

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A  
Amendment No. 1

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 31, 2001

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

New Jersey (State or other jurisdic- tion of incorporation)	0-18492 (Commission File Number)	22-1899798 (IRS Employer Identification No.)
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300 Atrium Drive, Somerset, N.J. (Address of principal executive offices)	08873 (Zip Code)
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Registrant's telephone number, including area code (732) 748-1700

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

N/A

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

As previously reported on Form 8-K filed with the Commission on September 7, 2001, TeamStaff, Inc.(the "Company") completed its previously announced transaction with 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. The transaction was effective on Friday, August 31, 2001.

This Amendment to Form 8-K has been filed to include certain Financial Information in accordance with Form 8-K reflecting the acquisition of BrightLane.com, Inc.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

a. Financial Statements of Businesses Acquired.

Pursuant to Item 7 of Form 8-K, the following financial statements are filed herewith:

99.1 BrightLane.com, Inc. Financial Statements as of December 31, 1999 and 2000 and the Period May 7, 1999 (date of inception) through December 31, 1999, for the year ended December 31, 2000 and the period May 7, 1999 (date of inception) through December 31, 2000, together with Auditors' Report (previously filed as Appendix G to the proxy statement/prospectus filed with the Commission on August 3, 2001 included in the Registration Statement on Form S-4 Commission File No. 333-61730).

99.2 BrightLane.com, Inc. Unaudited Balance Sheet as of June 30, 2001 and Statements of Operations and Cash Flows for the six months ended June 30, 2000 and 2001.

b. Pro Forma Financial information.

99.3 Pursuant to Item 7 of Form 8-K, the Company has annexed hereto the Unaudited Pro Forma financial information including the Unaudited Pro Forma Consolidated Balance Sheet as of June 30, 2001, the unaudited Pro Forma Consolidated Statements of Operations for the year and the nine months ended June 30, 2001 and the notes to the Unaudited Pro Forma Consolidated Financial Statements.

c. Exhibits.

23.1 Consent of DeLoitte & Touche, LLP, independent auditors of BrightLane.com, Inc. with respect to the fiscal years ended December 31, 1999 and 2000.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment No. 1 to Report on Form 8K to be signed on its behalf by the undersigned hereunto duly authorized.

TEAMSTAFF, INC.

By: /s/ Donald W. Kappauf

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Donald W. Kappauf  
Chief Executive Officer

By: /s/ Donald T. Kelly

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Donald T. Kelly  
Chief Financial Officer

Dated: November 1, 2001

BrightLane.com, Inc. (a Development Stage Company)  
 Balance Sheets  
 As of June 30, 2001 and December 31, 2000 Unaudited

	June 30, 2001	December 31, 2000
	-----	-----
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 12,857,321	\$ 18,967,048
Accounts receivable	66,259	22,723
Related party receivables	--	3,829
Prepays and other current assets	114,648	268,418
	-----	-----
Total current assets	13,038,228	19,262,018
Property and equipment, net	1,058,513	1,392,432
Restricted funds	551,442	537,054
Goodwill	82,236	117,480
Investment in TeamStaff Preferred Stock	3,500,000	--
Intangibles and other assets	520,443	661,808
	-----	-----
	\$ 18,750,861	\$ 21,970,792
	=====	=====
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 365,882	\$ 430,770
Capital lease obligations, current portion	17,252	19,892
Unearned revenue	98,333	59,167
	-----	-----
Total current liabilities	481,467	509,829
Long-term debt		
Capital lease obligations	20,631	31,198
	-----	-----
	502,098	541,027
<b>STOCKHOLDERS' EQUITY</b>		
Stockholders' equity:		
Preferred stock	40,157,180	38,281,180
Common stock	1,438,957	1,438,957
Accumulated deficit	(23,347,374)	(18,290,372)
	-----	-----
Total stockholders' equity	18,248,763	21,429,765
	-----	-----
	\$ 18,750,861	\$ 21,970,792
	=====	=====

The accompanying notes to financial statements are an integral part of these financial statements

BrightLane.com, Inc.  
 Statements of Operations  
 For the Six Month Periods Ended June 30, 2001 and 2000 and the period from May  
 7, 1999 (Date of Inception) through June 30, 2001 Unaudited

