UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(MARK ONE) FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1997

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NO. 0-26058

ROMAC INTERNATIONAL, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

FLORIDA	59-3264661
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(IRS EMPLOYER IDENTIFICATION NO.)
20 WEST HYDE PARK PLACE, SUITE 150, TAMPA, FLORIDA	33606
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (813) 251-1700

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
NONE	NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:
COMMON STOCK, $0.01 PAR VALUE
(TITLE OF CLASS)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of Registrant's voting stock held by nonaffiliates of Registrant, as of March 13, 1998, was $530,379,086.

The number of shares outstanding of Registrant's Common Stock as of March 13, 1998, was 29,527,818.

DOCUMENTS INCORPORATED BY REFERENCE:

Parts of the Company's definitive proxy statement for the Annual Meeting of the Company's Shareholders to be held on April 20, 1998 are incorporated by reference into Part III of this Form.

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PART I

ITEM 1. BUSINESS

This document contains certain forward-looking statements regarding future financial condition and results of operations and the Company's business operations. The words "expect," "estimate," "anticipate," "predict," "believe," and similar expressions are intended to identify forward looking statements. Such statements involve risks, uncertainties and assumptions, including industry and economic conditions, customer actions and other factors discussed in this and Romac International, Inc.'s ("Romac" or the "Company") other filings with the Securities and Exchange Commission (the "Commission"). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated.

GENERAL

Romac is a provider of professional specialty staffing services in 19 markets in the United States. Romac strives to shape valuable business relationships between organizations and the knowledgeable people who make them successful. To better serve the needs of its customers, Romac provides its value-added services in the following specialties: Information Technology, Finance and Accounting, Human Resources and Operating Specialties. Romac believes its broad range of highly specialized services provides clients with integrated solutions to their staffing needs, allowing Romac to develop long-term, consultative relationships. Romac principally serves Fortune 1000 clients, with the top ten clients representing 10.0% of revenue in 1997. Romac's functional focus and range of service offerings generate increased placement opportunities and enhance Romac's ability to identify, attract, retain, develop, and motivate personnel and operating employees (the "KnowledgeForce").

RECENT ACQUISITIONS

Since the completion of the Company's initial public offering in August 1995, the Company has completed 14 acquisitions which have expanded the Company's geographic coverage and its service offerings. Certain information relating to these acquisitions is summarized in the following table.

NAME OF COMPANY	DATE OF ACQUISITION	MOST RECENT FISCAL YEAR REVENUE IN MILLIONS(1)	FUNCTIONAL SERVICE AREA	PRIMARY LOCATION
Temporary Accounting Professionals, Inc.	5/1/96	$ 0.6	Finance & Accounting	Pittsburgh, PA
Bayshare, Inc.	6/1/96	6.3	Finance & Accounting	San Francisco, CA
Career Enhancement International of Massachusetts, Inc.	1/1/97	4.7	Information Technology	Boston, MA
Career Concepts, Inc.	1/1/97	0.6	Information Technology	Boston, MA
Romac & Associates of Chestnut Hill	1/1/96	0.2	Information Technology	Boston, MA
Venture Networks Corporation, Inc.	1/1/96	2.1	Information Technology	Boston, MA
PCS Group, Inc.	2/1/96	3.6	Information Technology	Louisville, KY
Strategic Outsourcing, Inc.	3/1/96	5.7	Human Resources	Boston, MA
Professional Application Resources, Inc.	3/1/97	8.3	Information Technology	Houston, TX
The McMahon Company	6/1/97	0.3	Human Resources	Philadelphia, PA
Uni*Quality Systems Solutions, Inc.	9/1/97	12.4	Information Technology	Naperville, IL
Sequent Associates, Inc.	9/1/97	15.9	Information Technology	San Jose, CA
DP Specialists of Colorado, Inc.	11/1/97	3.9	Information Technology	Denver, CO
The Center For Recruiting Effectiveness, Inc.	12/1/97	2.4	Human Resources	Washington, DC

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(1) Represents fiscal year revenue for the year prior to acquisition by Romac.

On February 1, 1998 (amended on February 11, 1998), the Company and Source Services Corporation ("Source") entered into a definitive merger agreement (the "Merger Agreement") providing for the merger of Source into the Company (the "Source Merger"). The parties intend that the transaction will be treated as a "pooling of interests" for accounting purposes and will qualify as a tax-free reorganization. Under the terms of the Merger Agreement, stockholders of Source will receive 1.1932 shares of Romac common stock, par value $.01 per share, for each of the approximately 14.1 million outstanding shares of Source common stock, subject to adjustment based upon the Company's market price prior to closing and certain other conditions. Following completion of the Source Merger, David L. Dunkel will continue as chairman and chief executive officer of the Company and James D. Swartz will be president and chief operating officer. Les Ward, currently Chief Executive Officer of Source, will join the board of directors of the Company and will assist in the integration program and with special projects. Consummation of the Source Merger is subject to certain conditions, including effectiveness of a registration statement to be filed by the Company with the Commission, approval by the shareholders of each company, termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, receipt of opinions from the parties' independent accountants regarding the treatment of the Source Merger as a "pooling of interests," and other conditions. The Source Merger is expected to be completed during the second calendar quarter of 1998.

INDUSTRY OVERVIEW

The flexible employment service industry has experienced significant growth in response to the changing work environment in the United States. Fundamental changes in the employer-employee relationship continue to occur, with employers developing increasingly stringent criteria for permanent employees, while moving toward project-oriented flexible hiring. This trend has been advanced by increasing automation that has resulted in shorter technological cycles and by global competitive pressures. Many employers have responded to these challenges by turning to flexible personnel to keep labor costs variable, to achieve maximum flexibility, to outsource highly specialized skills, and to avoid the negative effects of layoffs.

Rapidly changing regulations concerning employee benefits, health insurance, retirement plans, and the highly competitive business climate have also prompted many employers to take advantage of the flexibility offered through flexible staffing. Additionally, Internal Revenue Service and Department of Labor regulations concerning the classification of employees and independent contractors have significantly increased demand by prompting many independent contractors to affiliate with employers like Romac.

The temporary staffing industry has grown rapidly in recent years as companies have utilized temporary employees to manage personnel costs, while meeting specialized or fluctuating staffing requirements. According to the Staffing Industry Report, the United States temporary staffing industry grew from approximately $20.4 billion in revenue in 1991 to approximately $47.1 billion in revenue in 1996, a compound annual growth rate of 18.2%. One of the fastest growing sectors for Romac, as well as the industry, is information technology services. Revenue for this sector in 1996 is estimated to have been $11.7 billion, a 27.2% increase over 1995. Romac believes that professional and technical staffing within the temporary staffing industry requires longer-term, more highly-skilled personnel services and offers the opportunity for higher profitability than the clerical and light industrial staffing segments, because of the value-added nature of professional and technical personnel. The National Association of Temporary and Staffing Services has estimated that more than 90% of all U.S. businesses utilize temporary staffing services.

BUSINESS STRATEGY

Romac's objective is to be a nationally recognized leader in providing its professional specialty staffing services. The key elements of Romac's business strategy in seeking to achieve this objective include:

- Implement the KnowledgeForce Strategy. As the staffing industry continues to evolve in today's economy, its impact on organizations and their ability to attract and secure intellectual capital has been enormous. Romac believes, and government statistics support, that the demand for and the supply of intellectual capital is moving away from a permanent employment status towards an increasingly fluid and flexible employment relationship through flexible staffing. Romac believes that the intellectual capital of today, and even more so in the future, will be concentrated in highly skilled individuals who Romac collectively refers to as the "KnowledgeForce." In response to its beliefs, Romac has implemented a strategy to become known as the "KnowledgeForce Resource" in each market it serves.

- Focus on Value-Added Services. Romac focuses exclusively on providing specialty staffing services to its clients. Romac believes that providing these specialty services to its clients offer greater profitability than the clerical and light industrial sectors of the temporary staffing industry. In addition, Romac believes, based upon data published by the U.S. Bureau of Labor Statistics and other sources, that employment growth will be greater in Romac's sectors than in the traditional clerical and light industrial sectors. The placement of highly skilled personnel requires a distinct operational knowledge to effectively recruit and screen personnel, match them to client needs, and develop and manage the resulting relationships. Romac believes its historical focus in this market and name recognition, combined with management's operating expertise, provide it with a competitive benefit.

- Build Long-Term, Consultative Relationships. Romac has developed long-term relationships with its clients by providing integrated solutions to their specialty staffing requirements. Romac strives to differentiate itself by working closely with its clients to maximize their return on human assets. In addition, Romac's ability to offer a broad range of flexible personnel services, coupled with its permanent placement capability, offers the client a single-source provider of specialty staffing services. This ability enables Romac to emphasize consultative rather than transactional client relationships.

- Implement Carve-Out Strategy. Romac has begun implementation of its "carve-out" marketing strategy, which encourages large contractors of staffing services to "carve-out" the professional and technical sectors of staffing contracts and award such business to specialty staffing services providers instead of large generalist staffing firms. As a result of this strategy, Romac has signed several contracts with major national corporations for certain of Romac's services. Management believes there is substantial opportunity for growth through the continued implementation of this strategy.

- Achieve Extensive Client Penetration. Romac's client development process focuses on repeated contacts with client employees responsible for staffing decisions. Contacts are made within numerous functional departments and at many different organizational levels within the client. Romac's operating employees are trained to develop a thorough understanding of each client's total staffing requirements. In addition, although Romac is organized functionally, its operating employees are trained and incentivized to recognize cross-selling opportunities for all of Romac's other services.

- Apply Innovative Technology. Romac utilizes proprietary technologies and processes in the staffing, marketing, and management of its operations. Romac's Professional Recruiters Operating System ("PROS") provides operating employees with a systematic approach to identifying, monitoring, and serving the needs of Romac's customers (clients and personnel). Once operating employees obtain information regarding a customer, the data is entered into Romac's integrated operating system and is coded for future action. Operating employees are then prompted by means of an automated planner to contact the customer periodically to monitor and serve the needs that have been identified. Romac believes that its emphasis on the use of technology has resulted in the delivery of higher quality service, greater operating efficiency, and increased operating employee productivity.

