated June 28, 2000).
10.23**	Form of Stock Purchase Agreement dated as of April 6, 2001 between TeamStaff, Inc. and BrightLane.com, Inc. with respect to purchase of Series A Preferred Stock (filed as Exhibit 10.1 to Form 8-K dated April 6, 2001).
10.24**	Form of Registration Rights Agreement dated as of April 6, 2001 between TeamStaff, Inc. and BrightLane.com, Inc. (filed as Exhibit 10.2 to Form 8-K dated April 6, 2001).
10.25**	Form of Marketing Agreement dated as of April 11, 2001 between First Union Corporation and TeamStaff, Inc.

10.31**	Form of Voting Agreement provided by BrightLane Shareholders as provided in the Agreement and Plan of Merger by and among TeamStaff, Inc., TeamSub, Inc. and BrightLane.com, Inc., dated as of March 6, 2001, as amended by Amendment No. 1 dated as of March 21, 2001 and Amendment No. 2 dated as of April 6, 2001.
10.32**	Form of Escrow Agreement between TeamStaff Inc. and BrightLane Shareholders with respect to the placement of 150,000 shares into escrow by the BrightLane shareholders (filed as Appendix B to the proxy statement/prospectus forming a part of this Registration Statement).
23.1*	Consent of Arthur Andersen LLP.
23.2*	Consent of Goldstein & DiGioia, LLP, contained in Exhibit 5.1.
23.3*	Consent of Deloitte & Touche LLP.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

A. (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereto) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) - (a)(1)(iii) do not apply if the information required to be included in a post-effective amendment by such clauses is contained in periodic reports filed with and furnished to the Commission by the Company pursuant to Section 13 or Section 15(d) of the

Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) For purposes of determining any liability under the Securities Act of 1933, each filing of our company's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

B. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-3 and has duly caused this Registration Statement Amendment No. 1 to be signed on its behalf by the undersigned, thereunto duly authorized on the 19th day of December, 2001.

TEAMSTAFF, INC.

By: /s/ Donald W. Kappauf

Donald W. Kappauf
President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form S-3 Amendment No. 1 has been signed below by the following persons in the capacities and on the dates indicated:

Signature	Capacity	Date
/s/Donald W. Kappauf - --- Donald W. Kappauf	President, Chief Executive Officer and Director	December 19, 2001
/s/Karl W. Dieckmann * - --- Karl W. Dieckmann	Chairman of the Board	December 19, 2001
/s/David Carrol * - --- David Carroll	Director	December 19, 2001

/s/Martin J. Delaney * - ------------------------- Martin J. Delaney	Director	December 19, 2001
/s/T. Stephen Johnson * - ------------------------- T. Stephen Johnson	Director	December 19, 2001
/s/Donald MacLeod * - --------------------------------- Donald MacLeod	Director	December 19, 2001
/s/William J. Marino * - ------------------------- William J. Marino	Director	December 19, 2001
/s/Susan Wolken * - -------------------------- Susan Wolken	Director	December 19, 2001
/s/Donald T. Kelly - --------------------------- Donald T. Kelly	Chief Financial Officer and Principal Accounting Officer	December 19, 2001

* Executed by Donald Kappauf by Power of Attorney granted previously.

EXHIBIT 3.5

Amended as of August 29, 2001

BY-LAWS

OF

TEAMSTAFF, INC.

(A New Jersey Corporation)

ARTICLE I

OFFICES AND AGENTS

Section l.l. Registered Office. The corporation shall have and maintain in the State of New Jersey a registered office which may, but need not be, the same as its place of business.

Section l.2. Other Offices. The corporation may also have offices and places of business at such places within or without the State of New Jersey as the Board of Directors may from time to time determine or the business of the corporation may require.

Section l.3. Registered Agent. The corporation shall have and maintain in the State of New Jersey a registered agent, which agent may be either an individual resident in the State of New Jersey whose business office is identical with the corporation's registered office, or a New Jersey corporation (which may be itself) or a foreign corporation authorized to transact business in the State of New Jersey, having a business office identical with such registered office.

