
**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): November 2, 2009

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 3.02 Unregistered Sales of Equity Securities.

The information required to be disclosed in this Item 3.02 concerning the grant of restricted stock awards to Mr. Rick J. Filippelli is incorporated herein by reference from Item 5.02.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 3, 2009, TeamStaff, Inc., (the “Registrant” or “TeamStaff”) announced in a press release that Mr. Rick J. Filippelli, who has served as the Registrant’s President and Chief Executive Officer since January 2007, has informed the Board of his intent to resign from such positions in connection with the Registrant’s strategic shift in its current business plan. Mr. Filippelli’s resignation as President and Chief Executive Officer will become effective at the end of January 2010. Mr. Filippelli has agreed to assist the Registrant with its transition to a new Chief Executive Officer. The Registrant’s Board has established a search committee to identify candidates for Chief Executive Officer.

In connection with the foregoing, on November 2, 2009, the Registrant entered into a new employment agreement with Mr. Filippelli, the material terms of which are summarized below. As used in the following summary, the term “Executive” shall refer to Mr. Filippelli. The following description of this employment is qualified in its entirety by reference to the full text of such agreement. The new employment agreement supersedes and replaces the employment agreement that the Company entered into with Mr. Filippelli on April 17, 2008.

- The new employment agreement is dated November 2, 2009, is effective as of October 1, 2009 and expires January 31, 2010, unless both parties agree to extend the term. Under the employment agreement, the Executive will receive a base salary of \$290,000 and may receive a bonus in the sole discretion of the Management Resources and Compensation Committee of the Board of Directors.
- Under the new employment agreement, Mr. Filippelli was granted options to purchase 30,000 shares of common stock. The options are exercisable for five years from the date of grant and vest upon the termination date, as defined in the new employment agreement, provided the Executive complies with the obligations described therein. The exercise price of the options shall be equal to closing price of the Registrant’s common stock on the execution date of the new employment agreement.
- In the event of a termination of Executive’s employment by the Executive for good reason (as defined in the employment agreement), (a) the Executive’s right to purchase shares of common stock of the Registrant pursuant to any stock option or stock option plan shall immediately fully vest and become exercisable, (b) the exercise period in which he may exercise his options to purchase common stock shall be extended to the duration of their original term, as if he remained an employee of the Company, and (c) the terms of such options shall be deemed amended to reflect the foregoing provisions. Further, in the event of a termination of the Executive’s employment for cause, options granted and not exercised as of the termination date shall terminate immediately and be null and void. In the event of a termination of Executive’s employment due to his death or disability, the Executive’s (or his estate’s or legal representative’s) right to exercise any stock option, to the extent vested as of the termination date, shall remain exercisable for a period of twelve (12) months following the termination date, but in no event after the expiration of the exercise period. In the event of a termination of Executive’s employment other than for good reason, his right to exercise the stock options, to the extent vested as of the termination date, shall remain exercisable for a period of three months following the termination date, but in no event after the expiration of the exercise period.
- The employment agreement further provides that in the event of a change in control (as defined in the employment agreement), or termination without cause by the Registrant or for good reason (as defined in the employment agreement) by the Executive, the conditions to the vesting of any outstanding restricted stock awards granted to the Executive shall be deemed void and all such shares shall be immediately and fully vested and delivered to the Executive.

- In the event of the termination of employment by us without “cause” or by the Executive for “good reason,” as those terms are defined in the employment agreement, or in the event his employment is terminated due to his disability, the Executive would be entitled to: (a) a severance payment of 12 months of base salary; (b) continued participation in our health and welfare plans for a period not to exceed 18 months from the termination date; and (c) all compensation accrued but not paid as of the termination date. In the event of the termination of his employment due to his death, the Executive’s estate would be entitled to receive all compensation accrued but not paid as of the termination date and continued participation in our health and welfare plans for a period not to exceed 18 months from the termination date. If the Executive’s employment is terminated by us for “cause” or by him without “good reason,” he is not entitled to any additional compensation or benefits other than his accrued and unpaid compensation.