- Recruit High-Quality Professionals. Romac places great emphasis on recruiting qualified personnel. Romac believes it has a recruiting advantage over those of its competitors that lack the ability to offer personnel flexible and permanent opportunities. Personnel seeking permanent employment frequently accept flexible assignments through Romac until a permanent position becomes available. Personnel are screened by an operating employee with a compatible technical background to determine qualifications and match them with client needs.

- Encourage Operating Employee Achievement. Romac's management promotes a quality-focused, results-oriented culture. Operating employees are selected based on their willingness to assume responsibility and promote Romac's philosophy. All operating employees are given numerous incentives to encourage the achievement of corporate goals. Romac fosters a team-oriented and high energy environment, celebrates the successes of its operating employees, and attempts to create a "spirited" work environment.

GROWTH STRATEGY

Romac's growth strategy is to expand its services in existing markets where it does not offer its full range of services, and to enter new markets. The key elements of Romac's growth strategy are as follows:

- Introduce Functional Service Offerings to Existing Markets. Romac currently offers four areas of functional services and only one of Romac's 19 markets offers the full range of services. As a result, Romac believes that a substantial opportunity exists to increase the number of service offerings within its existing markets. Romac intends to offer its recently expanded full range of functional services into each of its existing locations.

- Open New Locations. Romac continually evaluates potential geographic expansion into new metropolitan areas. To facilitate new market entry, Romac plans to transfer or recruit experienced operating employees for positions in new locations as they are opened. Romac also seeks to leverage its national accounts to facilitate its entry into new markets. Since February 1995, Romac has opened offices in Dallas, Houston, Minneapolis, Philadelphia, Pittsburgh, Washington, D.C., Stamford and St. Louis.

- Leverage Existing Client Relationships and Develop New Clients. Romac continually identifies additional growth opportunities within existing and new clients as a result of the interrelationships among its service offerings. Romac has established goals for cross-selling and has trained and incentivized its operating employees to actively sell Romac's full range of services, in an effort to maximize its reach into the marketplace.

- Acquire Strategic Businesses. Romac intends to continue to pursue the acquisition of complementary specialty staffing businesses. Romac's preference is to acquire businesses in markets in which Romac currently has a location or formerly maintained a franchised or licensed location, although other markets will also be explored, including markets outside the United States. Romac's primary acquisition candidates are local or regional specialty staffing firms with established client relationships in markets targeted by Romac. Romac currently has no understanding or agreement with any potential acquisition candidate, except the Merger Agreement with Source.

- Expand Major and National Accounts Program. Romac will continue to market its full range of services to existing and new clients in order to position Romac as the preferred vendor for specialty staffing services. Romac believes the major accounts program enables it to further penetrate its clients by giving Romac greater access to key staffing decision makers including the support of the client's purchasing and procurement team. This increased access allows Romac to achieve greater operating leverage through improved efficiencies in the marketing process. Romac has successfully obtained several national agreements for professional and technical specialty staffing services. Romac intends to aggressively pursue such agreements to facilitate geographic expansion and existing market penetration.

- Introduce New Services. Romac continually evaluates the introduction of new services in an effort to meet customer demands. Romac has introduced flexible staffing of pharmaceutical, health care, and manufacturing services personnel to complement its existing search capabilities in these areas. Additionally, Romac acquired an entity that provides outplacement services and human resource contract and outsourcing services. To enhance the technical capabilities and perceived quality of Romac's Information Technology Services, Romac has formed Emerging Technologies Division ("ETD") through which selected personnel receive extensive training in emerging information technologies and are assigned to client environments for periods generally ranging from six months to two years.

FUNCTIONAL ORGANIZATION

In March 1997, Romac changed the manner in which it classifies its service offerings in order to better serve the specialty needs of its customers. Currently, in order to align itself more closely with the organizational structure of its clients and the skills of its personnel on assignment, and available for assignment, Romac organizes its service offerings by function.

The functional areas are defined as:

- Information Technology. Computer and Data Processing Services heads the Bureau of Labor Statistics' list of the fastest growing industries. The shortage of technical expertise to operate the advanced systems that businesses have acquired over the last decade is a major catalyst contributing to the growth of this segment. Romac's Information Technology services focuses on more sophisticated areas of the information technologies (i.e., systems/applications programmers, systems analysts, and networking technicians), where the shortage of personnel is the most acute.

The combination of a growing number of available software applications, the increased complexity of such software applications, and the short supply of qualified software expertise contributed to Romac's decision to create ETD in mid-1995. ETD retrains skilled information technology professionals in cutting edge technology solutions and then offers the services of those highly trained individuals to Romac's clients. Romac believes the sophistication of these technologies, coupled with the significant unmet demand, provide an attractive opportunity for Romac to generate a new, higher margin business, and to add value to its clients.

- Finance & Accounting. In its markets, Romac believes it has built a strong reputation for providing qualified finance and accounting professionals to businesses. Romac believes this reputation facilitates Romac's recruiting and placement efforts. Romac's Finance & Accounting personnel are experienced in areas such as corporate taxation, budget preparation and analysis, financial reporting, cost analysis, and audit services. Romac recently introduced its Executive Solutions service line, which provides chief financial officers, controllers and other higher-level financial professionals on a contract basis for assignment lengths generally ranging from three to six months.

- Human Resources. The non-core functions of a business, such as human resources, are the most likely to be outsourced. With increasing employment regulations, the administrative burden on employers is becoming more complex and more time-consuming than ever before. Romac offers flexible and permanent staffing of human resource professionals in the areas of recruiting, benefits administration, training, and generalists. In addition, Romac provides outplacement, outsourcing, and consulting services in this field.

- Operating Specialties. This segment consists of revenues generated by the placement of professionals skilled in the pharmaceutical, manufacturing, health care, life insurance, and investment industries. Examples of the types of positions that would be classified in these categories are: research and regulatory personnel for pharmaceutical clients, quality engineers and assurance personnel for manufacturing companies, hospital administration and management personnel for health care companies, and management personnel for life insurance companies.

Once the functional challenges of the client have been identified, Romac can then consult with the client to determine its staffing and time duration requirements. Romac offers its staffing services in one of two categories: Flexible Staffing Services or Search Services.

Flexible Staffing Services

Flexible Staffing Services are offered by Romac to provide personnel in the fields of information technology, finance and accounting, human resources and operating specialties. Romac currently offers flexible staffing services in nineteen metropolitan markets. The two primary service offerings within Flexible Staffing are distinguished below:

Professional Temporary Services. Professional Temporary Services are offered by Romac to provide professional temporary personnel in the fields of finance and accounting.

Professional Temporary Services offers its clients a reliable and cost-effective means of handling uneven or peak workloads caused by events such as periodic financial reporting deadlines, tax deadlines, special projects, systems conversions, and unplanned staffing fluctuations. Professional Temporary Services meets such clients' needs with personnel who have an extensive range of accounting and financial experience, including corporate taxation, budget preparation and analysis, financial reporting, regulatory filings, payroll preparation, cost analysis, and audit services. Through the use of Romac's services, clients are able to avoid the cost and inconvenience of hiring and terminating permanent employees. Typically, the duration of assignments in the Professional Temporary Services is six to twelve weeks.

Personnel for Professional Temporary Services are obtained from Search Services, referrals, and advertising in local newspapers and on Romac's home page on the Internet. Romac believes it has a competitive advantage in attracting personnel because of its ability to provide assignments ranging from short term to permanent. Access by the Professional Temporary Services to the Search Services' personnel pool provides personnel the opportunity to obtain permanent employment as a result of a flexible assignment, earnings that may allow personnel to be more selective when evaluating permanent opportunities, and additional experience that can enhance personnel skills and overall marketability. Personnel are screened by an operating employee with a compatible background to determine their qualifications and to match these qualifications with individual client needs. This screening includes an in-depth interview, skill testing, reference checks, and, in some cases, credit checks and additional background checks.

Professional Temporary Services targets Fortune 1000 companies and other large organizations, with a primary focus on organizations determined to have the potential need for Romac's full range of services. In order to maximize its marketing effectiveness, Romac provides extensive training to its operating employees, which emphasizes the consulting nature of its business. Romac's operating employees develop marketing plans composed of multiple visits, frequent telemarketing activity, monthly mailings, and other actions supported through the use of the PROS and daily staff meetings. Romac believes that these techniques and processes provide the opportunity to expand its business within its clients' organizations, solidify client relationships, and develop new clients. Romac recognizes that in some cases Professional Temporary Services personnel will be offered permanent positions. If a client requests that personnel become permanent employees, Romac typically charges a "conversion" fee that is calculated as a percentage of the initial annual compensation.

Contract Services. Contract Services provides personnel on a contractual basis, which typically averages six to nine months in duration. Contract Services has traditionally focused on providing information systems personnel to assist clients whose needs range from mainframe environments to single work stations. Contract Services personnel perform a wide range of services, including software development, database design and management, system administration, end-user training and acceptance, network design and integration, information strategy development, business and systems plans, and standardization of technology and business procedures. The size and growth of the information services industry in recent years have been driven largely by rapid technological advances. These advances have included the availability of increased computing power at lower costs and the emergence of new information systems capabilities. As a result, the ability of businesses to benefit from the application of computer technology has been greatly enhanced and has been accompanied by a dramatic increase in the number of end users. At the same time, the sophistication and complexity of the systems needed to serve these businesses and to deliver the desired benefits have greatly increased. Additionally, the need to contain costs has caused many businesses to reduce the number of personnel resulting in increased dependence upon information systems to support important functions and to improve productivity.

Romac's base of skilled technical personnel is integral to its success. Because technical needs are diverse and technology advances occur frequently, technical talent is in high demand. As a result, Contract Services focuses heavily on its recruiting efforts. In addition, Romac focuses on training its Information Systems personnel in sophisticated technology applications. For example, Romac has formed ETD, which selects personnel to receive extensive training in emerging information technologies and who are assigned to client environments for periods generally ranging from six months to two years. Romac believes that building a base of skilled technical personnel who are available for assignment is as integral to its success as are its client relationships.