ARTICLE II

STOCK AND STOCKHOLDERS

Section 2.l. Certificates Representing Stock. Every holder of stock in the corporation shall be entitled to have a certificate signed by, or in the name of, the corporation by the Chairman or Vice-Chairman of the Board or by the President or Executive Vice-President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the corporation, certifying the number of shares owned by him in the corporation. The certificates for shares of stock of the corporation shall be in such form as shall be determined by the Board of Directors, shall have set forth thereon any statements prescribed by statute, and shall be numbered and entered in the stock ledger of the corporation as they are issued. Any and all signatures on any such certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or

registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 2.2. Lost Certificates. The Board of Directors may direct that a new share certificate be issued in place of any certificate theretofore issued by the corporation which has been mutilated or which is alleged to have been lost, stolen or destroyed, upon presentation of each such mutilated certificate or the making by the person claiming any such certificate to have been lost, stolen or destroyed of an affidavit as to the fact and circumstances of the loss, theft or destruction thereof, or complying with such other procedures as may be established by the Board of Directors. The Board of Directors, in its discretion and as a condition precedent to the issuance of any new certificate, may require the owner of any certificate alleged to have been lost, stolen or destroyed, or his legal representative, to furnish the corporation with a bond, in such sum and with such surety or sureties as it may direct, as indemnity against any claim that may be made against the corporation on account of the alleged loss, theft or destruction of such certificate or the issuance of such new certificate.

Section 2.3. Fractions of Shares. The corporation may, but shall not be required to, issue fractions of a share. If the corporation does not issue fractions of a share, it shall (l) arrange for the disposition of fractional interests by those entitled thereto, (2) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or (3) issue scrip or warrants in registered or bearer form which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip or warrants aggregating a full share. A certificate for a fractional share shall, but scrip or warrants shall not unless otherwise provided therein, entitle the holder to exercise voting rights, to receive dividends thereon, and to participate in any of the assets of the corporation in the event of liquidation. The Board of Directors may cause scrip or warrants to be issued subject to the conditions that they shall become void if not exchanged for certificates representing full shares before a specified date, or subject to the conditions that the shares for which scrip or warrants are exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of scrip or warrants, or subject to any other conditions with the Board of Directors may impose.

Section 2.4. Stock Transfers. Upon compliance with provisions restricting the transfer or registration of transfer of shares of stock, if any, transfers or registration of transfers of shares of stock of the corporation shall be made only on the stock ledger of the corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation or with a transfer agent or a registrar, if any, and on surrender of the certificate or certificates for such shares of stock properly endorsed and the payment of all taxes due thereon.

Section 2.5. Record Date. For the purpose of determining the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or the allotment of any rights, or entitled to exercise any rights in respect of any

change, conversion, or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed; and the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at any meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 2.6. Meetings of Stockholders.

2.6.1. Time and Place. All meetings of stockholders shall be held at the principal office of the corporation or at such other place and time, whether within or without the State of New Jersey, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, as authorized by the Board of Directors.

2.6.2. Annual Meetings. An annual meeting of stockholders, commencing with the year 2001, shall be held on the first Tuesday in April of each year, or if such day is a legal holiday, on the next business day following; provided, that if the Board of Directors shall determine that in any year it is not advisable or convenient to hold the meeting on such day, then in such year the annual meeting shall instead be held on such other day as determined by the Board of Directors. At each annual meeting, the stockholders shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

2.6.3. Special Meetings. Special meetings of stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called by the Chairman of the Board, the President or a majority of the Board of Directors. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice of the meeting or in a duly executed waiver of notice thereof.

2.6.4. Notice of Meetings. Written notice of each meeting of stockholders, stating the place, date and hour thereof, and, in the case of a special meeting, specifying the purpose or purposes thereof, shall be given to each stockholder entitled to vote thereat not less than ten (10) days nor more than sixty (60) days prior to the meeting, except that where the matter to be acted on is a merger or consolidation or the dissolution of the corporation or a sale, lease, exchange or other disposition of all or substantially all of its assets, such notice shall be given not less than twenty (20) days nor more than sixty (60) days prior to such meeting. If a meeting is adjourned to another time

and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.6.5. Business Before a Meeting. To be properly brought before the meeting, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board, or (c) otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Company not later than 90 days prior to the meeting anniversary date of the immediately preceding annual meeting or if no annual meeting was held for any reason in the preceding year, 90 days prior to the first Tuesday in April. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class and number of shares of the Company which are beneficially owned by the stockholder and (iv) any material interest of the stockholder in such business.

Notwithstanding anything in the By-Laws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 2.6.5 of Article 2, provided, however, that nothing in this Section 2.6.5 of Article 2 shall be deemed to preclude discussion by any stockholder of any business properly brought before the annual meeting.