	June 30, 2001 -----	June 30, 2000 -----	Period May 7, 1999 (Date of Inception) Through June 30, 2001 -----
Net Revenues	\$ 159,619	\$ 58,521	\$ 364,019
Cost Of Revenues	135,779	49,678	313,897
Gross Profit	----- 23,840 -----	----- 8,843 -----	----- 50,122 -----
Operating Expenses			
Operating Expenses	3,252,591	9,194,481	21,918,646
Depreciation & Amortization	529,984	330,312	1,670,731
Total Operating Expenses	----- 3,782,575 -----	----- 9,524,793 -----	----- 23,589,377 -----
Loss From Operations	(3,758,736)	(9,515,950)	(23,539,255)
Interest & Other Income	577,734	378,370	2,114,816
Net Loss	----- (3,181,002) -----	----- (9,137,580) -----	----- (21,424,439) -----
Charge Related to Contingent Warrants	(1,876,088)	--	(1,876,088)
Net Loss Attributable to Common Stockholders	----- \$ (5,057,090) =====	----- \$ (9,137,580) =====	----- \$(23,300,527) =====
Net Loss Per Share:			
Basic	(1.04)	(1.89)	(5.24)
Diluted	(1.04)	(1.89)	(5.24)
Shares Used for Computing Net Loss Per Share:			
Basic	4,841,400	4,841,400	4,449,231
Diluted	4,841,400	4,841,400	4,449,231

The accompanying notes to financial statements are an integral part of these financial statements

BrightLane.com, Inc.  
 Statements of Cash Flows  
 For the Six Month Periods Ended June 30, 2001 and 2000 and the period from May  
 7, 1999 (Date of Inception) through June 30, 2001 Unaudited

	June 30, 2001	June 30, 2000	Period May 7, 1999 (Date of Inception) Through June 30, 2001
	-----	-----	-----
<b>OPERATING ACTIVITIES:</b>			
Net Loss	\$ (3,181,003)	\$ (9,137,578)	\$(21,424,441)
Adjustments for items not effecting cash			
Depreciation	353,373	295,068	1,198,008
Amortization	176,610	35,244	472,722
Loss on disposal of fixed assets	--	--	195,221
Noncash compensation	--	--	1,063,296
	-----	-----	-----
Changes in Components of Working Capital			
Accounts receivable	(39,707)	(3,598)	(66,259)
Prepaid expenses and other current assets	153,769	(1,296,167)	(114,649)
Other assets	--	(438,113)	(895,641)
Accounts payable	(32,975)	(374,240)	365,882
Other current liabilities	(31,913)	--	--
Unearned revenue	39,167	--	98,334
	-----	-----	-----
Net cash used in operating activities	(2,562,679)	(10,919,384)	(19,107,527)
	-----	-----	-----
<b>INVESTING ACTIVITIES:</b>			
Purchases of property and equipment	(19,454)	(371,748)	(2,402,006)
Purchases of long-term certificates of deposit	(14,387)	(12,700)	(517,877)
Acquisition, net of cash acquired	--	--	(180,486)
Proceeds from sale of fixed assets	--	--	6,715
Purchase of TeamStaff Preferred Stock	(3,500,000)	--	(3,500,000)
	-----	-----	-----
Net cash used in investing activities	(3,533,842)	(384,448)	(6,593,654)
	-----	-----	-----
<b>FINANCING ACTIVITIES:</b>			
Proceeds from stock issuances	--	--	19,059,730
Proceeds from Long-Term Debt and Capital Lease Obligations	--	21,991	19,519,156
Proceeds from exercising stock options	--	--	19,200
Payment on Long-Term Debt and Capital Lease Obligations	(13,207)	(10,371)	(39,584)
Costs Related to Preferred Stock Issuance	--	--	--
	-----	-----	-----
Net cash provided by/(used in) financing activity	(13,207)	11,620	38,558,502
	-----	-----	-----
(DECREASE)INCREASE IN CASH AND CASH EQUIVALENTS	(6,109,727)	(11,292,212)	12,857,321
	-----	-----	-----
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of Period	18,967,048	19,254,095	--
	-----	-----	-----
End of month	\$ 12,857,321	\$ 7,961,883	\$ 12,857,321
	=====	=====	=====
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>			
Cash paid during the period for:			
Interest	\$ 503	\$ 959	\$ 6,883
<b>SUPPLEMENTAL INFORMATION REGARDING NONCASH INVESTING AND FINANCING ACTIVITIES:</b>			
Acquisition of property and equipment under capital leases	\$ --	\$ --	\$ 58,311
	=====	=====	=====
Issuance of common stock and stock options in connection with acquisition	\$ --	\$ --	\$ 19,495,025
	=====	=====	=====