The March 1996 acquisition of Strategic Outsourcing, Inc., which was renamed Romac-HR ("Romac-HR"), expanded Romac's Contract Services functions to include human resource personnel. Romac-HR, which was founded in 1989 in Boston, provides its clients with human resource personnel on a contractual basis to assist in the development, implementation, and maintenance of a wide variety of human resource processes. Romac currently provides the human resource contract services function in the Boston, Chicago, Philadelphia, Tampa and Washington DC markets. Romac plans to continue to introduce the human resource contract services function into its existing markets.

Romac has expanded its Contract Services functions to include manufacturing services, health care, and pharmaceutical personnel. Within manufacturing services, Romac provides a wide range of quality engineers and quality assurance personnel. Health care contract services provides hospital administration and management personnel. Pharmaceutical contract services provides pharmaceutical industry clients with research and regulatory personnel.

Currently, Romac services these other functional areas on a national basis solely out of its Tampa office.

Romac's operating employees develop and maintain an active personnel inventory designed to meet the needs of Romac's clients. To recruit qualified personnel, Romac uses targeted telephone and internet recruiting, obtains referrals from its existing personnel and clients, and places newspaper advertisements. The Search Services' recruiting efforts complement those of Contract Services, and Romac believes that this combination distinguishes it from its competitors. To foster loyalty and commitment from its existing personnel, Romac maintains frequent contact and offers competitive wages, benefits, flexible schedules, and exposure to a variety of working environments.

Contract Services concentrates on marketing its services to Fortune 1000 companies and other businesses with information systems, manufacturing services, human resources, health care, and pharmaceutical personnel requirements. Operating employees emphasize Romac's ability to provide contract personnel who can perform a wide range of services within each of these areas through consultative contacts with client end-users, personal visits, mailings, and telemarketing efforts.

Search Services

Romac provides extensive search services for professional and technical personnel. The professional skills offered by the Search Services are in the areas of information technology, finance and accounting, financial services, pharmaceutical research, health care, human resources, insurance, and manufacturing.

Romac performs both contingency and retained searches. A contingency search results in payment to Romac only when personnel are actually hired by a client. Romac's strategy is to perform contingency searches only for skills Romac targets as its "core-businesses." Client searches that are outside a core-business area typically are at a management or executive level and require a targeted research and recruiting effort. Romac typically performs these searches as retained searches where the client pays a part of the search fee in advance and the remainder upon completion of the search. Romac's fee is typically structured as a percentage of the placed individual's first-year annual compensation.

An active database of personnel is maintained as the result of its continuous recruiting efforts and reputation in the industry. In addition, operating employees locate many potential personnel as the result of referrals from the Flexible Staffing Services activities.

Romac believes that it has developed a reputation for quality search work and that it is recognized as a leader in its search specialties. To minimize the risk of changes in skill demand, Romac's marketing plan incorporates a continual review of client recruitment plans for future periods to allow for rapid changes to "in-demand" skills. The quality of the relationship with client personnel is a key component of the strategy, and Romac seeks to use consultative relationships to obtain insight into emerging growth areas. The clients targeted by the Search Services are typically the same as those targeted by the Flexible Staffing Services. This common focus is intended to contribute to Romac's objective of providing integrated solutions to its clients' personnel needs.

Romac's search business is highly specialized. Certain skills, such as finance and accounting, information technology and human resources, may be served by local offices, while other, more highly specialized operating specialties require a regional or national focus. Romac believes that a trend toward greater selectivity in its clients' hiring processes has contributed to an increased demand for its Search Services. This emphasis on quality fits well with Romac's inventory of personnel. Romac expects that the Search Services will continue to add operating specialties in the majority of markets served.

MARKETS

Romac serves 19 metropolitan markets with management of the operations coordinated from its headquarters in Tampa. Romac's headquarters provides its offices with administrative, marketing, accounting, training, legal, and information systems support, particularly as it relates to the standardization of the operating processes of its offices.

The following table lists the services offered by Romac on a market by market basis.

	SERVICES OFFERED				
	INFORMATION TECHNOLOGY	FINANCE & ACCOUNTING	HUMAN RESOURCES	OPERATING SPECIALTIES	YEAR OPENED/ACQUIRED
Atlanta, GA	X	X			1986
Boston, MA	X	X	X	X	1966
Chicago, IL	X	X	X		1985
Dallas, TX	X	X			1995
Denver, CO	X				1997
Houston, TX	X	X			1995
Louisville, KY	X				1992
Miami/Ft. Lauderdale, FL	X	X			1982
Minneapolis, MN		X			1996
Orange County, CA	X				1997
Orlando, FL	X	X			1984
Philadelphia, PA	X	X	X		1995
Pittsburgh, PA		X			1996
San Francisco, CA	X	X			1989
San Jose, CA	X	X			1997
St. Louis, MO		X			1998
Stamford, CT	X	X			1997
Tampa, FL	X	X	X	X	1980
Washington, DC		X	X		1997

PROFESSIONAL RECRUITERS OPERATING SYSTEM

Romac has developed a proprietary integrated system designed to maximize productivity and to aid in the management of its business. PROS is designed to be a comprehensive approach to the operation and management of a specialty staffing firm. It comprises sophisticated and proprietary operating and computer systems initially developed in 1982 and has been continually enhanced. The system links each office location through the use of a private network to Romac's corporate headquarters.

PROS offers several advantages in providing information to support the goals of Romac. Through the use of PROS, market information concerning target customers is tracked and prioritized to focus marketing and development efforts. Readily available management reports indicate the frequency and nature of contact with the targeted customers to support marketing plans. By using these reports, managers provide direction and support to operating employees to ensure that customers are properly served. A manager, concerned with the status of a particular assignment at any point, can examine the detailed status and degree of coverage on each assignment. PROS offers both detailed and summary reports to provide a continuous view of key factors related to customer development and service and operating employee and personnel productivity.

In addition to customer service considerations, PROS enhances the productivity and efficiency of the operating employees. One of the primary problems facing operating employees is the effective and productive use of information. PROS simplifies the information recording and retrieval problem and enables operating employees in different functional and geographical areas to share information and communicate more effectively.

Finally, PROS helps Romac manage information by passing data from the operating divisions software to the accounting software. This approach increases productivity, as data have a single point of entry and can be readily accessed by all functional areas within Romac. Romac intends to continue to enhance its systems capabilities to streamline processes in order to improve customer servicing.

COMPETITION

The specialty staffing services industry is very competitive and fragmented. There are relatively limited barriers to entry and new competitors frequently enter the market. A number of Romac's competitors possess substantially greater resources than Romac. Romac faces substantial competition from large national firms and local specialty staffing firms. Larger national firms that offer specialty staffing services include Robert Half International, Computer Horizon, Inc., and Alternative Resources Corporation. The local firms are typically operator-owned, and each market generally has one or more significant competitors. Romac also faces competition from national clerical and light industrial staffing firms and national and regional accounting firms that also offer certain specialty staffing services. These companies include Interior Services, Inc., Norrell Corporation, AccuStaff Incorporated, and Olsten Corp.

Romac believes that the availability and quality of its personnel, the level of service, the effective monitoring of job performance, scope of geographic service and the price of service are the principal elements of competition. Romac believes that availability of quality personnel is an especially important facet of competition. In order to attract personnel, Romac places emphasis upon its ability to provide permanent placement opportunities, competitive compensation and benefits, quality and varied assignments, and scheduling flexibility. Because personnel pursue other employment opportunities on a regular basis, it is important that Romac respond to market conditions affecting these individuals. Additionally, in certain markets Romac has experienced significant pricing pressure from some of its competitors. Although Romac believes it competes favorably with respect to these factors, it expects competition to increase, and there is no assurance that Romac will remain competitive.

INSURANCE

Romac maintains a fidelity bond and a number of insurance policies including general liability and automobile liability, (each with excess liability coverage), professional liability, worker's compensation and employers' liability. Romac also maintains professional liability and crime policies, each with aggregate coverage of $1.0 million, covering certain liabilities that may arise from the actions or omissions of its operating employees and personnel. Romac currently maintains key man life insurance on certain of its executive officers in an aggregate amount of $7.5 million. Romac believes that its insurance coverages will be adequate for its needs, although there is no assurance that these coverages will be sufficient.

OPERATING EMPLOYEES AND PERSONNEL

As of December 31, 1997, Romac and its subsidiaries employed approximately 600 operating employees. Additionally, as of that date, Romac had approximately 2,600 personnel on assignment providing flexible staffing services to its clients. As the employer, Romac is responsible for the operating employees and personnel payrolls and employer's share of social security taxes (FICA), federal and state unemployment taxes, workers' compensation insurance, and other direct labor costs relating to its operating employees and personnel. Romac offers access to various insurance programs and other benefits for its operating employees and personnel. Romac has no collective bargaining agreements covering any of its operating employees or personnel, has never experienced any material labor disruption, and is unaware of any current efforts or plans to organize its operating employees or personnel. Romac considers relations with its operating employees and personnel to be good.

ITEM 2. PROPERTIES

Romac owns no real estate. It leases its corporate headquarters in Tampa, Florida, as well as space for its other locations. The aggregate area of office space under leases for locations is approximately 154,000 square feet. The leases generally run from month-to-month to five years and the aggregate annual rent paid by Romac in 1997 was approximately $2.1 million. Romac believes that its facilities are adequate for its needs and does not expect difficulty replacing such facilities or locating additional facilities, if needed.

ITEM 3. LEGAL PROCEEDINGS

In the ordinary course of its business, Romac is from time to time threatened with or named as a defendant in various lawsuits, including discrimination and harassment and other similar claims. Romac maintains insurance in such amounts and with such coverages and deductibles as management believes are reasonable. The principal risks that Romac insures against are workers' compensation, personal injury, bodily injury, property damage, professional malpractice, errors and omissions, and fidelity losses. Romac is not currently involved in any material litigation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year ended December 31, 1997 covered by this Annual Report on Form 10-K.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The Company's Common Stock trades on the Nasdaq National Market tier of The Nasdaq Stock Market(SM) under the symbol "ROMC". The following table sets forth, for the periods indicated, the range of high and low closing sale prices for the Common Stock, as reported on the Nasdaq National Market. The table has been adjusted to reflect two-for-one stock splits, each in the form of a 100% stock dividend reflected on the Nasdaq National Market on May 23, 1996 and October 17, 1997.