The Chairman of any meeting of shareholders shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 2.6.5 of Article 2 and if he should so determine, which determination shall be conclusive, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

2.6.6. Stockholder List. The Secretary of the corporation shall prepare and make, or cause to be prepared and made, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city or other municipality or community where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof,

and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by this subsection or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

2.6.7. Quorum. Except as otherwise provided by statute or the Certificate of Incorporation, the holders of a majority of the shares of stock of the corporation issued and outstanding and entitled to vote thereat, present in person or by proxy, shall be necessary to and shall constitute a quorum for the transaction of business at each meeting of stockholders. If a quorum shall not be present at the time fixed for any meeting, the stockholders present in person or by proxy and entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than an announcement at the meeting of the place, date and hour of the adjourned meeting, until a quorum shall be present; and at any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted had a quorum been present at the time originally fixed for the meeting.

2.6.8. Conduct of Meeting. Meetings of the stockholders shall be presided over by one of the following Officers in the order of seniority and if present and acting: the Chairman of the Board, Vice-Chairman of the Board, the President, the Executive Vice President, a Vice President, or, if none of the foregoing is in office and present and acting, by a chairman to be chosen by the stockholders. The Secretary of the corporation, or in his absence, an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present the chairman of the meeting shall appoint a secretary of the meeting. The Board of Directors of the Company shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the Company and their duly authorized and constituted proxies, and such other persons as the chairman shall permit, restrictions on entry at the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. Unless, and to the extent, determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules or parliamentary procedures.

2.6.9. Voting. Except as otherwise provided by statute or by the Certificate of Incorporation, at any meeting of stockholders each stockholder shall be entitled to one vote for each outstanding share of stock of the corporation standing in such holder's name on the books of the corporation as of the record date for determining the stockholders entitled to notice of and to vote at such meeting. At any meeting of stockholders at which a quorum is present, all elections shall be determined by

plurality vote and all other matters shall be determined by the vote of the holders of a majority of the shares present in person or by proxy and entitled to vote, unless the matter is one with respect to which, by express provision of statute, the Certificate of Incorporation or these By-Laws, a different vote is required, in which case such express provision shall govern and control the determination of such matter.

2.6.10. Proxy Representation. Every stockholder may authorize another person or persons to act for him by proxy in all matters in which a stockholder is entitled to participate, whether by waiving notice of any meeting, voting or participating at a meeting, or expressing consent or dissent to corporate action in writing without a meeting. Every proxy must be signed by the stockholder or by his attorney-in-fact. No proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period.

2.6.11. Inspectors of Election. The Board of Directors, in advance of any meeting of stockholders, may, but need not, appoint one or more inspectors of election to act at the meeting or any adjournment thereof. If an inspector or inspectors are not appointed in advance of the meeting, the person presiding at the meeting may, but need not, appoint one or more inspectors. In case any person who may be appointed as an inspector fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the person presiding thereat. Each inspector before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors, if any, shall determine the number of shares of stock outstanding at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the person presiding at the meeting, the inspector or inspectors, if any, shall make a report in writing of any challenge, question or matter determined by him or them and execute a certificate of any fact found by him or them.

Section 2.7. Action of Stockholders Without a Meeting. Subject to the requirements contained in Section 14A:5.6 of the New Jersey Business Corporation Act (or any successor section), any action required or permitted to be taken at an annual or special meeting of stockholders by statute, the Certificate of Incorporation or these By-Laws, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Where any action is taken in such manner by less than unanimous written consent, prompt written notice of the taking of such action shall be given to all stockholders who have not consented in writing thereto.

ARTICLE III

DIRECTORS

Section 3.l. Board of Directors. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors. The Board of Directors may exercise all such powers of the corporation and do all such lawful acts and things on its behalf as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders. Without limiting the generality of the preceding sentence, the Board of Directors is expressly authorized to exercise all of the power of the corporation to borrow or raise moneys and to execute, accept, endorse and deliver as evidence of such borrowing all kinds of securities; and to secure the payment and performance of the obligations thereunder by mortgage on, pledge of, or other security interest in, the whole or any part of the property, assets and income of the corporation.

Section 3.2. Qualifications. Directors need not be stockholders of the corporation, citizens of the United States or residents of the State of New Jersey.

Section 3.3. Number. The number of Directors constituting the whole Board of Directors shall be not less than three (3) nor more than fifteen (15) as fixed from time to time by resolution of the Board or by the stockholders or, if the number of Directors constituting the whole Board is not so fixed, the number shall be three (3); provided, that no decrease in the number of Directors shall shorten the term of any incumbent director.