The accompanying Notes to Interim Financial Statements are an integral part of these financial statements

#### BASIS OF PRESENTATION

The accompanying Brightlane.com, Inc (the "Company") unaudited interim condensed financial statements and related notes thereto have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to such rules and regulations. The accompanying interim condensed financial statements and related notes thereto should be read in conjunction with the Company's audited financial statements and related notes included in Resitration Statement No. 333-61730 of Teamstaff, Inc..

The information furnished is unaudited, but reflects, in the opinion of management, all adjustments, consisting of only normal recurring items, necessary for a fair presentation of the results for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

#### CONTINGENT WARRANTS

In January 2001, the contingency period ended with respect to contingent warrants issued with the series C preferred stock and the warrants were exercised. Consequently, Brightlane has recorded a charge of \$1,876,088 to accumulated deficit reflecting the value of the warrants and beneficial conversion feature associated with the warrants.

#### NET LOSS PER SHARE

Historical basic and diluted earnings per share are calculated using the weighted average shares of common stock outstanding, reduced for shares subject to repurchase by the Company. For the six months ended June 30, 2001 and 2000, stock options and warrants totaling 2,576,480 and 3,809,340 shares respectively and preferred stock totaling 2,292,457 and 38,390 (see Note 8 to the December 31, 2000 financial statements), shares respectively, are excluded from the calculation of diluted net loss per share as they would be anti-dilutive.

#### ACQUISITION BY TEAM STAFF

On March 6, 2001, the Company signed a Plan and Agreement of Merger with TeamStaff, Inc., a New Jersey Corporation. Under the terms of the agreement, a subsidiary of TeamStaff will merge with the Company and issue to the shareholders of the Company 8,066,631 shares of TeamStaff common stock. It is expected that the Company's shareholders will own as much as 49.9% of the combined entity following closing. This transaction closed on August 31, 2001.

#### NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board issued Statement of Financial

Accounting Standards No. 133 ("SFAS No. 133"), Accounting for Derivative Instruments and Hedging Activities, which establishes accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133, as amended by SFAS 137 and 138, was effective for the Company as of January 1, 2001 and requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The effect of adopting the provisions of SFAS No. 133, as amended, did not have a significant impact on the Company's financial position, results of operations, and cash flows.

EARNINGS PER SHARE

The following table reconciles the differences in loss and shares outstanding between basic and diluted for the periods indicated.

	Period Ended June 30, 2000			Period Ended June 30, 2001		
	Loss	Shares	Per-Share Amount	Loss	Shares	Per-Share Amount
Basic EPS	\$(9,137,580)	4,841,400	\$(1.89)	\$(5,057,090)	4,841,400	\$(1.04)
Effective of dilutive securities						
Options and warrants	--	--		--	--	--
Convertible preferred stock	--	--		--	--	--
Diluted EPS	\$(9,137,580)	4,841,400	\$(1.89)	\$(5,057,090)	4,841,400	\$(1.04)



TEAMSTAFF AND BRIGHTLANE UNAUDITED  
PRO FORMA CONSOLIDATED FINANCIAL DATA

On August 31, 2001, TeamStaff acquired BrightLane in a transaction accounted for as a purchase. Under the merger agreement with BrightLane, TeamStaff acquired BrightLane in exchange for 8,066,631 shares of TeamStaff common stock, valued at approximately \$44.6 million including transaction costs, based upon a per share price of \$5.73. The following sets forth summary unaudited pro forma combined financial data to give effect to the issuance of the 8,066,631 shares (prior to reduction for fractional shares) of TeamStaff common stock in the acquisition as if the transaction had been completed on October 1, 1999 for statement of operations purposes and June 30, 2001 for balance sheet purposes.

