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**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): July 29, 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 July 29, 2010, TeamStaff Government Solutions, Inc. (“TGS”), a wholly-owned subsidiary of TeamStaff, Inc. (“TeamStaff”) entered into a \$1,500,000 loan and security agreement, as described below under Item 2.03. The description of the loan (and related transactions) under Item 2.03 is incorporated into this item by reference.

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

On July 29, 2010, TeamStaff Government Solutions, Inc. (“TGS”), a wholly-owned subsidiary of TeamStaff, Inc. (“TeamStaff”) entered into a Loan and Security Agreement dated as of July 29, 2010 (the “Loan Agreement”) with Presidential Financial Corporation (the “Lender”).

Under the Loan Agreement, the Lender agreed to provide a two (2) year loan and security facility to TGS in an aggregate amount of up to \$1,500,000, upon the terms and subject to the conditions of the Loan Agreement. The loan is secured by a security interest and lien on all of the TGS’s accounts, account deposits, letters of credit and investment property, chattel paper, furniture, fixtures and equipment, instruments, investment property, general intangibles, deposit accounts, inventory, other property, all proceeds and products of the foregoing (including proceeds of any insurance policies and claims against third parties for loss of any of the foregoing) and all books and records related thereto. TGS’s ability to request loan advances under the Loan Agreement is subject to (i) computation of TGS’s advance availability limit based on “eligible accounts receivables” (as defined in the Loan Agreement) multiplied by the “Accounts Advance Rate” established by the Lender which initially shall be 85% and may be increased or decreased by the Lender in exercise of its discretion; and (ii) compliance with the covenants and conditions of the loan. The loan is for a term of 24 months and matures on July 29, 2012. Interest on the loan accrues on the daily unpaid balance of the loan advances at the greater of (i) one point ninety-five percent (1.95%) above the Prime Rate as quoted in effect in The Wall Street Journal from time to time or (ii) three point two-five percent (3.25%) per annum. The initial interest rate shall be five point two-zero percent (5.20%). In addition, TGS will pay Lender certain other related fees and expense reimbursements including a monthly service charge of zero point six-five percent (0.65%) based on the average daily loan balance which shall accrue daily and be due and payable on the last day of each month so long as the Loan Agreement is outstanding.

The Loan Agreement requires compliance with customary covenants and restrictions on the Company’s ability to, among other things, dispose of certain assets, engage in certain transactions, incur indebtedness and pay dividends, and TGS’s tangible net worth. The Loan Agreement also provides for customary events of default following which, the Lender may, at its option, accelerate the amounts outstanding under the Loan Agreement.

TeamStaff has concurrently executed a Corporate Guaranty Agreement with Lender pursuant to which it has guaranteed all of the obligations of TGS under the Loan Agreement.

On August 3, 2010, the Company issued a press release announcing the closing of the Loan Agreement. A copy of the press release is filed as Exhibit 99.1 to this Current Report. The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the Loan Agreement, the secured promissory note issued to the Lender and the Corporate Guaranty Agreement which will be attached as exhibits to the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2010.

**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>
99.1	Press Release dated August 3, 2010

**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 3, 2010

**Exhibit Index**

<u>Exhibit No.</u>	<u>Description of Document</u>
99.1	Press Release dated August 3, 2010

# TEAMSTAFF INC.

FOR IMMEDIATE RELEASE

**CONTACTS:**

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**TEAMSTAFF INC. SECURES NEW \$1.5 MILLION LOAN AND SECURITY AGREEMENT**  
*Presidential Financial Corporation to provide TeamStaff Government Solutions  
 with working capital facility*

**Somerset, New Jersey — August 03, 2010 — TeamStaff, Inc., (NASDAQ: TSTF)**, a leading logistics and healthcare services provider to the Federal Government and Department of Defense, announced today that its subsidiary, TeamStaff Government Solutions, Inc., has entered into a \$1.5 million loan and security agreement with Alpharetta, Georgia-based Presidential Financial Corporation ("Presidential"). The term of the loan is 2 years and will provide the company with a working capital facility to fund ongoing business operations.

Tom Matthesen, Chief Executive Officer of Presidential stated, "We are very pleased that TeamStaff has chosen Presidential as its financial partner. We are proud to be part of TeamStaff's continued success as one of the leading healthcare, logistics and staff augmentation service providers to the U.S. government. We are big supporters of this industry, and with its quality management team and track record of success, TeamStaff exhibits the qualities we look for in a client."

Cheryl Presuto, Chief Financial Officer of TeamStaff, commented: "We are pleased with the terms of our new credit facility and look forward to working with Presidential, our new lending partner. This new facility gives TeamStaff the financial flexibility necessary to continue its strategic focus on expansion into new government markets and allows us to invest in the infrastructure required for successful growth."

**About Presidential Financial Corp.**

Presidential Financial Corporation ([www.presidentialfinancial.com](http://www.presidentialfinancial.com)) specializes in asset-based credit lines for commercial businesses, secured by accounts receivable and inventory. The firm's clients include staffing companies, government contractors, service businesses, manufacturing companies, wholesalers and distributors, and technology companies, among others. Presidential's Healthcare Division, Presidential Healthcare Credit, provides receivables-based facilities for healthcare providers. Headquartered in Atlanta and founded in 1981, the company serves clients nationwide.

**About TeamStaff, Inc.**

Headquartered in Somerset, New Jersey, TeamStaff serves clients and their employees throughout the United States as a full-service provider of logistics and healthcare support services through its subsidiary, TeamStaff GS. TeamStaff GS specializes in providing medical, logistic, information technology and office administration professionals through nationwide Federal Supply Schedule contracts with both the United States General Services Administration and the United States Department of Veterans Affairs. For more information, visit the TeamStaff web site at [www.teamstaff.com](http://www.teamstaff.com).

**"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995:**

*This press release contains "forward-looking statements" as defined by the Federal Securities Laws. Statements in this press release regarding TeamStaff, Inc.'s business, which are not historical facts are "forward-looking statements" that involve risks and uncertainties. TeamStaff's actual results could differ materially from those described in such forward-looking statements as a result of certain risk factors and uncertainties, including but not limited to: our ability to continue to recruit and retain qualified temporary and permanent healthcare professionals and administrative staff on acceptable terms; our ability to enter into contracts with government agencies and other customers on terms attractive to us and to secure orders related to those contracts; changes in the timing of customer orders for placement of temporary and permanent healthcare professionals and administrative staff; the overall level of demand for our services; our ability to successfully implement our strategic growth, acquisition and integration strategies; the effect of existing or future government legislation and regulation; the loss of key officers and management personnel that could adversely affect our ability to remain competitive; other regulatory and tax developments; and the effect of other events and important factors disclosed previously and from time-to-time in TeamStaff's filings with the U.S. Securities Exchange Commission. For a discussion of such risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's periodic reports filed with the SEC. The information in this release should be considered accurate only as of the date of the release. TeamStaff expressly disclaims any current intention to update any forecasts, estimates or other forward-looking statements contained in this press release.*

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