FISCAL YEAR	HIGH	LOW
1996:		
First Quarter	$ 8.063	$ 5.750
Second Quarter	$14.875	$ 7.688
Third Quarter	$15.750	$10.125
Fourth Quarter	$15.125	$10.625
1997:		
First Quarter	$13.500	$ 8.438
Second Quarter	17.375	8.313
Third Quarter	22.500	16.875
Fourth Quarter	25.125	14.500
1998:		
First Quarter (through March 13, 1998)	$24.125	$23.750

On March 13, 1998, the last reported sale for the Company's Common Stock was at $23.750. On March 13, 1998 there were approximately 73 holders of record.

Since the Company's initial public offering, the Company has not paid any cash dividends on its common stock.

ITEM 6. SELECTED FINANCIAL DATA

The information set forth below is not necessarily indicative of the results of future operations and should be read in conjunction with Consolidated Financial Statements and the related Notes thereto incorporated into Item 8 of this report.

	YEARS ENDED DECEMBER 31,				
	1993	1994	1995	1996	1997
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
STATEMENT OF OPERATIONS DATA:					
Net service revenues	$40,346	$40,789	$45,655	$94,210	$181,434
Direct costs of services	26,126	24,851	25,460	53,839	110,550
Gross profit	14,220	15,938	20,195	40,371	70,884
Selling, general and administrative expenses	12,775	15,009	15,232	30,348	50,531
Depreciation and amortization	298	248	512	1,762	3,242
Combination expenses	--	2,251	--	--	--
Other (income) expense, net(1)	34	(1,157)	(570)	(1,685)	(1,932)
Income (loss) before taxes and minority interest	1,113	(413)	5,021	9,946	19,043
Provision for taxes	448	186	2,008	3,965	7,500
Income (loss) before minority interest	665	(599)	3,013	5,981	11,543
Minority interest in subsidiary income	15	--	--	--	--
Net income (loss)(1)	$ 650	(599)	3,013	5,981	11,543
Net income (loss) per share(2) -- basic	$ 0.05	(.04)	.19	0.28	.46
Weighted average shares outstanding -- basic	13,237	14,078	16,087	21,716	24,896
Net income (loss) per share -- diluted	0.05	(.04)	.18	.26	.44
Weighted average shares outstanding -- diluted	13,237	14,078	16,965	23,319	26,398

	DECEMBER 31,				
	1993	1994	1995	1996	1997
BALANCE SHEET DATA:					
Working capital	$ 2,579	$ 2,093	$13,895	$54,220	$ 97,500
Total assets	6.135	6,984	20,952	77,559	197,139
Total long-term debt	92	24	500	--	1,260
Shareholders' equity	3,074	2,435	16,924	71,284	173,680

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(1) Net income (loss) for the years ended December 31, 1994, 1995, 1996, and 1997, includes franchise termination income (net of tax) of $336, $261, $208, and $100, respectively.

(2) Net income (loss) per share for the years ended December 31, 1994, 1995, 1996, and 1997, includes franchise termination income per share of $0.02, $0.01, $0.01, $0.00, respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in connection with Romac's Consolidated Financial Statements and the related Notes thereto incorporated into Item 8 of this report.

OVERVIEW

Romac is a provider of professional and technical specialty staffing services in 19 markets in the United States. Romac strives to shape valuable business relationships between organizations and the knowledgeable people who make them successful. To better serve the needs of its customers, Romac provides its customers

value-added services in the following specialties: Information Technology, Finance and Accounting, Human Resources and Operating Specialties. Romac believes its broad range of highly specialized services provides clients with integrated solutions to their staffing needs, allowing Romac to develop long-term, consultative relationships. Romac principally serves Fortune 1000 clients with its top ten clients representing 10.0% of its revenue for 1997. Romac believes its functional focus and range of service offerings generate increased placement opportunities and enhance Romac's ability to identify, attract, retain, develop, and motivate personnel and operating employees.

Revenue Recognition

Net service revenues consist of sales, net of credits and discounts. Romac recognizes Flexible Billings based on hours worked by assigned personnel on a weekly basis. Search Fees are recognized in contingency search engagements upon the successful completion of the assignment. Franchise fees were determined based upon a contractual percentage of the revenue billed by franchisees. Costs relating to the support of franchised operations were included in Romac's selling, general and administrative expenses. The last remaining franchisee and licensee agreement was terminated at the end of the second quarter of 1997. Romac was the legal employer of flexible personnel under its licensing arrangements, and accordingly included revenues and related direct costs of licensed offices in its net service revenues and direct cost of services, respectively. Commissions paid to licensees were based upon a percentage of the gross profit generated, and were included in Romac's direct cost of services.

Gross Profit

Gross profit for the Flexible Billings is determined by deducting the direct cost of services (flexible personnel payroll wages, payroll taxes, payroll-related insurance, and licensee commissions) from net service revenues. Consistent with industry practices, all costs related to Search Fees are classified as selling, general, and administrative expense.

RESULTS OF OPERATIONS

The following table sets forth revenue mix and certain items in Romac's consolidated statement of operations as a percentage of net service revenues for the indicated periods:

	YEAR ENDED DECEMBER 31,		
	1995	1996	1997
Flexible Billings	78.5%	80.2%	86.0%
Search Fees	21.5	19.8	14.0
Net service revenues	100.0	100.0	100.0
Gross profit	44.2	42.9	39.1
Selling, general, and administrative expenses	33.4	32.2	27.9
Income before taxes	11.0	10.6	10.5
Net income	6.6%	6.3%	6.4%

1997 COMPARED TO 1996

Net service revenues. Net service revenues increased 92.6% to $181.4 million in 1997 as compared to $94.2 million for the same period in 1996. This increase was composed of a $80.6 million increase in Flexible Billings and a $6.7 million increase in Search Fees for the year ended December 31, 1997 as described below.

Flexible Billings increased 106.8% to $156.0 million in 1997 as compared to $75.5 million for the same period in 1996. This increase is a result of an increase in the number of hours billed by Romac-owned operations as compared to the same periods in 1996. The average hourly bill rate for the year increased to $36.0 in 1997 from $28.0 for 1996 due to the growing mix of contract business as a percentage of total Flexible Billings. In addition, Romac's ETD division increased its bill rates 26% in 1997 compared to the same periods in 1996 as the demand for these highly skilled workers continues to build.

Search Fees increased 35.3% to $25.3 million in 1997 as compared to $18.7 million for the same period in 1996. This increase resulted primarily from an increase in the number of search sales consultants, which increased the number of search placements made in 1997 as compared to the same period in 1996. The average fee for each search placement made during the periods remained relatively constant.

Gross profit. Gross profit increased 75.5% to $70.9 million in 1997 as compared to $40.4 million in 1996. Gross profit as a percentage of net service revenues decreased to 39.1% in 1997 as compared to 42.9% for the same period in 1996. This decrease was a result of the continuing change in Romac's business mix whereby revenues from Flexible Billings, traditionally lower gross margins than Search Fees, increased to 86.0% of Romac's net service revenues in 1997 as compared to 80.1% for the same period in 1996.

Selling, general and administrative expenses. Selling, general, and administrative expenses increased 66.7% to $50.5 million in 1997 as compared to $30.3 million for the same period in 1996. Selling, general, and administrative expenses as a percentage of net service revenues decreased to 27.9% in 1997 compared to 32.2% for the same period in 1996. This decrease in selling, general, and administrative expense as a percentage of net service revenues resulted from greater operating efficiencies and economies of scale gained from a larger revenue base.

Depreciation and amortization expense. Depreciation and amortization expense increased 77.8%, to $3.2 million for 1997 as compared to $1.8 million for the same period in 1996. Depreciation and amortization expense as a percentage of net service revenue decreased to 1.8% for 1997 as compared 1.9% for the same period in 1996. The decrease as a percentage of net service revenues for 1997 as compared to the same period in 1996 is primarily due to a change in accounting estimate which increased the amortization period for goodwill from 15 to 30 years related to certain acquisitions.

Other (income) expense. Other (income) expense increased 11.8% in 1997 to $1.9 million as compared to approximately $1.7 million for the same period in 1996. The increase during 1997 compared to the same period in 1996 is due to interest earned on the investment of the proceeds from the May 1996 and November 1997 stock offerings.

Income before taxes. Income before taxes increased 91.9% to $19.0 million for 1997 as compared to $9.9 million for the same period in 1996, primarily as a result of the above factors.

Provision for income taxes. Provision for income taxes increased 87.5% to $7.5 million for 1997 compared to $4.0 million for the same period in 1996. The effective tax rate was 39.4% in 1997 as compared to approximately 40.0% in 1996.

Net income. Net income increased 91.7% to $11.5 million for 1997 compared to $6.0 million for the same period in 1996. This increase was due to the revenue increases discussed above offset by a decrease in the gross profit as a percentage of net service revenues due to the continuing change in the business mix towards Flexible Billings, which has traditionally lower gross margins, and a decrease in selling, general and administrative expenses as a percentage of net service revenues (although selling, general, and administrative expenses increased in absolute dollars) due to economies of scale gained from a larger revenue base.

1996 COMPARED TO 1995

Net service revenues. Net service revenues increased 106.1% to $94.2 million in 1996 as compared to $45.7 million for the same period in 1995. This increase was composed of a $39.6 million increase in Flexible Billings and a $8.9 million increase in Search Fees for 1996. This increase in Flexible Billings was partially offset by an approximate $1.5 million decrease in Flexible Billings from franchisee and licensee operations for 1996 as compared to 1995, as several franchisee and licensee operations were discontinued during 1996.

Flexible Billings increased 110.3% to $75.5 million for 1996 as compared to $35.9 million in 1995. This increase in Flexible Billings includes a $25.3 million increase from existing Company-owned operations and $14.3 million increase from acquired operations. The increase attributable to Company-owned operations resulted primarily from an increase in the number of hours billed by Company-owned operations during 1996 as compared to 1995, as well as from an increase in the average hourly bill rate for 1996 to approximately $27.0 per hour as compared to approximately $21.3 per hour in 1995.