Section 3.4. Nominations. Nominations for the election of Directors may be made by the Board of Directors or a committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of Directors generally. However, any stockholder entitled to vote in the election of Directors generally may nominate one or more persons for election as Directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Company not later than (i) with respect to an election to be held at an annual meeting of stockholders, 90 days prior to the anniversary date of the immediately preceding annual meeting or if an annual meeting has not been held in the preceding year, 90 days from the first Tuesday in April; and (ii) with respect to an election to be held at a special meeting of stockholders for the election of Directors, the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be

included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission; and (e) the consent of each nominee to serve as a director of the Company if so elected. The presiding officer of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

Section 3.5. Election and Tenure. With the exception of the first Board of Directors named in the Certificate of Incorporation, and except as otherwise permitted in these By-Laws, Directors shall be elected at the annual meeting of stockholders in accordance with these by-laws and the Corporation's Certificate of Incorporation. Subject to any provisions contained in the Certificate of Incorporation, each director shall hold office for a term expiring at the annual meeting of stockholders next succeeding his election and until his successor is elected and has qualified or until his earlier displacement from office by resignation, removal or otherwise; provided, however, in the event that the Board is classified into more than one class, directors shall serve until the expiration of the term of the class in which any director is then serving. Any director shall be eligible for re-election.

Section 3.6. Resignation and Removal. Any director may resign at any time by written notice to the corporation. Subject to any provisions in the Certificate of Incorporation regarding the removal of directors, any director or the whole Board of Directors may be removed, with cause, by the holders of a majority of the shares entitled to vote at an election of Directors, and any director or the whole board of Directors may be removed without cause by the holders of a majority of the shares of the Class then entitled to vote for the election of the director or Directors sought to be removed. Any such removal shall be without prejudice to the rights, if any, of the director so removed under any contract of service or other agreement with the corporation.

Section 3.7. Vacancies.

(a) Any vacancy in the Board of Directors occurring by reason of the death, resignation or disqualification of any director, the removal of any director from office for cause or without cause, an increase in the number of Directors, or otherwise, may be filled by the vote of a majority of the Directors then in office; provided, however, that (i) commencing with the election of directors effective at the annual meeting of shareholders on August 28, 2001, any vacancy of any director serving as a nominee of First Union Corporation (or its affiliates) or Nationwide Financial Inc. that occurs prior to the expiration of the class term for which that director was elected at such annual meeting held on August 28, 2001 shall be filled by a replacement nominee of First Union Corporation (or its affiliates) or Nationwide Financial Inc., as the case may be, and (ii) if one or more directors shall resign from the Board effective at a future date, a majority of the Board of Directors effective at a future date, a majority of the directors then in office, including those who have so resigned, elected by the holders of the shares of the class entitled to vote at an election of Directors for the vacancy sought to be filled, may fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations become effective.

(b) Each director elected to fill a vacancy shall hold office for a term expiring at the next succeeding annual meeting of stockholders and until his successor is elected and has qualified or until his earlier displacement from office by resignation, removal or otherwise; provided, however, that in the event the Board of Directors is divided into more than one class, any director appointed to fill a vacancy shall serve until the expiration of the term of the class into which such director was appointed to fill.

Section 3.8. Meetings of the Board.

3.8.l. First Meeting. The Directors at each annual meeting of stockholders shall hold their first meeting as soon as practicable following the date of their election, and in any event within thirty (30) days after each annual meeting of stockholders, at such time and place as shall be fixed by resolution of the Board of Directors prior to the annual meeting or by the consent in writing of all the newly-elected Directors, for the purpose of choosing the Officers of the corporation and for the transaction of such other business as may properly be brought before the meeting, and no notice of such meeting to the newly-elected Directors shall be necessary in order legally to constitute the meeting, provided a quorum shall be present.

3.8.2. Regular Meetings. Regular meetings of the Board of Directors may be held, without notice, at such times and places as shall from time to time be fixed in advance by resolution of the Board.

3.8.3. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, the Vice Chairman or the President, and, at the written request of a majority of the members of the whole Board, shall be called by the Chairman of the Board, the President or the Secretary. Notice of each special meeting of Directors, stating the time and place of the meeting and the purpose or purposes thereof, shall be given to each director at least twenty-four (24) hours before such meeting. The time and place of any special meeting of Directors may also be fixed by a duly executed waiver of notice thereof.

3.8.4. Chairman of the Meeting. The Chairman of the Board, if present and acting, shall preside at all meetings of the Board of Directors. Otherwise, the Vice-Chairman, the President, if present and acting, or any other director chosen by the Board, shall preside.

Section 3.9. Committees of the Board.

3.9.l. Designation. The Board of Directors, by resolution adopted by a majority of the whole Board, may designate one or more committees, each committee to consist of two (2) or more Directors. The Board of Directors may from time to time remove members from, or add members to, any committee. Each such committee, to the extent provided in the resolution designating it, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. However, no such committee shall have

power or authority in reference to: (a) amending the Certificate of Incorporation; (b) adopting an agreement of merger or consolidation; (c) recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets; (d) recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution; or (e) amending these By-Laws; and, unless expressly so provided by resolution of the Board, no such committee shall have power or authority in reference to: (i) declaring a dividend; or (ii) authorizing the issuance of shares of stock of the corporation of any class.