The pro forma combined financial data does not give effect to TeamStaff's repayment in full of TeamStaff's remaining obligations to FINOVA Capital Corporation, which occurred promptly following completion of the acquisition.

This summary unaudited pro forma combined financial data should be read in conjunction with the unaudited pro forma combined condensed financial information and accompanying notes which are included in this filing, the separate historical financial statements and accompanying notes of BrightLane which are either included or incorporated by reference in this filing, and TeamStaff's previously filed Annual Report on Form 10-K for the year ended September 30, 2000 and previously filed Form 10-Q for the quarter ended June 30, 2001.

The pro forma condensed combined financial data are intended for information purposes, and do not purport to represent what the combined entity's results of continuing operations or financial position would actually have been had the transaction in fact occurred at an earlier date, or project the results for any future date or period.

TEAMSTAFF, INC. AND SUBSIDIARIES  
 UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000

	Historical		Pro Forma	
	TeamStaff, Inc.	BrightLane.com, Inc.	Adjustments	Combined
REVENUES	\$ 447,743,000	\$ 199,000	\$ --	\$ 447,942,000
DIRECT EXPENSES	426,987,000	174,000	--	427,161,000
Gross profit	20,756,000	25,000	--	20,781,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	17,005,000	15,067,000		32,072,000
DEPRECIATION AND AMORTIZATION	1,333,000	907,000	3,889,000(11)	6,129,000
Income/(Loss) from operations	2,418,000	(15,949,000)	(3,889,000)	(17,420,000)
OTHER INCOME (EXPENSE)				
Interest and other income	584,000	1,303,000		1,887,000
Interest and other expense	(1,623,000)	--		(1,623,000)
	(1,039,000)	1,303,000	--	264,000
Income/(Loss) before tax	1,379,000	(14,646,000)	(3,889,000)	(17,156,000)
INCOME TAX (EXPENSE)/BENEFIT	(428,000)	--	428,000(10)	--
NET INCOME/(LOSS)	\$ 951,000	\$ (14,646,000)	\$ (3,461,000)	\$ (17,156,000)
BASIC EARNINGS/(LOSS) PER COMMON SHARE	\$ 0.12			\$ (1.07)
BASIC SHARES OUTSTANDING	7,954,176		8,066,631(9)	16,020,807
DILUTED EARNINGS/(LOSS) PER COMMON SHARE	\$ 0.12			\$ (1.07)
DILUTED SHARES OUTSTANDING	7,990,912		(36,736)(9) 8,066,631(9)	16,020,807

The accompanying notes to unaudited pro forma condensed consolidated financial statements are an integral part of this statement of operations.

TEAMSTAFF, INC. AND SUBSIDIARIES  
 UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS  
 FOR THE NINE MONTHS ENDED JUNE 30, 2001

	Historical		Pro Forma	
	TeamStaff, Inc.	BrightLane.com, Inc.	Adjustments	Combined
REVENUES	\$ 487,497,000	\$ 239,000	\$ --	\$ 487,736,000
DIRECT EXPENSES	466,891,000	205,000	--	467,096,000
Gross profit	20,606,000	34,000	--	20,640,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	16,435,000	5,066,000		21,501,000
DEPRECIATION AND AMORTIZATION	1,078,000	792,000	2,917,000(11)	4,787,000
Income/(Loss) from operations	3,093,000	(5,824,000)	(2,917,000)	(5,648,000)
OTHER INCOME (EXPENSE)				
Interest and other income	621,000	1,080,000		1,701,000
Interest expense	(1,373,000)	--		(1,373,000)
	(752,000)	1,080,000	--	328,000
Income/(Loss) before tax	2,341,000	(4,744,000)	(2,917,000)	(5,320,000)
INCOME TAX (EXPENSE)/BENEFIT	(981,000)	--	981,000(10)	--
NET INCOME /(LOSS)	\$ 1,360,000	\$ (4,744,000)	\$ (1,936,000)	\$ (5,320,000)
LOSS RELATED TO CONTINGENT WARRANTS	\$ --	\$ (1,876,000)	\$ --	\$ (1,876,000)
NET INCOME/(LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 1,360,000	\$ (6,620,000)	\$ (1,936,000)	\$ (7,196,000)
BASIC EARNINGS/(LOSS) PER COMMON SHARE	\$ 0.17			\$ (0.45)
BASIC SHARES OUTSTANDING	8,011,474		8,066,631(9)	16,078,105
DILUTED EARNINGS/(LOSS) PER COMMON SHARE	\$ 0.17			\$ (0.45)
DILUTED SHARES OUTSTANDING	8,171,025		(159,551) 8,066,631(9)	16,078,105

The accompanying notes to unaudited pro forma condensed consolidated financial statements are an integral part of this statement of operations.

