
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 23, 2010

TeamStaff, Inc.

(Exact name of registrant as specified in its charter)

NEW JERSEY

(State or other Jurisdiction of
Incorporation)

0-18492

(Commission File Number)

22-1899798

(IRS Employer Identification No.)

**1 Executive Drive
Somerset, NJ**

(Address of Principal Executive Offices)

08873

(Zip Code)

Registrant's telephone number, including area code: **(866) 352-5304**

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry in to a Material Definitive Agreement.

On August 23, 2010, TeamStaff Government Solutions, Inc. (“TGS” or “Borrower”), a wholly-owned subsidiary of TeamStaff, Inc. (“TeamStaff”) and Presidential Financial Corporation (“Lender”) executed an amendment, dated as of August 17, 2010 (“Amendment”) to the Loan and Security Agreement, dated as of July 29, 2010 and the Secured Promissory Note, dated July 29, 2010. Pursuant to the Amendment, the parties agreed that for purposes of computing interest on payments received in the payment account by Lender from Borrower in payment of any loan obligation, the number of days shall be reduced from four (4) to three (3) Business Days after Lender’s receipt of advice of deposit in the payment account.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The description of the Amendment under Item 1.01 is incorporated into this item by reference.

Item 9.01 Financial Statements and Exhibits.

(d) The following exhibits are filed or furnished herewith.

<u>Exhibit No.</u>	<u>Description of Document</u>
10.1	Amendment to Secured Promissory Note and Loan and Security Agreement

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

TEAMSTAFF, INC.

By: /s/ Cheryl Presuto
Name: Cheryl Presuto
Title: Chief Financial Officer
Date: August 27, 2010

Exhibit Index

<u>Exhibit No.</u>	<u>Description of Document</u>
10.1	Amendment to Secured Promissory Note and Loan and Security Agreement

**AMENDMENT TO SECURED PROMISSORY NOTE
AND LOAN AND SECURITY AGREEMENT**

THIS FIRST AMENDMENT TO SECURED PROMISSORY NOTE AND LOAN AND SECURITY AGREEMENT (the "Agreement") is made as of this seventeenth day of August, 2010, by and among TeamStaff Government Solutions, Inc. a Georgia corporation, d/b/a TeamStaff Government Solutions; d/b/a TeamStaff Govt Solutions (the "Borrower"), and TeamStaff Inc. (the "Guarantor") and Presidential Financial Corporation, a Georgia corporation (the "Lender").

RECITALS

Pursuant to the Loan and Security Agreement dated July 29, 2010, ("Loan Agreement"), between the Borrower and the Lender, the Lender agreed to make available to the Borrower a line of credit in accordance with, and subject to, the provisions of the Loan Agreement. The Borrower's obligation to repay the line of credit, with interest and other fees and charges, is evidenced by the Secured Promissory Note dated July 29, 2010, in the principal amount of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) (the "Promissory Note"). The indebtedness, obligations and liabilities of the Borrower under and in connection with the line of credit are guaranteed by the Guarantor pursuant to the terms of the Corporate Guaranty Agreement dated July 29, 2010 executed by the Guarantor (the "Guaranty Agreement"). The Loan Agreement, Promissory Note, the Guaranty Agreement, and all documents now and hereafter executed by the Borrower, the Guarantor or any other party, to evidence, secure, or guaranty, in connection with the Borrower's indebtedness and obligation to Lender, are hereinafter referred to as the "Loan Documents."

For purposes of computing interest on payments received, the parties agree to amend the number of days subject to the terms and conditions of this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements of the parties hereinafter set forth, it is hereby mutually agreed as follows:

1. Acknowledgment of Recitals. Each of the parties hereto acknowledges that the above recitals are true and correct and incorporated herein by reference.

2. Application of Payments. For purposes of computing interest on payments received in the Payment Account the parties agree to reduce the number of days from four (4) to three (3), and hereby amend Section 4.3 of the Loan Agreement to read as follows:

"Lender may, in its discretion, apply, reverse and re-apply all Collections and other proceeds of Collateral or other payments received with respect to the Obligations, in such order and manner as Lender shall determine, whether or not the Obligations are due, and whether before or after the occurrence of a Default or an Event of Default. For purposes of determining Availability, funds received at the Remittance Address will be credited to the Loan Account upon Lender's receipt of notice that such items have been credited to the Payment Account, subject to final payment and collection; provided, however, that for purposes of computing interest on the Obligations, such items shall be deemed applied by Lender three Business Days after Lender's receipt of advice of deposit in the Payment Account, including such payments received by wire transfer, ACH or other electronic means to an account designated by Lender, in which case such items shall be deemed applied by Lender three Business Days after Lender's receipt of advice of deposit in the Payment Account. If, as the result of Lender's application of Collections to the Obligations as authorized by this Section 4.3 a credit balance exists in favor of Borrower (meaning that, on any date of determination, the collected balance of Collections after the applicable cutoff time on such date exceeds the outstanding principal balance of (and all interest, fees and other amounts payable with respect to) the Obligations after the applicable cutoff time on such date), such credit balance shall not accrue interest in favor of Borrower, but shall be available to, and promptly paid by Lender to Borrower upon Borrower's request, at any time or times for so long as no Default or Event of Default exists."

