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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): March 31, 2011**

**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: **(877) 523-9897**

(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 into a Material Definitive Agreement.**

On March 31, 2011, TeamStaff, Inc. (the “Company”) entered into a Securities Purchase Agreement (the “Purchase Agreement”) with a limited number of accredited investors pursuant to which the Company sold an aggregate of \$225,000 of shares of its Common Stock to such persons in a private transaction (the “Equity Investment”). The purchasers participating in the transaction are members of the Company’s board of directors and management team (the “Purchasers”). Pursuant to the Purchase Agreement, the Company sold to the Purchasers a total of 459,181 shares of its Common Stock. The transaction closed on March 31, 2011.

The members of the Company’s Board of Directors and management team who participated in the Equity Investment were Frederick G. Wasserman, Peter J. Black, William H. Armstrong, Martin J. Delaney, Zachary C. Parker, John E. Kahn, John F. Armstrong and Kevin Wilson. Each Purchaser agreed to purchase \$25,000 of Common Stock other than Mr. Black, who agreed to purchase \$50,000 of Common Stock. Of the Purchasers, Messrs. Alderman, Kahn and Wilson agreed with the Company to pay the purchase price for the shares of Common Stock by granting a credit to the Company for an amount equal to the purchase price and authorizing the Company to apply such credit against any obligation of the Company to such person within twelve months of the closing date, except for base salary. The Company will hold the Common Stock purchased by these purchasers as security for the payment of the purchase price until it is paid in full. Such persons also agreed that in the event the credit is insufficient to pay the purchase price in full, upon the one year anniversary of the closing date, such purchaser will surrender to the Company for cancellation such number of shares of Common Stock as is equal to the amount of the credit remaining divided by the purchase price. The Equity Investment was approved by the members of the Company’s Board of Directors that are independent of the other involved parties in accordance with the Company’s policy for approving related-party transactions. Total cash proceeds to the Company were \$150,000 and the Company intends to use these proceeds for general working capital.

**Item 3.02 Unregistered Sales of Equity Securities.**

The information set forth in “Item 1.01. Entry into a Material Definitive Agreement” regarding the Equity Investment is incorporated herein by reference. Based in part upon the representations of the Purchasers in the Purchase Agreement, the shares of Common Stock were offered and sold in a private placement to accredited investors (as such term is defined in Rule 501(a), as promulgated under the Securities Act of 1933, as amended), without registration under the Securities Act and the securities laws of certain states, in reliance on the exemption provided by Section 4(2) of the Securities Act and similar exemptions under applicable state laws. The securities sold in the Equity Investment may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

**Item 8.01 Other Events.**

On April 5, 2011, the Company issued a press release announcing the Equity Investment. The full text of the press release issued in connection with this announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits**

| <b>Exhibit No.</b> | <b>Description</b>               |
|--------------------|----------------------------------|
| <b>99.1</b>        | Press Release of TeamStaff, Inc. |

**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: Zachary C. Parker  
Name: Zachary C. Parker  
Title: President and Chief Executive Officer

Date: April 5, 2011

**EXHIBIT INDEX**

| <b>Exhibit<br/>Number</b> | <b>Description</b>               |
|---------------------------|----------------------------------|
| 99.1                      | Press Release of TeamStaff, Inc. |

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# TEAMSTAFF INC.

FOR IMMEDIATE RELEASE

**CONTACTS:**

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John E. Kahn, Chief Financial Officer  
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**TEAMSTAFF IMPROVES LIQUIDITY AND CAPITAL STRUCTURE WITH DIRECT INVESTMENT FROM MANAGEMENT**

**– Company’s Line of Credit Expanded to \$3.0 Million –**

**Somerset, New Jersey – April 5, 2011 — TeamStaff, Inc., (Nasdaq: TSTF)**, a leading logistics and healthcare services provider to the Federal Government primarily within the Departments of Defense and Veterans Affairs, announced today that it has improved its liquidity and capital structure in recent weeks. Most recently, the Company entered into a securities purchase agreement with certain members of the Company’s board of directors and management team. Total cash proceeds to the Company were \$150,000 in consideration for 306,121 common shares. In addition to the cash proceeds, three participants elected to purchase in total \$75,000 of additional shares by granting a credit to the Company for an amount equal to the purchase price and authorizing the Company to apply this credit against any obligation of the Company to such person within 12-months of the closing date, except for base salary. The Company intends to use these proceeds for general working capital.

Also, as we recently reported, TeamStaff improved its capital structure by increasing the maximum availability under its line of credit to \$3.0 million, up from \$2.5 million, through its lender, Presidential Financial Corporation. As part of this arrangement, the Company’s lender agreed to provide a credit facility against the Company’s unbilled receivables, subject to a limit of \$500,000, and also extended the term of the loan agreement by 12 months, to July 2013.

Chief Executive Officer of Presidential Financial, Tom Matthesen, stated, “We are pleased to extend further credit to TeamStaff, which has been an excellent partner to work with. We are looking forward to a long-term relationship and assisting the Company in its growth efforts as a leading healthcare, logistics and staff augmentation service provider to the U.S. government.”

“I’m pleased to report that TeamStaff has been successful in strengthening its liquidity and capital structure in recent weeks. A direct investment from the board of directors and our management team speaks volumes as to what we believe is the true value of TeamStaff. In addition, we are also appreciative of our relationship with Presidential Financial and grateful to obtain this expansion in our line of credit that we intend to use to advance our strategic plan,” said TeamStaff President and Chief Executive Officer Zachary Parker.

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## About TeamStaff, Inc.

TeamStaff serves clients and their employees throughout the United States as a full-service provider of logistics and healthcare support services. TeamStaff specializes in providing high quality healthcare, logistics, and technical services to Federal agencies and the Department of Defense. For more information, visit the TeamStaff corporate web site at [www.teamstaff.com](http://www.teamstaff.com) or the TeamStaff Government Solutions web site at [www.teamstaffgs.com](http://www.teamstaffgs.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 qualified healthcare and other professionals and administrative staff at reasonable costs; our ability to obtain any needed financing; our ability to attract and retain sales and operational personnel; our ability to secure contract awards, including the ability to secure renewals of contracts under which we currently provide services; our ability to enter into contracts with United States Government facilities and agencies on terms attractive to us and to secure orders related to those contracts; changes in the timing of orders for and our placement of professionals and administrative staff; the overall level of demand for the services we provide; the variation in pricing of the contracts under which we place professionals; our ability to manage growth effectively; the performance of our management information and communication systems; the effect of existing or future government legislation and regulation; changes in government and customer priorities and requirements (including changes to respond to the priorities of Congress and the Administration, budgetary constraints, and cost-cutting initiatives); economic, business and political conditions domestically; the impact of medical malpractice and other claims asserted against us; the disruption or adverse impact to our business as a result of a terrorist attack; the loss of key officers, and management personnel; the competitive environment for our services; the effect of recognition by us of an impairment to goodwill and intangible assets; other tax and regulatory issues and developments; the effect of adjustments by us to accruals for self-insured retentions; 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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