TEAMSTAFF, INC. AND SUBSIDIARIES  
 UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET  
 AS OF JUNE 30, 2001

	Historical		Pro Forma	
	TeamStaff, Inc.	BrightLane.com, Inc.	Adjustments	Combined
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 7,239,000	\$ 12,857,000	\$ (1,025,000)(7)	\$ 19,071,000
Accounts receivable, net of allowance	24,059,000	66,000	--	24,125,000
Deferred tax asset	1,386,000	--	--	1,386,000
Other current assets	507,000	115,000	--	622,000
Total current assets	33,191,000	13,038,000	(1,025,000)	45,204,000
RESTRICTED CASH	--	551,000	--	551,000
EQUIPMENT AND IMPROVEMENTS, NET	1,195,000	1,059,000	--	2,254,000
INTANGIBLES, net of amortization	19,412,000	82,000	19,445,000(1) (82,000)(8)	38,857,000
DEFERRED TAX ASSET, LONG TERM	--	--	6,998,000(6)	6,998,000
INVESTMENT IN TEAMSTAFF PREFERRED STOCK	--	3,500,000	(3,500,000)(5)	--
OTHER ASSETS	939,000	521,000	1,025,000(7)	2,485,000
TOTAL ASSETS	\$ 54,737,000	\$ 18,751,000	\$ 22,861,000	\$ 96,349,000
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Current portion of long-term debt	\$ 1,147,000	\$ 17,000	\$ --	\$ 1,164,000
Accounts payable	6,950,000	366,000	--	7,316,000
Accrued expenses and other current liabilities	20,056,000	98,000	2,710,000(3)	22,864,000
Total current liabilities	28,153,000	481,000	2,710,000	31,344,000
<b>LONG-TERM LIABILITIES</b>				
Long-term debt	3,487,000	21,000	--	3,508,000
Total Liabilities	31,640,000	502,000	2,710,000	34,852,000
<b>SHAREHOLDERS' EQUITY</b>				
Common stock	8,000	1,439,000	(1,439,000)(4) 8,000(2)	16,000
Preferred stock	350,000	40,157,000	(40,157,000)(4) (350,000)(5)	--
Additional paid-in capital	24,625,000	--	41,892,000(2) (3,150,000)(5)	63,367,000
Accumulated deficit	(1,750,000)	(23,347,000)	23,347,000(4)	(1,750,000)
Treasury stock	(136,000)	--	--	(136,000)
Total shareholders' equity	23,097,000	18,249,000	20,151,000	61,497,000
TOTAL LIABILITIES AND EQUITY	\$ 54,737,000	\$ 18,751,000	\$ 22,861,000	\$ 96,349,000

The accompanying notes to unaudited pro forma condensed consolidated financial statements are an integral part of this balance sheet

TEAMSTAFF, INC.  
NOTES TO UNAUDITED PRO FORMA  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma condensed consolidated statements of operations have been prepared to reflect the acquisition of BrightLane as if the acquisition occurred on October 1, 1999 utilizing the purchase method of accounting. TeamStaff's fiscal year ends on September 30. The unaudited pro forma condensed consolidated balance sheet was prepared to reflect the acquisition as of June 30, 2001. BrightLane.com, Inc.'s historical financial statements were derived from its books and records and reflect:

- The unaudited statement of operations of BrightLane for the nine month period ended June 30, 2001;
- The statement of operations of BrightLane for the twelve month period ended December 31, 2000 derived from BrightLane's audited financial statements; and
- The unaudited balance sheet of BrightLane as of June 30, 2001.

TeamStaff historical financial statements were derived from its books and records and reflect:

- The unaudited statement of operations of TeamStaff for the nine month period ended June 30, 2001;
- The statement of operations of TeamStaff for the twelve month period ended September 30, 2000 derived from TeamStaff's audited financial statements; and
- The unaudited balance sheet of TeamStaff as of June 30, 2001.