- In the event that within 180 days of a “Change in Control”, as defined in the employment agreement, (a) the Executive is terminated, or (b) his status, title, position or responsibilities are materially reduced and the Executive terminates his employment, the Company shall pay and/or provide to the Executive, the following compensation and benefits:

(A) The Company shall pay the Executive, in lieu of any other payments due hereunder, (i) the accrued compensation; (ii) the continuation benefits; and (iii) as severance, base salary for a period of 12 months, payable in one lump sum following the termination date; and

(B) The conditions to the vesting of any outstanding incentive awards (including restricted stock, stock options and granted performance shares or units) granted to the Executive under any of the Company’s plans, or under any other incentive plan or arrangement, shall be deemed void and all such incentive awards shall be immediately and fully vested and exercisable. Further, any such options shall be deemed amended to provide that in the event of termination after a change of control, the options shall remain exercisable for the duration of their term.

- Notwithstanding the foregoing, if the payments due in the event of a change in control would constitute an “excess parachute payment” as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”), the aggregate of such credits or payments under the employment agreement and other agreements shall be reduced to the largest amount as will result in no portion of such aggregate payments being subject to the excise tax imposed by Section 4999 of the Code. The priority of the reduction of excess parachute payments shall be in the discretion of the Executive.

- Pursuant to the employment agreement, the Executive is subject to customary confidentiality, non-solicitation of employees and non-competition obligations that survive the termination of such agreement.

Item 8.01 Other Events.

As stated above, on November 3, 2009, the Registrant issued a press release announcing that the Registrant completed a strategic review of its businesses and, along with Mr. Filippelli, concluded that the interests of its shareholders would best be served by focusing the Registrant’s resources on the development and expansion of the Registrant’s TeamStaff Government Solutions subsidiary. In connection with this conclusion, the Registrant’s Board of Directors and Chief Executive Officer agreed that the Registrant should employ a new Chief Executive Officer with a background in the government services industry. A copy of this press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

The following exhibit is attached to this Form 8-K:

(d)	<u>Exhibit No.</u>	<u>Description</u>
	99.1	Press Release dated November 3, 2009

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: November 5, 2009

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1 Press Release dated November 3, 2009.

TEAMSTAFF INC.

FOR IMMEDIATE RELEASE

CONTACTS:

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TeamStaff Announces Revised Business Strategy; Chief Executive Officer to Step Down on Completion of Search for Successor

SOMERSET, N.J., Nov. 3 /PRNewswire-FirstCall/ — TeamStaff, Inc. (Nasdaq: [TSTE](#) — [News](#)), a national provider of healthcare and administrative staffing services, today announced that the Company has completed an in-depth strategic review of its businesses in light of recent economic conditions, trends in government spending, and changing dynamics in the healthcare market. The analysis was performed by a newly formed strategic planning committee of the board of directors and the executive management team led by Rick J. Filippelli, the Company's Chief Executive Officer, and with the assistance of two management consulting firms. Each business unit of the Company was evaluated for their future prospects, and various initiatives to achieve sustainable earnings growth were considered. Based on this review, it was concluded that the interests of the shareholders would be best served by focusing the Company's resources on the development and expansion of the Company's core government staffing subsidiary, TeamStaff Government Solutions.

To implement this strategic shift in the Company's business plans, the board and Mr. Filippelli mutually agreed that a change of leadership to an executive with experience and relationships in the governmental services industry would provide the new strategy with the best opportunity for success. Accordingly, Mr. Filippelli has elected to resign his position with TeamStaff effective at the end of January 2010 and assist with the transition to a new Chief Executive Officer. The board has also created a search committee and retained DHR International to identify potential candidates for Chief Executive Officer.

About TeamStaff, Inc.

Headquartered in Somerset, New Jersey, TeamStaff serves clients and their employees throughout the United States as a full-service provider of medical and administrative staffing through its two subsidiaries, TeamStaff GS and TeamStaff Rx. 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. TeamStaff Rx is a leading provider of travel nursing and travel allied healthcare professionals. TeamStaff Rx operates throughout the U.S. and specializes in the supply of travel allied medical employees and travel nurses typically placed on 13 week assignments. For more information, visit the TeamStaff web site at 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. These forward-looking statements are based on the Company’s expectations and are subject to risks and uncertainties that cannot be predicted or quantified and are beyond the Company’s control, including the potential that (1) the Company may not achieve compliance with the Nasdaq MVPHS requirement for continued listing on the Nasdaq Global Market, (2) the Company may be considered below criteria with respect to other continued listing standards of the Nasdaq Stock Market, and (3) that a transfer to the Nasdaq Capital Market, if requested, may not be approved. 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 hospitals, healthcare facility clients, affiliated healthcare networks, physician practice groups, 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 Annual Report or Form 10-K for the most recently ended fiscal year and its other filings 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.