Search Fees increased 90.8% to $18.7 million in 1996 as compared to $9.8 million in 1995. This increase in revenues was a result of a $4.3 million increase in revenues from existing Company-owned operations and a $4.6 million increase in revenues attributable to acquired operations. The increase in Company-owned operations resulted primarily from an increase in the number of search sales consultants, which increased the number of search placements made during 1996 as compared to 1995. The average fee for each Search placement made remained relatively constant during the periods involved. Franchise and license revenues, which are included in the aforementioned Flexible Billings decreased approximately 31.9% to $3.2 million in 1996 from $4.7 million in 1995. The decrease was primarily due to the effects of discontinued franchisee and licensee operations during 1996.

After taking into account the decreases in net service revenues attributable to discontinued franchisee and licensee operations, the net service revenue comparisons reflect a continued improvement in the demand for Romac's specialized staffing services. Romac opened two new Company-owned locations during 1996: Pittsburgh in February and Minneapolis in April.

Gross profit. Gross profit increased 100.0% to $40.4 million in 1996 as compared to $20.2 million in 1995. Gross profit as a percentage of net service revenues decreased to 42.9% in 1996 as compared to 44.2% in 1995. This decrease in gross profit margin as a percentage of net service revenues was a result of the continuing changes in Romac's business mix whereby revenues from Flexible Billings, which has traditionally lower gross margins than Search Fees, increased to 80.1% of Romac's net service revenues for 1996 as compared to 78.6% for 1995.

Selling, general and administrative expenses. Selling, general, and administrative expenses increased 99.3% to $30.3 million in 1996 as compared to $15.2 million in 1995. Selling, general, and administrative expenses as a percentage of net service revenues decreased to 32.2% in 1996 as compared to 33.4% in 1995. This decrease in selling, general, and administrative expenses as a percentage of net service revenues resulted from greater operating efficiencies and economies of scale gained from a larger revenue base.

Depreciation and amortization expenses. Depreciation and amortization expenses increased approximately 260.0% to $1.8 million in 1996 as compared to $500,000 in 1995, primarily because Romac incurred a full year of depreciation expense on approximately $1.2 million of new computer and telephone equipment that was purchased during 1995, began depreciating approximately $1.3 million of computer and telephone equipment and approximately $700,000 of furniture and fixtures acquired in 1996, and incurred additional amortization expense in 1996 related to goodwill recorded as a result of asset acquisitions made by Romac during 1996.

Other (income) expense. Other (income) expense increased 198.2% to $1.7 million of income in 1996 as compared to $570,000 of income in 1995. This increase was primarily due to interest earned by Romac on the investment of the proceeds from its May 1996 Common Stock offering and expenses relating to capital lease obligations entered into in 1995 declined in 1996. This increase was partially offset by a decrease in franchisee termination income received by Romac during the periods involved, as $346,189 was received in 1996 as compared to $435,000 in 1995.

Income before taxes. Income before taxes increased 98.0% to $9.9 million in 1996 as compared to $5.0 million in 1995, primarily as a result of the above factors.

Provision for income taxes. Provision for income taxes increased 100% to $4.0 million in 1996 as compared to $2.0 million in 1995. The effective income tax rate was constant at approximately 40.0% for both periods.

Net income. Net income increased approximately 100% to $6.0 million in 1996 as compared to $3.0 million in 1995, primarily as a result of the above factors.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 1997, the Company's sources of liquidity included approximately $77.9 million in cash and cash equivalents and approximately $19.6 million in additional net working capital. In addition, as of December 31, 1997, there were no amounts outstanding on Romac's line of credit and $30.0 million was available for borrowing under Romac's line of credit. Romac entered into a new Revolving Line of Credit Loan Agreement with Nationsbank, N.A. (the "Line of Credit") during September 1997. The Line of Credit expires on March 31, 2000 and amounts outstanding under the line of credit accrue interest at an annual rate equal to 65 basis points above the 90-day London Interbank Offering interest rate ("LIBOR"). As of December 31, 1997, the interest rate on the Line of Credit was 6.46%.

During the year ended December 31, 1997, cash flow provided by operations was approximately $4.5 million, resulting primarily from net income, non-cash expenses (depreciation and amortization) and increases in operating payroll liabilities, offset by an increase in accounts receivable. The increase in accounts receivable reflects the increased volume of business during 1997 from existing locations and the initial funding of the accounts receivable base in acquired operations.

During 1997, cash flow used in investing activities was approximately $54.3 million, resulting primarily from Romac's use of approximately $52.1 million in cash for acquisitions.

In November and December 1997, Romac received approximately $86.5 million as net proceeds of its common stock offering, part of which was used to repay the indebtedness outstanding under the Line of Credit. Romac intends to use the remaining net proceeds for general corporate purposes, including possible acquisitions, expansion of Romac's operations and certain capital expenditures related to Romac's expansion. Pending such uses, the net proceeds will be invested in short term, investment grade securities, certificates of deposit, or direct or guaranteed obligations of the United States government.

Romac believes that cash flow from operations and borrowings under Romac's Line of Credit, or other credit facilities that may become available to Romac in the future will be adequate to meet the working capital requirements of Romac's current operations for at least the next 12 months. Romac believes that the consummation of the Source Merger will not adversely affect Romac's liquidity and capital resources. Romac's estimate of the period that existing resources will fund its and the combined company's working capital requirements is a forward-looking statement that is subject to risks and uncertainties. Actual results could differ from those indicated as a result of a number of factors, including the use of such resources for possible acquisitions.

YEAR 2000 COMPUTER ISSUES

Many computer systems in use today were designed and developed using two digits, rather than four, to specify years. As a result, such systems will recognize the year 2000 as "00." This could cause many computer applications to fail completely or to create erroneous results unless corrective measures are taken. Romac utilizes software or related computer technologies which are essential to its operations. The Company believes all such software is currently Year 2000 compliant, and therein does not anticipate any material impact as a result of the Year 2000 issue.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is included on pages 22 to 47 in Item 14 of Part IV of this Report and is incorporated into this item by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by Item 10 relating to executive officers and directors of the registrant is incorporated herein by reference to the registrant's definitive proxy statement for the Annual Meeting of Shareholders.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 relating to executive compensation is incorporated herein by reference to the registrant's definitive proxy statement for the Annual Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by Item 12 relating to security ownership of certain beneficial owners and management is incorporated herein by reference to the registrant's definitive proxy statement for the Annual Meeting of Shareholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 13 relating to certain relationships and related transactions is incorporated herein by reference to the registrant's definitive proxy statement for the Annual Meeting of Shareholders.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this Report:

1. Financial Statements. The consolidated financial statements, and related notes thereto, of the Company with independent auditors' report thereon are included in Part IV of this Report on the pages indicated by the Index to Consolidated Financial Statements and Schedule as presented on page 22 of this report.

2. Financial Statement Schedule. The financial statement schedule of the Company is included in Part IV of this Report on the page indicated by the Index to Consolidated Financial Statements and Schedule as presented on page 20 of this report. The independent auditors' report as presented on page 41 of this report applies to the financial statement schedule. This financial statement schedule should be read in conjunction with the consolidated financial statements, and related notes thereto, of the Company.

Schedules not listed in the Index to Consolidated Financial Statements and Schedule have been omitted because they are not applicable, not required, or the information required to be set forth therein is included in the consolidated financial statements or notes thereto.

3. Exhibits. See Item 14(c) below.

(b) Reports on Form 8-K.

(i) Report on Form 8-K, filed October 9, 1997, relating to the purchase of substantially all the assets of Sequent Associates, Inc.

(ii) Report on Form 8-K, filed October 16, 1997, announcing third quarter operating results.

(iii) Report on Form 8-K/A, filed October 16, 1997, filing the financial statements for Uni*Quality System Solutions, Inc., previously omitted from the Company's Report on Form 8-K, filed September 22, 1997

(iv) Report on Form 8-K, filed December 3, 1997, relating to the resignation of Maureen A. Rorech from the Board of Directors.

(c) Exhibits. The exhibits listed on the Exhibits Index are filed as part of, or incorporated by reference into, this Report.

(d) Financial Statement Schedules. See Item 14(a) above.

ROMAC INTERNATIONAL, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of
Romac International, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations and changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Romac International, Inc., and its subsidiaries ("the Company") at December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ Price Waterhouse LLP
PRICE WATERHOUSE LLP
Tampa, Florida
February 25, 1998

ROMAC INTERNATIONAL, INC.

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 1997	DECEMBER 31, 1996
	(IN 000'S)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 77,946	$39,555
Short-term investments	47	880
Trade receivables, net of allowance for doubtful accounts of $880 and $617, respectively	35,475	17,061
Notes receivable from franchisees, current	109	193
Receivables from related parties, current	233	100
Deferred tax asset, current	352	243
Prepaid expenses and other current assets	1,637	1,214
Total current assets	115,799	59,246
Notes receivable from franchisees, less current portion	4	75
Receivables from related parties, less current portion	1,290	862
Deferred tax asset, less current portion	310	209
Furniture and equipment, net	8,206	5,346
Other assets, net	4,878	906
Goodwill, net of accumulated amortization of $2,578 and $1,108, respectively	66,652	10,915
Total assets	$197,139	$77,559
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and other accrued liabilities	$ 2,680	$ 1,723
Accrued payroll costs	7,227	2,976
Current portion of capital lease obligations	731	--
Current portion of payables to related parties	4,265	23
Income taxes payable	3,396	304
Total current liabilities	18,299	5,026
Capital lease obligations, less current portion	1,260	--
Payables to related parties, less current portion	1,375	--
Other long-term liabilities	2,525	1,249
Total liabilities	23,459	6,275
Commitments and contingencies		
Shareholders' Equity:		
Preferred stock, $0.01 par; 15,000 shares authorized, none issued and outstanding	--	--
Common stock, $0.01 par; 100,000 shares authorized, 29,863 and 24,267 issued and outstanding, respectively	299	243
Additional paid-in capital	152,188	61,404
Stock subscriptions receivable	--	(13)
Retained earnings	22,118	10,575
Less reacquired shares at cost; 677 shares	(925)	(925)
Total shareholders' equity	173,680	71,284
Total liabilities and shareholders' equity	$197,139	$77,559

The accompanying notes are an integral part of these consolidated financial statements.