The following is a summary of the adjustments reflected in the unaudited pro forma condensed consolidated balance sheet:

- (1) Represents the preliminary estimates of the excess purchase price over the net tangible assets acquired as follows:

Purchase price (including \$2,710,000 of transaction expenses)	\$44,610,000
Net tangible assets acquired	(18,167,000)
Deferred tax asset of BrightLane previously unrecorded	(6,998,000)
Excess of purchase price over net tangible assets acquired	----- \$19,445,000 -----

The total estimated purchase price of the acquisition has been allocated on a preliminary basis to assets and liabilities based on management's best estimates of fair value, with the excess over the net tangible assets acquired allocated to intangible assets. These allocations are subject to change pending a final analysis of the total purchase price and the fair value of the assets acquired and liabilities assumed. As the Company's Valuation Consultants have not yet completed their analysis of the purchase price allocation the impact of any of these changes could be material. And therefore the audited financial statements for the fiscal year ended September 30, 2001 could contain material changes from the pro-forma statements contained herein.

On January 22, 2001, the date of announcement of the principal terms of the acquisition, the closing price of TeamStaff's stock was \$5.75. Based on the closing prices of TeamStaff's common stock for the period consisting of (i) two days prior to announcement of the principal terms, (ii) the day of the announcement and (iii) the two days following the announcement, the average closing price of the Company's common stock for such 5 day period was \$5.73, which has been utilized by management as the accounting basis of evaluating the cost of the transaction.

- (2) Includes the issuance of 8,066,631 shares of TeamStaff common stock to the former BrightLane shareholders at an estimated fair market value of \$5.73 per share, discounted for the restrictions of trading placed on the common stock of 15% for stock restricted for two years and 10% for stock restricted for one year or total fair value of \$41,900,000 (\$8,000 par value common stock and \$41,892,000 additional paid in capital).

TeamStaff issued, to the shareholders of BrightLane, shares representing approximately 49.9% of TeamStaff shares outstanding at the time of closing. The pre-transaction shareholders of TeamStaff retained the majority holding in the combined entity.

- (3) Represents the accrual of \$2,710,000 for certain legal, accounting, investment banking and other miscellaneous expenses associated with the acquisition.

- (4) Represents the elimination of BrightLane's historical equity accounts (\$1,439,000 common stock, \$40,157,000 preferred stock, and (\$23,347,000) accumulated deficit).
- (5) Represents the elimination of Brightlane's investment in TeamStaff of \$3,500,000.
- (6) Represents the establishment of a deferred tax asset for the net operating loss carryforwards of \$6,998,000. Brightlane's net operating loss carryforwards previously had a full valuation allowance. However, Teamstaff management believes it is more likely than not that such carryforwards will be realized considering Teamstaff's prior results and future planned results including Brightlane.
- (7) Represents \$1,025,000 principal amount of loans given to Brightlane shareholders for taxes due on the exercise of BrightLane options under the terms of the merger agreement.
- (8) Represents the elimination of acquired goodwill on Brightlane's books of \$82,000.

The following is a summary of the adjustments reflected in the unaudited pro forma condensed consolidated statement of operations:

- (9) Represents the issuance of 8,066,631 shares of TeamStaff, Inc. common stock to BrightLane shareholders and the removal of incremental shares for assumed conversion of options as those incremental shares would be antidilutive for pro forma purposes.
- (10) Represents a reduction to income tax expense as a result of BrightLane's loss.
- (11) Represents the amortization of the excess of purchase price over net tangible assets acquired of \$19,445,000. Pending the final analysis of the total purchase price and the fair value of the assets acquired and the liabilities assumed, the excess purchase price over assets acquired will be amortized over five years. However, if any of the purchase price is ultimately assigned to goodwill, there will be no amortization of goodwill under the new accounting pronouncement, Statement of Accounting Standards No. 142. Accordingly, the pro forma amortization expense, net loss and net loss per share would be reduced.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Current Report on Form 8-K/A under the Securities Exchange Act of 1934 of Teamstaff, Inc. dated November 2, 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 under the Securities Act of 1933.

/s/ Deloitte & Touche

Atlanta, Georgia  
November 2, 2001