3.9.2. Alternate Members. The Board of Directors may designate one or more Directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

3.9.3. Tenure; Reports; Procedures. Each such committee shall serve at the pleasure of the Board of Directors. It shall keep minutes of its meetings and report the same to the Board of Directors as and when requested by the Board, and it shall observe such other procedures with respect to its meetings as are prescribed in these By-Laws or, to the extent not prescribed herein, as may be prescribed by the Board of Directors.

Section 3.10. Quorum and Voting. At all meetings of the Board of Directors or any committee of the Board, a majority of the whole Board or of the entire membership of such committee shall be necessary and sufficient to constitute a quorum for the transaction of business, except when a vacancy or vacancies prevents such a majority, whereupon a majority of the Directors in office or appointed to such committee shall constitute a quorum, provided that such majority shall constitute at least one-third of the whole Board or membership of the committee, as the case may be. The vote of a majority of the Directors or members of the committee present at any meeting at which a quorum is present shall be the act of the Board of Directors or of such committee, except as may be otherwise specifically provided by statute or the Certificate of Incorporation or these By- Laws. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee of the Board which authorizes a contract or transaction between the corporation and one or more of its Directors, or between the corporation and any other corporation, partnership, association or other organization in which one or more of the Directors of the corporation are Directors or Officers, or have a financial interest. If a quorum shall not be present at any meeting of the Board of Directors or any committee of the Board, the members of the Board or such committee present thereat may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present.

Section 3.11. Telephone Participation. Members of the Board of Directors or of any committee of the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons

participating in the meeting can hear each other. Participation in a meeting in accordance with this section shall constitute presence in person at such meeting.

Section 3.12. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 3.13. Compensation. The Board of Directors is authorized to make provision for reasonable compensation to its members for their services as Directors and to fix the basis and conditions upon which this compensation shall be paid. Any director may also serve the corporation in any other capacity and receive compensation therefor in any form.

Section 3.14. Reliance on Books and Records. A member of the Board of Directors or of any committee thereof designated by the Board as provided in these By-Laws, shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or reports made to the corporation by any of its Officers, or by an independent certified public accountant or by an appraiser selected with reasonable care by the Board of Directors or by any such committee, or in relying in good faith upon other records of the corporation.

ARTICLE IV

NOTICES

Section 4.l. Delivery of Notices. Notices to directors and stockholders may be delivered personally or by mail. A notice by mail shall be deemed to be given at the time when it is deposited in the post office or a letter box, enclosed in a post-paid sealed wrapper and addressed to the person entitled to notice at his address appearing on the books of the corporation, unless any such person shall have filed with the Secretary of the corporation a written request that notices intended for him be mailed or delivered to some other address, in which case the notice shall be mailed to or delivered at the address designated in such request. Notice to any director may also be given by telephone, by telegram, or by leaving the notice at the residence or usual place of business of the Director.

Section 4.2. Waiver of Notice. Whenever notice is required to be given by statute, the Certificate of Incorporation or these By-Laws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, Directors or members of a committee of Directors need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these By-Laws.

ARTICLE V

OFFICERS

Section 5.l. Executive Officers. The executive Officers of the corporation shall be a Chairman of the Board, Vice-Chairman, a President, a Chief Executive Officer, a Treasurer, a Chief Financial Officer, a Chief Operating Officer, a Secretary and, if deemed necessary, expedient or desirable by the Board of Directors, and one or more other Executive Vice Presidents or Vice Presidents. The Chairman of the Board, President and Chief Executive Officer shall be selected from among the Directors, but no other executive officer need be a member of the Board of Directors. Two or more offices may be held by the same person, but no office shall execute, acknowledge or verify any instrument in more than one capacity. The executive Officers of the corporation shall be elected annually by the Board of Directors at its first meeting following the meeting of stockholders at which the Board was elected.

Section 5.2. Other Officers and Agents. The corporation may also have such other Officers which such titles and duties as shall be stated in these By-Laws or in a resolution of the Board of Directors which is not inconsistent with these By-Laws. The Board of Directors may elect, or may delegate to the Chairman of the Board or President or Chief Executive Officer authority to appoint and remove, and to fix the duties, compensation and terms of office of, one or more, Vice Presidents, Assistant Treasurers and Assistant Secretaries and such other Officers and agents as the Board may at any time or from time to time determine to be advisable.