ROMAC INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31,
(IN 000'S, EXCEPT PER SHARE DATA)

	1997	1996	1995
Net service revenues	$181,434	$94,210	$45,655
Direct costs of services	110,550	53,839	25,460
Gross profit	70,884	40,371	20,195
Selling, general and administrative expenses	50,531	30,348	15,232
Depreciation and amortization	3,242	1,762	512
Other (income) expense:			
Dividend and interest income	(1,902)	(1,413)	(214)
Interest expense	127	78	133
Other (income) expense, net	(157)	(350)	(489)
Income before income taxes	19,043	9,946	5,021
Provision for income taxes	7,500	3,965	2,008
Net income	$ 11,543	$ 5,981	$ 3,013
Net income per share:			
Basic	$ .46	$ .28	$ .19
Diluted	$ .44	$ .26	$ .18
Weighted average shares:			
Basic	24,896	21,716	16,087
Diluted	26,398	23,319	16,965

The accompanying notes are an integral part
of these consolidated financial statements.

ROMAC INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995
(IN 000'S)

	SHARES	AMOUNT
COMMON STOCK:		
Balance at December 31, 1994	15,751	$ 158
Issuance of common stock	4,160	42
Exercise of stock options	21	--
Balance at December 31, 1995	19,932	200
Issuance of common stock	4,024	40
Exercise of stock options	311	3
Balance at December 31, 1996	24,267	243
Issuance of common stock	4,577	46
Exercise of stock options	1,019	10
Balance at December 31, 1997	29,863	$ 299
ADDITIONAL PAID-IN CAPITAL:		
Balance at December 31, 1994		$ 1,655
Issuance of common stock		11,360
Exercise of stock options		32
Tax benefit related to employee stock options		25
Balance at December 31, 1995		13,072
Issuance of common stock		47,191
Exercise of stock options		512
Tax benefit related to employee stock options		629
Balance at December 31, 1996		61,404
Issuance of common stock		86,469
Exercise of stock options		2,834
Tax Benefit related to employee stock options		1,481
Balance at December 31, 1997		$152,188
STOCK REPURCHASE OBLIGATION:		
Balance at December 31, 1994		$ (924)
Reacquired stock		924
Balance at December 31, 1995, 1996 and 1997		$ --
STOCK SUBSCRIPTIONS RECEIVABLE:		
Balance at December 31, 1994		$ (36)
Payments on stock subscriptions receivable		19
Balance at December 31, 1995		(17)
Payments on stock subscriptions receivable		4
Balance at December 31, 1996		(13)
Payments on stock subscriptions receivable		13
Balance at December 31, 1997		$ --

ROMAC INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY -- (CONTINUED)

	SHARES	AMOUNT
RETAINED EARNINGS:		
Balance at December 31, 1994		$ 1,582
Net income		3,013
Balance at December 31, 1995		4,595
Net income		5,980
Balance at December 31, 1996		10,575
Net income		11,543
Balance at December 31, 1997		$ 22,118
REACQUIRED SHARES:		
Balance at December 31, 1994	(676)	$ (924)
Reacquired escrow shares	--	(1)
Balance at December 31, 1995, 1996 and 1997	(676)	$ (925)
TOTAL SHAREHOLDERS' EQUITY:		
Balance at December 31, 1994		$ 2,435
Issuance of common stock		11,402
Net income		3,013
Exercise of stock options		32
Payments on stock subscriptions receivable		19
Reacquired escrow shares		(1)
Tax benefit related to employee stock options		25
Balance at December 31, 1995		16,925
Issuance of common stock		47,231
Exercise of stock options		515
Tax benefit related to employee stock options		629
Payments on stock subscriptions receivable		4
Net income		5,980
Balance at December 31, 1996		71,284
Issuance of common stock		86,515
Exercise of stock options		2,844
Tax benefit related to employee stock options		1,481
Payment on stock subscriptions receivable		13
Net income		11,543
Balance at December 31, 1997		$173,680

The accompanying notes are an integral part
of these consolidated financial statements.

ROMAC INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,
(IN 000'S)

	1997	1996	1995
Cash flows from operating activities:			
Net income	$ 11,543	$ 5,981	$ 3,013
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,242	1,762	512
Provision for losses on accounts and notes receivable	638	193	290
Deferred taxes	(210)	26	(64)
(Increase) decrease in operating assets:			
Trade receivables, net	(19,052)	(9,900)	(4,424)
Notes receivable from franchisees	155	(111)	(17)
Prepaid expenses and other current assets	(423)	(895)	398
Other assets, net	(2,487)	(7)	(14)
Increase (decrease) in operating liabilities:			
Accounts payable and other accrued liabilities	957	1,050	(922)
Accrued payroll costs	4,251	1,518	(65)
Income taxes payable	4,572	361	554
Other long-term liabilities	1,276	657	(682)
Cash provided by (used for) operating activities	4,462	635	(1,421)
Cash flows from investing activities:			
Capital expenditures	(3,226)	(3,830)	(1,302)
Acquisitions, net of cash acquired	(52,127)	(11,254)	--
Proceeds from sale of furniture and equipment, net	1,681	--	12
Proceeds from the sale of short-term investments, net	833	7,024	--
Increase in cash surrender value of life insurance policies	(1,485)	(382)	(241)
Payments for purchase of short-term investments, net	--	--	(7,656)
Cash used in investing activities	(54,324)	(8,442)	(9,187)
Cash flows from financing activities:			
Payments on notes receivable from stock subscriptions	13	4	19
Payments on capital lease obligations	(535)	(703)	(570)
Payments on notes payable to related parties	(23)	(6)	(18)
Payments on notes receivable from related parties	39	220	96
Issuance of notes receivable from related parties	(600)	(520)	(439)
Proceeds from issuance of common stock	86,515	47,232	11,402
Proceeds from exercise of stock options	2,844	515	32
Repurchase of stock	--	--	1
Cash provided by financing activities	88,253	46,742	10,523
Increase (decrease) in cash and cash equivalents	$ 38,391	$ 38,935	$ (85)
Cash and cash equivalents at beginning of year	39,555	620	705
Cash and cash equivalents at end of year	$ 77,946	$ 39,555	$ 620

The accompanying notes are an integral part of these consolidated financial statements.

ROMAC INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN 000S, EXCEPT PER SHARE DATA)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

ROMAC International, Inc. (the "Company") is a provider of professional and technical specialty staffing services in 18 markets in the United States as of December 31, 1997. The Company provides its customers value-added staffing services in the following specialties: Information Technology, Finance and Accounting, Human Resources and Operating Specialties. The Company provides flexible staffing services on both a professional temporary and contract basis and provides search services on both a contingency and retained basis. The Company principally serves Fortune 1000 clients.

Stock Split/Dividend

On April 21, 1995, the Company declared a 1.023-for-1 stock split on its common stock. The Company declared two-for-one stock splits effected as a 100% stock dividends on its common stock on May 15, 1996 and October 3, 1997. All share-related data in these consolidated financial statements have been adjusted retroactively to give effect to these events as if they had occurred at the beginning of the earliest period presented.

Public Offerings

The Company completed its initial public offering of 4,160 shares of common stock on August 12, 1995. The proceeds of $11,402, net of underwriters' discounts and other offering costs, were used to pay down debt, to reacquire stock, for general working capital purposes and to finance business acquisitions. The Company completed secondary offerings of 4,024 and 4,577 shares of common stock on June 4, 1996 and October 17, 1997, respectively. The proceeds of $47,232 and $86,515, respectively, net of underwriters' discounts and other offering costs, are being used to finance business acquisitions and to fund general working capital purposes.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All material intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company classifies all highly-liquid investments with an initial maturity of three months or less as cash equivalents.

Investments

Investments in mutual funds and common stock have been classified as available for sale and, as a result, are stated at fair market value. Mutual funds available for current operations are classified in the balance sheet as short-term investments while investments in common stock are included in other assets. Unrealized holding gains and losses are included as a component of shareholders' equity until realized. At December 31, 1997 and 1996, there were no unrealized gains or losses.

Furniture and Equipment

Furniture and equipment are carried at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of leasehold improvements is amortized using the straight-line method over the terms of the related leases which range from 3 to 7 years.

Revenue Recognition

Net service revenues consist of sales, net of credits and discounts. The Company recognizes Flexible Billings based on hours worked by assigned personnel on a weekly basis. Search Fees are recognized in contingency search engagements upon the successful completion of the assignment. Franchise fees were determined based upon a contractual percentage of the revenue billed by franchisees. Costs relating to the support of franchised operations were included in the Company's selling, general and administrative expenses. The last remaining franchisee and licensee agreement was terminated at the end of the second quarter of 1997. The Company was the legal employer of flexible personnel under its licensing arrangements, and accordingly, included revenues and related direct costs of licensed offices in its net service revenues and direct cost of services, respectively. Commissions paid to licensees were based upon a percentage of the gross profit generated, and were included in the Company's direct cost of services.

Income Taxes

The Company accounts for income taxes under the principles of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"). SFAS 109 requires an asset and liability approach to the recognition of deferred tax assets and liabilities for the expected future tax consequences of differences between the carrying amounts and the tax bases of other assets and liabilities. The tax effects of deductions attributable to employees' disqualifying dispositions of shares obtained from incentive stock options are reflected in additional paid-in capital.

Stock Based Compensation

The Company adopted Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" ("SFAS 123") during 1996. The Company has elected to continue accounting for stock based compensation under the intrinsic value method of accounting for stock based compensation and has disclosed pro forma net income and earnings per share amounts using the fair value based method prescribed by SFAS 123.

Earnings Per Share

The Company adopted Statement of Financial Accounting Standards No. 128, "Earnings Per Share" ("SFAS 128") during 1997, which requires disclosure of basic and diluted earnings per share. Under the new standard, basic earnings per share is computed as earnings divided by weighted average shares outstanding. Diluted earnings per share includes the dilutive effects of stock options and other potentially dilutive securities. All prior period disclosures have been restated to conform with current year presentation.

The adoption of this new standard had a $.04 per share impact on basic earnings per share and an immaterial impact on diluted earnings per share for the year ending December 31, 1997. Options to purchase 158 shares of common stock at prices ranging from $16.13 to $20.63 per share were outstanding during 1997 but were not included in the computation of diluted earnings per share because the options were anti-dilutive.