3. Amendment Fee. In consideration of the amendments set forth herein, Borrower unconditionally agrees to pay to Lender an amendment fee in the amount of \$0.00 (the "Amendment Fee"), which shall be fully earned and payable upon receipt of a fully executed copy of this Agreement from Borrower and acceptance of this agreement by Lender as set forth in paragraph 9 below. The amendment fee shall not be subject to refund, rebate or proration for any reason whatsoever, and shall be treated as an Advance and charged to the loan account on the same date of Effectiveness.

4. Representations and Warranties. In order to induce the Lender to enter into this Agreement, the Borrower and each of the Guarantor (collectively the "Obligors") represent and warrant to the Lender that as of the date hereof (a) no event of default exists under the provisions of the Loan Agreement, Promissory Note or the Guaranty Agreements or other Loan Documents, (b) all of the representations and warranties of the Obligors in the Loan Documents are true and correct on the date hereof as if the same were made on the date hereof, (c) the Collateral, as defined in the Loan Agreement, is free and clear of all assignments, security interest, liens and other encumbrances of any kind and nature whatsoever, except for those granted or permitted under the provisions of the Loan Documents, (d) the execution and performance by the Borrower under the Loan Agreement, as amended, will not (i) violate any provision of law, any order of any court or other agency of government, or the organizational documents and/or bylaws of Borrower, or (ii) violate any indenture, contract, agreement or other instrument to which the Borrower is party, or by which its property is bound, or be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such indenture, or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, and (e) this Agreement constitutes the legal, valid and binding obligations of the Obligors enforceable in accordance with its terms, except its enforceability may be limited by bankruptcy, insolvency or some other laws affecting the enforcement of creditors rights generally.

5. Ratification and No Novation; Validity of Loan Documents. The Obligors hereby ratify and confirm all of their obligations, liabilities and indebtedness under the provisions of the Loan Agreement, the Promissory Note, the Guaranty Agreements and the other Loan Documents, as the same may be amended and modified by this Agreement, and agrees to pay the indebtedness in accordance with the terms of the Loan Agreement, as amended and modified by this Agreement. The Lender and the Obligors each agrees that is their intention that nothing in this Agreement shall be construed to extinguish, release or discharge or constitute, create or affect a novation of, or an agreement to extinguish (a) any of the obligations, indebtedness and liabilities of the Obligors, or any other party under the provisions of the Loan Agreement, the Promissory Note, and such other Loan Documents, or (b) any assignment or pledge to the Lender of, or any security interest or lien granted to the Lender in, or on, any Collateral and security for such obligations, indebtedness, and liabilities. The Lender and the Obligors each agrees that the Lender shall have the absolute and unconditional right to demand payment of the Promissory Note in Lender's discretion at any time, regardless of the existence of any provisions hereof or of any compliance or noncompliance by Borrower with any such provision. The Obligors agree that all of the provisions of the Loan Agreement, the Promissory Note, and the other Loan Documents shall remain and continue in full force and effect, as the same may be modified and amended by this Agreement. In the event of any conflict between the provisions of this Agreement and the provisions of such other Loan Documents, the provisions of this Agreement shall control. Obligors have no existing claims, defenses (personal or otherwise) or rights of setoff whatsoever with respect to the Obligations of the Obligors under the Loan Documents. Each of the Obligors furthermore agrees that each of them has no defense, counterclaim, offset, cross-complaint, claim or demand of any nature whatsoever that can be asserted as a basis to seek affirmative relief and/or damages of any kind from the Lender.

6. **Release.** Borrower hereby releases Lender and its affiliates and their respective directors, officers, employees, attorneys and agents and any other Person affiliated with or representing Lender (the "**Released Parties**") from any and all liability arising from acts or omissions under or pursuant to this Agreement, whether based on errors of judgment or mistake of law or fact, except for those arising from willful misconduct. In no circumstance will any of the Released Parties be liable for lost profits or other special or consequential damages. Such release is made on the date hereof and remade upon each request for an Advance by Borrower.

7. **Applicable Law, Binding Effect, etc.** This Agreement shall be governed by the laws of the State of Georgia and may be executed in any number of duplicate originals and counterparts, each of which, and all taken together, shall constitute one and the same instrument. This Agreement shall be binding upon, and inure to the benefit of, the Lender, the Borrower, and each of the Guarantor and their respective successors, heirs and assigns.

8. **Expenses.** Borrower hereby agrees to pay all out-of-pocket expense incurred by Lender in connection with the preparation, negotiation and consummation of this Agreement, and all other documents related thereto (whether or not any borrowing under the Loan Agreement as amended shall be consummated), including, without limitation, the fees and expenses of Lender's counsel.

9. **Effectiveness of this Agreement.** This Agreement shall not be effective until the same is executed and accepted by Lender.

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IN WITNESS WHEREOF, the Lender, the Borrower, and each of the Guarantor have caused this Agreement to be duly executed, under seal, as of the day and year first above written.

BORROWER:

**TEAMSTAFF GOVERNMENT SOLUTIONS, INC. D/B/A
TEAMSTAFF GOVERNMENT SOLUTIONS; D/B/A
TEAMSTAFF GOVT SOLUTIONS**

By: /s/ Zachary C. Parker
Zachary C. Parker, CEO

GUARANTOR:

TEAMSTAFF INC.

By: /s/ Zachary C. Parker
Zachary C. Parker, CEO

LENDER:

Presidential Financial Corporation

By: /s/ Yung Simmons
Assistant Vice President