Section 5.3. Tenure; Resignation; Removal. Each officer of the corporation shall hold office until his successor is elected or appointed or until his earlier displacement from office by resignation, removal or otherwise; provided, that if the term of office of any officer elected or appointed pursuant to Section 5.2 of these By-Laws shall have been fixed by the Board of Directors or by the Chairman of the Board or President or Chief Executive Officer acting under authority delegated to him by the Board, he shall cease to hold such office not later than the date of expiration of such term, regardless of whether any other person shall have been elected or appointed to succeed him. Any officer may resign at any time by giving written notice to the corporation and may be removed for cause or without cause by the Board of Directors, or by the Chairman of the Board or President or Chief Executive Officer acting under authority delegated to him by the Board of Directors pursuant to Section 5.2 of these By-Laws; provided, that any such removal shall be without prejudice to the rights, if any, of the officer so removed under any contract of service or other agreement with the corporation.

Section 5.4. Compensation. The compensation of all Officers of the corporation shall be fixed by the Board of Directors, or by the Chairman of the Board or President or Chief Executive Officer acting under authority delegated to him by the Board of Directors pursuant to Section 5.2 of these By-Laws.

Section 5.5. Authority and Duties. All Officers as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as maybe provided in these By-Laws, or, to the extent not so provided, as may be prescribed by the Board of Directors, or by the Chairman of the Board or President or Chief Executive Officer acting under authority delegated to him by the Board of Directors pursuant to Section 5.2 of these By-Laws.

Section 5.6. Chairman of the Board. The Chairman of the Board of Directors, if one is elected, shall preside over all meetings of the Board, shall perform all duties, incident to the office of the Chairman and shall perform such other duties as may from time to time be assigned to him by the corporation's by-laws, certificate of incorporation or Board of Directors. In the absence of the designation of a chief executive officer by the Board to the contrary, the Chairman shall function as the corporation's chief executive officer.

5.6.1. Chief Executive Officer. The Chairman of the Board, Vice-Chairman of the Board or President of the corporation may be designated by the Board as the chief executive officer of the corporation. He shall preside at all meetings of the stockholders if present thereat, and in the absence or non-election of a Chairman and Vice-Chairman of the Board of Directors, at all meetings of the Board of Directors, and shall have general supervision, direction and control of the business of the corporation. Except as the Board of Directors shall authorize the execution thereof in some other manner, he shall execute bonds, mortgages and other contracts on behalf of the corporation, and shall cause the seal to be affixed to any instrument requiring it and when so affixed the seal shall be attested by the signature of the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer.

5.6.2. Corporate Development Officer. The Chairman of the Board, Vice-Chairman of the Board, President or Executive Vice-President of the corporation may be designated by the Board as the corporate development officer of the corporation. The corporate development officer shall assist in the oversight and implementation of the Company's financial and capital structure and requirements and the consideration and implementation of the Company's acquisition strategy, and shall perform such other duties as may from time to time be assigned to him by the corporation's by- laws or Board.

Section 5.7. Vice-Chairman of the Board. The Vice-Chairman of the Board of Directors, if one is elected, shall preside over all meetings of the Board and shall perform all duties incident to the office of the Chairman in the absence of or non-election of the Chairman and shall perform such other duties as may from time to time be assigned to him by the corporation's by-laws, certificate of incorporation or Board.

Section 5.8. President. The President of the corporation shall have the general powers and duties of supervision and management of the operations of the corporation usually vested in the office of President of a corporation.

Section 5.9. The Secretary. The Secretary, or an Assistant Secretary, shall attend all meetings of the stockholders and the Board of Directors and shall record the minutes of all proceedings taken at such meetings, or maintain all documents evidencing corporate actions taken by written consent of the stockholders or of the Board of Directors, in a book to be kept for that purpose; and he shall perform like duties for any committees of the Board of Directors when required. He shall see to it that all notices of meetings of the stockholders and of special meetings of the Board of Directors are duly given in accordance with these By-Laws or as required by statute; he shall be the custodian of the seal of the corporation, and, when authorized by the Board of Directors, he shall cause the corporate seal to be affixed to any document requiring it, and, when so affixed, attested by his signature as Secretary; and he shall perform such other duties as may from time to time be prescribed by the Board of Directors.

Section 5.10. Treasurer. The Treasurer shall be the chief financial officer of the corporation and shall have custody of the corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the corporation. He shall deposit all moneys and other valuables in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, or the President, taking proper vouchers for such disbursements. He shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may request it, an account of all his transactions as Treasurer and of the financial condition of the corporation. If required by the Board of Directors, he shall give the corporation a bond for the faithful discharge of his duties in such amount and with such surety as the Board shall prescribe.