The options, which expire on various dates ranging from July 2, 2007 to December 11, 2007, were still outstanding at December 31, 1997.

Recently Issued Accounting Pronouncements

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income," which will require Romac to disclose, in financial statement format, all non-owner changes in equity. Such changes include cumulative foreign currency translation adjustments and certain minimum pension liabilities. SFAS No. 130 is effective for fiscal years beginning after December 15, 1997 and requires presentation of prior period financial statements for comparability purposes. Romac expects to adopt this standard during the year ended December 31, 1998. The adoption of this standard is not expected to have a material impact on disclosure in Romac's financial statements.

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which establishes standards for reporting information about operating segments in annual financial statements and interim financial reports. It also establishes standards for related disclosures about products and services, geographic areas and major customers. SFAS No. 131 is effective for fiscal years beginning after December 15, 1997 and requires presentation of prior period financial statements for comparability purposes. Romac is currently evaluating its required disclosures under SFAS No. 131 and expects to adopt this standard during the year ended December 31, 1998.

2. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value of financial instruments has been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The fair value estimates presented herein are based on pertinent information available to management as of December 31, 1997 and 1996. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein. The fair values of the Company's financial instruments are estimated based on current market rates and instruments with the same risk and maturities. The fair values of cash and cash equivalents, accounts receivable, short-term investments, accounts payable, notes payable and payables to related parties approximate the carrying values of these financial instruments.

3. FURNITURE AND EQUIPMENT

Major classifications of furniture and equipment and related asset lives are summarized as follows:

		DECEMBER 31,	
	USEFUL LIFE	1997	1996
Furniture and equipment	5 years	$ 3,271	$1,864
Computer equipment	5 years	9,546	6,124
Leasehold improvements	lease term	575	192
		13,392	8,180
Less accumulated depreciation and amortization		5,186	2,834
		$ 8,206	$5,346

Included in computer equipment is approximately $2,600 subject to a noncancellable capital lease commitment with a three year term commencing on July 1, 1997.

4. ACQUISITIONS

Goodwill and intangible assets of $66,652 and $10,915 at December 31, 1997 and 1996, respectively, relate primarily to acquisitions made during 1997 and 1996.

Goodwill is amortized on a straight-line basis over a fifteen or thirty year period and intangible assets are amortized over the life of the employment agreement (five to eight years). Management periodically reviews the potential impairment of goodwill in order to determine the proper carrying value of goodwill as of each balance sheet date presented. Goodwill amortization expense of $1,469, $653 and $108 was recorded for the years ended December 31, 1997, 1996 and 1995, respectively.

During the second quarter of 1997, the Company revised its estimate of the amortization period for goodwill from 15 to 30 years for certain acquisitions. The change increased 1997 net income by $404, or $.02 per share.

For The Year Ended December 31, 1997

In January 1997, the Company acquired substantially all of the assets of Career Enhancement International of Massachusetts ("CEIM"), a provider of permanent placement and contract services for information technology personnel. The purchase price was approximately $4,400, subject to adjustment upon attainment of certain operating results.

In March 1997, the Company acquired all of the outstanding capital stock of Professional Application Resources Incorporated ("PAR"), a provider of information technology contract personnel. The purchase price was approximately $4,700.

In September 1997, the Company acquired all of the outstanding capital stock of Uni*Quality Systems Solutions, Inc. ("UQ"), a provider of contract services for information technology personnel. The purchase price was approximately $19,600, subject to adjustment upon attainment of certain operating results. Also in September 1997, the Company acquired substantially all of the assets of Sequent Associates, Inc. ("Sequent"), a provider of supplemental contract personnel staffing specializing in information technology and engineering professionals. The purchase price was approximately $20,300, subject to adjustment upon attainment of certain operating results.

In November 1997, the Company acquired the fixed assets of DP Specialists of Colorado, Inc. ("DPSE"), a provider of permanent placement and staff augmentation contract services for information technology personnel. The purchase price, including a non-compete agreement, was approximately $3,300.

In December 1997, the Company acquired substantially all of the assets of The Center For Recruiting Effectiveness, Inc. ("CRE"), a provider of human resources personnel on a permanent and contract basis. The purchase price was approximately $2,100 subject to adjustment upon attainment of certain operating results.

For The Year Ended December 31, 1996

In January 1996, the Company completed the acquisition of all of the assets, except for cash and accounts receivable of Venture Network Corporation, Inc. ("Venture"), a Company engaged in the business of providing permanent and contract services for information systems personnel. The purchase price, including a non-compete agreement, was approximately $1,100. In February 1996, the Company acquired the intangible assets of PCS Group, Inc. ("PCS"), a provider of contract service information systems personnel. The purchase price, including a non-compete agreement, was approximately $2,300. In March 1996, the Company acquired certain of the assets except for cash and accounts receivable of Strategic Outsourcing, Inc. ("SOI") for approximately $2,500 in cash. In June 1996, the Company acquired the fixed assets and intangible assets of

Bayshare, Inc. ("Bayshare"), the former legal entity for the Romac franchise for the San Francisco area. The purchase price was approximately $5,000 and is subject to adjustment upon attainment of certain operating results.

During fiscal 1997, approximately $1,900 was paid as additional purchase price related to the 1996 acquisitions. The Company fixed the earnouts on certain acquisitions during 1997 for approximately $5,600 (see Note 8). These amounts have been recorded as additional purchase price consideration and are included in goodwill.

The Company has accounted for all acquisitions using the purchase method of accounting. The results of the acquired companies' operations have been included with those of the Company from the dates of the respective acquisitions. The pro forma results of operations listed below reflect purchase accounting and pro forma adjustments as if the transactions occurred as of the beginning of 1996. The unaudited pro forma consolidated financial statements are not necessarily indicative of the results that would have occurred if the assumed transaction had occurred on the dates indicated or the expected financial position or results of operations in the future.

	1997 (UNAUDITED)	1996 (UNAUDITED)
Net service revenue	$216,541	$147,903
Gross profit	80,340	55,780
Income before income taxes	19,220	9,372
Net income	11,543	5,623
Earnings per share -- basic	$ .46	$ .26
Earnings per share -- diluted	$ .44	$ .24

5. OTHER ASSETS

	DECEMBER 31, 1997	DECEMBER 31, 1996
Cash surrender value of life insurance policies	$2,280	$795
Capitalized software	1,900	--
Investment in common stock	54	53
Other	644	58
	$4,878	$906

The cash surrender value of life insurance policies relates to policies maintained on key employees used to fund deferred compensation agreements with a cash surrender value of $1,872 and $522 at December 31, 1997 and 1996, respectively, and key man life insurance on officers with a cash surrender value of $408 and $273 at December 31, 1997 and 1996, respectively.

During 1997, the Company began the development and implementation of new computer software to enhance performance of the accounting and operation systems. Direct internal and external costs subsequent to the preliminary stage of this project are being capitalized and classified as other assets. Capitalized software development costs were $1,900 and $0 at December 31, 1997 and 1996, respectively. Capitalized software development costs are amortized over the estimated useful life of the software using the straight-line method over the estimated economic life.

6. LINE OF CREDIT AND CAPITAL LEASE OBLIGATION

	DECEMBER 31, 1997	DECEMBER 31, 1996
Obligation under capital lease with quarterly payments of principal and interest at 8.3% through June 2000	$1,991	$--
Less current maturities	731	--
	$1,260	$--

Future minimum lease payments under capital lease obligations are $731, $782 and $478 for 1998, 1999 and 2000, respectively.

In March 1996, the Company entered into an unsecured line of credit agreement. This agreement provided for up to $5,000 of working capital to the Company for general corporate purposes. This agreement was renegotiated on September 11, 1997 and the line was increased to $30,000. This agreement matures on March 31, 2000 and bears interest at up to 150 basis points above the average rate at which deposits in U.S. dollars were offered in the London interbank market ("LIBOR"). This agreement contains restrictive covenants which require the maintenance of certain financial ratios. The Company is in compliance with all covenants as of December 31, 1997 and 1996. No amounts were outstanding on any of these lines of credit at December 31, 1997 or 1996.

7. INCOME TAXES

The provision for income taxes consists of the following:

	YEARS ENDED DECEMBER 31, 1997	1996	1995
Current:			
Federal	$6,287	$3,239	$1,658
State	1,423	752	414
Deferred	(210)	(26)	(64)
	$7,500	$3,965	$2,008

The provision for income taxes shown above varied from the statutory federal income tax rates for those periods as follows:

	YEARS ENDED DECEMBER 31, 1997 %	1996 %	1995 %
Federal income tax rate	35.0	34.0	34.0
State income taxes, net of federal tax benefit	4.9	5.0	5.3
Non-deductible items	.5	1.4	1.1
Goodwill amortization	.6	(.1)	.4
Life insurance items	--	.2	.2
Other	(1.6)	(.5)	(1.0)
Effective tax rate	39.4	40.0	40.0

Nondeductible items consist primarily of the portion of meals and entertainment expenses which are not deductible for tax purposes.

ROMAC INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Deferred income tax assets and liabilities shown on the balance sheet are comprised of the following:

	DECEMBER 31, 1997	DECEMBER 31, 1996
Deferred taxes, current:		
Assets		
Allowance for bad debts	$ 352	$ 222
Accrued liabilities	--	21
Net deferred tax asset, current	$ 352	$ 243
Deferred taxes, non-current:		
Assets		
Deferred compensation	$ 979	$ 448
Deferred rent	78	34
	1,057	482
Liabilities		
Depreciation	(747)	(273)
Net deferred tax asset, non-current	$ 310	$ 209

A valuation allowance on the deferred tax assets has not been recorded due to the presence of taxable income in years available for carryback.

8. RELATED PARTIES

Receivables from Related Parties

Receivables from related parties are summarized as follows:

	DECEMBER 31, 1997	DECEMBER 31, 1996
Receivables from officers and shareholders	$1,136	$800
Other related party receivables	387	162
	1,523	962
Less current maturities	233	100
	$1,290	$862

Receivables from officers and shareholders include non interest bearing receivables for premiums paid on split dollar life insurance policies. Repayment terms on the remaining unsecured receivables range from one to two years at rates of 8% to 9%.