Section 5.11. Executive Vice-President. Each Executive Vice-President shall have such powers and shall perform such duties as shall be assigned to him by the Directors.

Section 5.12. Assistant Treasurers and Assistant Secretaries. Assistant Treasurers and Assistant Secretaries, if any, shall be elected and shall have such powers and shall perform such duties as shall be assigned to them, respectively, by the Directors.

ARTICLE VI

GENERAL PROVISIONS

Section 6.1. Dividends and Distributions; Reserves. Subject to all applicable provisions of law, the Certificate of Incorporation and any indenture or other agreement to which the corporation is a party or by which it is bound, the Board of Directors may declare to be payable, in cash, in other property or in shares of the corporation of any class or series, such dividends and distributions upon or in respect of outstanding shares of the corporation of any class or series as the Board may at any time or from time to time deem to be advisable. Before declaring any such dividend or distribution, the Board of Directors may cause to be set aside, out of any funds or other

property or assets of the corporation legally available for the payment of dividends or distributions, such sum or sums as the Board, in their absolute discretion, may consider to be proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board may deem conducive to the interest of the corporation, and the Board may modify or abolish any such reserve in the manner in which it was created.

Section 6.2. Checks, Notes, Etc. All checks or other orders for the payment of money, all notes or other instruments evidencing indebtedness of the corporation and all receipts for money paid to the corporation shall be signed, drawn, accepted, endorsed or otherwise executed on its behalf, as the case may be, in such manner and by such officer or Officers or such other person or persons as the Board of Directors may from time to time designate. The Board of Directors may authorize the use of facsimile signatures of any officer or employee in lieu of manual signatures.

Section 6.3. Fiscal Year. The fiscal year of the corporation shall be fixed, and may from time to time be changed, by resolution of the Board of Directors.

Section 6.4. Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, New Jersey." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

Section 6.5. Voting of Securities of Other Corporations. In the event that the corporation shall at any time or from time to time own and have power to vote any securities (including but not limited to shares of stock) of any other issuer, they shall be voted by such person or persons, to such extent and in such manner as may be determined by the Board of Directors.

ARTICLE VII

AMENDMENT

A majority of the whole Board of Directors shall have the power, by resolution, to amend or repeal these By-Laws or to adopt new by-laws; provided, however, that such power shall not divest the stockholders of the power, nor limit their power, to adopt, amend or repeal by-laws.

ARTICLE VIII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

Except to the extent expressly prohibited by the New Jersey Business Corporation Act, the corporation shall indemnify each person made or threatened to be made a party to any action or

proceeding, whether civil or criminal, by reason of the fact that such person or such person's testator or intestate is or was a director, officer or employee of the corporation, or serves or served at the request of the corporation, any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgment, fines, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred in connection with such action or proceeding, or any appeal therein, provided that no such indemnification shall be made if a judgment or other final adjudication adverse to such person establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled, and provided further that no such indemnification shall be required with respect to any settlement or other nonadjudicated disposition of any threatened or pending action or proceeding unless the corporation has given its prior consent to such settlement or other disposition.

The corporation may advance or promptly reimburse upon request any person entitled to indemnification hereunder for all expenses, including attorneys' fees, reasonably incurred in defending any action or proceeding in advance of the final disposition thereof upon receipt of an undertaking by or on behalf of such person to repay such amount if such person is ultimately found not to be entitled to indemnification or, where indemnification is granted, to the extent the expenses so advanced or reimbursed exceed the amount to which such person is entitled, provided, however, that such person shall cooperate in good faith with any request by the corporation that common counsel be utilized by the parties to an action or proceeding who are similarly situated unless to do so would be inappropriate due to actual or potential differing interests between or among such parties.

Nothing herein shall limit or affect any right of any person otherwise than hereunder to indemnification or expenses, including attorneys' fees, under any statute, rule, regulation, certificate of incorporation, by-law, insurance policy, contract or otherwise.

Anything in these by-laws to the contrary notwithstanding, no elimination of this by-law, and no amendment of this by-law adversely affecting the right of any person to indemnification or advancement of expenses hereunder shall be effective until the 60th day following notice to such person or such action, and no elimination of or amendment to this by-law shall deprive any person of his or her rights hereunder arising out of alleged or actual occurrences, acts or failures to act prior to such 60th day.

The corporation shall not, except by elimination or amendment of this by-law in a manner consistent with the preceding paragraph, take any corporate action or enter into any agreement which prohibits, or otherwise limits the rights of any person to, indemnification in accordance with the provisions of this by-law. The indemnification of any person provided by this by-law shall continue after such person has ceased to be a director, officer or employee of the corporation and shall inure to the benefit of such person's heirs, executors, administrators and legal representatives.

The corporation is authorized to enter into agreements with any of its Directors, Officers or employees extending rights to indemnification and advancement of expenses to such person to the fullest extent permitted by applicable law, but the failure to enter into any such agreement shall not affect or limit the rights of such person pursuant to this by-law, it being expressly recognized hereby that all Directors, Officers and employees of the corporation, by serving as such after the adoption hereof, are acting in reliance hereon and that the corporation is estopped to contend otherwise.

In case any provision in this by-law shall be determined at any time to be unenforceable in any respect, the other provisions shall not in any way be affected or impaired thereby, and the affected provision shall be given the fullest possible enforcement in the circumstances, it being the intention of the corporation to afford indemnification and advancement of expenses to its Directors, Officers and employees, acting in such capacities or in the other capacities mentioned herein, to the fullest extent permitted by law.

For purposes of this by-law, the corporation shall be deemed to have requested a person to serve an employee benefit plan where the performance by such person of his or her duties to the corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan, and excise taxes assessed on a person with respect to an employee benefit plan pursuant to applicable law shall be considered indemnifiable expenses. For purposes of this by-law, the term "corporation" shall include any legal successor to the corporation, including any corporation which acquires all or substantially all of the assets of the corporation in one or more transactions.

EXHIBIT 5.1

LETTERHEAD OF
GOLDSTEIN & DIGIOIA LLP
369 Lexington Avenue
New York, New York 10017
Telephone No. 212.599.3322
Facsimile No. 212.557.0295

December 19, 2001

TeamStaff, Inc.
300 Atrium Drive
Somerset, New Jersey 08873

Re: TeamStaff, Inc.
Registration Statement on Form S-3
File No. 333-74478

Dear Sir/Madam:

We have reviewed a Registration Statement on Form S-3 Amendment No.1 (the "Registration Statement") filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"), by TeamStaff, Inc., a New Jersey corporation (the "Company"), on November 15, 2001. The Registration Statement has been filed for the purpose of registering for offer and sale under the Act of an aggregate of 6,168,511 shares ("Shares") of common stock, $.001 par value of TeamStaff, Inc., which shares are presently issued and outstanding and held by certain of our shareholders and an additional 26,000 shares of common stock ("Warrant Shares") which we will issue upon the exercise of outstanding common stock purchase warrants held by the holders of outstanding warrants.

We have examined the Company's Certificate of Incorporation as amended, By-Laws and such documents, corporate records and questions of law as we have deemed necessary solely for the purpose of enabling us to render the opinions expressed herein. On the basis of such examination, we are of the opinion that:

1. The Company is a corporation duly organized and validly existing and in good standing under the laws of New Jersey, with corporate power to conduct the business which it conducts as described in the Registration Statement.

2. The Company has an authorized capitalization of 40,000,000 shares of Common Stock, par value $.001 per share and 5,000,000 shares of Preferred Stock, par value $.10 per share.

3. The Shares have been duly authorized and have been validly issued, fully paid and are non-assessable.

4. The Warrants constitute the legal and binding obligations of the Company in accordance with their terms and have been validly issued.

5. The Warrant Shares, when issued pursuant to the terms and conditions of the Warrants, as described in the Registration Statement, will be validly issued, fully paid and are non-assessable.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement and to reference to our firm under the caption "Legal Opinion" in the Prospectus forming a part of the Registration Statement.

Very truly yours,

/S/ GOLDSTEIN & DIGIOIA, LLP

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To TeamStaff, Inc.

As independent public accountants, we hereby consent to the incorporation by reference in this Form S-3 registration statement of our report dated December 29, 2000, included in TeamStaff, Inc.'s Form 10-K for the year ended September 30, 2000, and to all references to our Firm included in this registration statement.

December 19, 2001

/s/ ARTHUR ANDERSEN LLP

ARTHUR ANDERSEN LLP

EXHIBIT 23.2

CONSENT OF GOLDSTEIN & DIGIOIA LLP CONTAINED IN EXHIBIT 5

EXHIBIT 23.3

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Amendment No. 1 Registration Statement 333-74478 on Form S-3 of TeamStaff, Inc., dated December 19, 2001, of our report dated March 2, 2001, related to the financial statements of BrightLane.com, Inc. (a development stage company) and contained in Registration Statement No. 333-61730 of TeamStaff, Inc. on Form S-4.

We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia
December 19, 2001