Payables to Related Parties

Notes payable to related parties include the following:

	DECEMBER 31, 1997	1996
Notes payable due in annual installments through February 1999 relating to contingent purchase price adjustments on previous acquisitions (see Note 4)	$5,640	$ --
Note payable to a related party, principal and 9% interest payable in bi-monthly installments through May, 1997	--	23
Less current maturities	4,265	23
	$1,375	$ --

Related Party Leases

The Company has operating leases with related parties as discussed in Note 12.

Stock Subscription Notes Receivable

From 1989 to August 31, 1994, certain subsidiaries of Romac-FMA issued stock to key employees of its respective majority owned subsidiaries of Romac-FMA in exchange for stock subscription notes receivable. At December 31, 1997 and 1996, $0 and $14, respectively, of non interest bearing subscription notes receivable were outstanding and collateralized by the respective shares of the subsidiaries' stock. The outstanding balances of these notes receivable were reflected as a reduction of the minority interest through August 31, 1994, at which time the minority interests of certain subsidiaries of Romac-FMA were exchanged for shares in the Company and the remaining outstanding subscription receivables are now shown as a reduction of shareholders' equity.

9. FRANCHISE REORGANIZATION

In 1995, the Company reached agreements with the Arlington and Dallas franchisees to terminate their franchise agreements. The terms of the Arlington agreement included a $260 note receivable at 9% interest, payable in 18 equal monthly installments. The agreement also includes a covenant not to compete in the Arlington market for a four month period beginning January 1, 1995. The Dallas arrangement included a $175 cash settlement and the Company retained the rights to the phone listing and other business records at the Dallas location.

In 1996, the Company reached agreements with its Minneapolis, Portland and St. Louis franchises to terminate their franchise agreements. The terms of the Minneapolis agreement included notes receivable totaling $207 at 8% interest payable in 18 equal monthly installments. The agreement also allowed the Company to immediately enter the Minneapolis market. The terms of the Portland agreement included a $106 note receivable at 9% interest payable in 149 equal weekly installments. The agreement also includes a covenant not to compete in the Portland market for a six month period beginning July 31, 1996. The St. Louis agreement included a $59 note receivable at 8% interest payable in 18 equal monthly installments. The agreement also allowed the Company to immediately enter the St. Louis market.

In 1997, the Company reached termination agreements with the last of its two franchises. The terms of the Raleigh agreement included notes receivable totaling $117 at 9% interest payable in 18 equal monthly installments. This agreement allowed the Company to immediately enter the Raleigh market. The terms of the New Orleans agreement included notes receivable totaling $50 at 9% interest payable in 18 equal monthly installments. This agreement allowed the Company to immediately enter the New Orleans market.

The revenue from these transactions has been reflected as other income in each respective year. Receivables related to these agreements of $109 and $247 at December 31, 1997 and 1996, respectively, are included in notes receivable from franchisees. Franchise royalties amounted to $10, $450 and $487 for the years ended December 31, 1997, 1996 and 1995, respectively. As of December 31, 1997, there were no Romac franchises remaining.

10. EMPLOYEE BENEFIT PLANS

401(k) Savings Plan

The Company has a qualified defined contribution 401(k) plan covering substantially all full-time employees, except officers and certain highly compensated employees. The plan offers a savings feature and Company matching contributions. Employer matching contributions are discretionary and are funded annually as approved by the Board of Directors. Assets of this plan are held in trust for the sole benefit of employees. Employer contributions to this 401(k) plan totaled $47, $40 and $22 in 1997, 1996 and 1995, respectively.

Prior to their mergers into the Company, certain subsidiaries had separate qualified defined contribution 401(k) plans covering substantially all full-time employees of the subsidiaries. No employer matching contributions were made for these plans for the years ended December 31, 1997, 1996 and 1995. Employees of these subsidiaries are now covered under the Company's plan described above.

Deferred Compensation Plan

The Company has a non-qualified deferred compensation plan pursuant to which eligible officers and highly compensated key employees may elect to defer part of their compensation to later years. The Company accrues interest and discretionary Company matching contributions. These amounts, which are classified as other long-term liabilities, are payable upon retirement or termination of employment, and at December 31, 1997 and 1996, aggregated $2,278 and $1,119, respectively. The Company has insured the lives of the participants in the deferred compensation program to assist in the funding of the deferred compensation liability. The cash surrender value of these Company-owned life insurance policies of $1,872 and $523, at December 31, 1997 and 1996, respectively, is included in other assets. Compensation expense of $234, $28 and $45 was recognized for the plan for the years ended December 31, 1997, 1996 and 1995, respectively.

Split Dollar Life Insurance

In 1995, the Company entered into split dollar and cross-purchase split dollar life insurance agreements with several officers and their estates whereby the Company pays a portion of the life insurance premiums on behalf of the officers and their estates. The Company has been granted a security interest in the cash value and death benefit of each policy equal to the amount of the cumulative premium payments made by the Company. The intent of these agreements is to, in the event of an officer's death, provide liquidity to pay estate taxes and to provide surviving officers with the ability to purchase shares from a deceased officer's estate, minimizing the possibility of a large block of the Company's common shares being put on the open market to the potential detriment of the Company's market price and to allow the Company to maintain a concentration of voting power among its officers.

Total premiums paid to date of $916 and $742 are included in related party receivables for the years ended December 31, 1997 and 1996, respectively.

11. STOCK OPTION PLANS

During 1994, the Company established an employee incentive stock option plan which authorized the issuance of options to purchase common stock to employees. The maximum number of shares of common stock that could be issued under the plan could not exceed 1,636. In 1995, the employee stock option incentive plan was amended to increase the number of shares of common stock that may be issued to 3,070. During 1996, this plan was amended to increase the number of shares of common stock that may be issued under the plan to 6,000 to allow persons other than employees to participate in the plan, to allow incentives in the form of Nonqualified Stock Options, Stock Appreciation Rights and Restricted Stock to be awarded under the plan and to effect a change in the plan name to the Romac International, Inc. Stock Incentive Plan (the "Plan"). During 1997, the Plan was amended to increase the number of shares of common stock that may be issued under the Plan to 9,000.

During 1995, the Company established a non-employee director stock option plan which authorized the issue of options to purchase common stock to non-employee directors. The maximum number of shares of common stock that can be issued under this plan is 400.

A summary of the Company's stock option activity is as follows:

	EMPLOYEE INCENTIVE STOCK OPTION PLAN	NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN	TOTAL	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE	WEIGHTED AVERAGE FAIR VALUE OF OPTIONS GRANTED
Outstanding as of					
December 31, 1994	552	--	552	$ 1.37	
Granted	1,663	80	1,743	$ 2.69	$ .95
Exercised	(22)	--	(22)	$ 1.49	
Outstanding as of					
December 31, 1995	2,193	80	2,273	$ 2.38	
Granted	1,844	40	1,884	$10.96	$4.09
Exercised	(311)	--	(311)	$ 1.66	
Forfeited	(122)	--	(122)	$ 8.25	
Outstanding as of					
December 31, 1996	3,604	120	3,724	$ 6.59	
Granted	1,139	20	1,159	$12.92	$5.59
Exercised	(1,019)	--	(1,019)	$ 2.79	
Forfeited	(304)	--	(304)	$10.91	
Outstanding as of					
December 31, 1997	3,420	140	3,560	$ 9.43	
Exercisable at December 31:					
1997	1,060	88	1,148		
1998	998	12	1,010		
1999	725	12	737		
2000	296	12	308		
2001	123	12	135		

Options granted during each of the three years ended December 31, 1997 have vesting requirements ranging from one to seven years. Options expire at the end of ten years from the date of grant.

The following table summarizes information about employee and director stock options:

RANGE OF EXERCISE PRICES	OPTIONS OUTSTANDING		
	NUMBER OUTSTANDING AT DECEMBER 31, 1997 (SHARES)	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED AVERAGE EXERCISE PRICE ($)
$1.365 - $1.49	414	6.9	$ 1.45
$4.188 - $4.688	565	7.7	$ 4.19
$6.250 - $7.688	203	8.2	$ 6.30
$8.845 - $9.565	11	9.3	$ 9.24
$10.125 - $15.250	2,209	9.0	$11.92
$16.125 - $20.625	158	9.5	$17.18
	3,560		

RANGE OF EXERCISE PRICES	OPTIONS EXERCISABLE	
	NUMBER EXERCISABLE AT DECEMBER 31, 1997 (SHARES)	WEIGHTED AVERAGE EXERCISE PRICE ($)
$1.365 - 1.490	295	$ 1.48
$4.188 - $4.688	330	$ 4.19
$6.250 - $7.688	47	$ 6.39
$10.125 - $15.250	425	$11.39
$16.125 - $20.625	51	$16.94
	1,148	

Had compensation cost for the Company's option plans been determined based on the fair value at the grant dates, as prescribed by SFAS 123, the Company's net income and net income per share would have been as follows:

	YEARS ENDED DECEMBER 31,	
	1997	1996
Net income:		
As Reported	$11,543	$5,981
Compensation expense per SFAS 123	(2,954)	(786)
Tax benefit pro forma	456	314
	$ 9,045	$5,509
Net income per share:		
Basic:		
As Reported	$ .46	$ .28
Pro forma	.36	.25
Diluted:		
As reported	$ .44	$ .26
Pro forma	.34	.24

The fair value of each option is estimated on the date of grant using the minimum value method with the following assumptions used for grants during the applicable period: dividend yield of 0.0% for both periods; risk-free interest rates of 5.85% - 7.03% for options granted during the year ended December 31, 1997 and 5.95% - 7.99% for options granted during the year ended December 31, 1996; a weighted average expected option term of 4 - 7 years for 1997 and 3 - 5 years for 1996; and a volatility factor of 37.02% for 1997 and 35.35% for 1996.

Tax benefits resulting from the disqualifying dispositions of shares acquired under the Company's employee incentive stock option plan reduced taxes currently payable by $1,481 and $629 in 1997 and 1996, respectively. These tax benefits are credited to additional paid-in-capital.

12. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases office space for use as its headquarters under an operating lease with monthly payments of $27 expiring in 2001 from a related party. The Company also leases office space for Romac Portland from a related party at an annual rental of $74 subject to adjustment as defined through December 31, 2000. The Company leases other space and various equipment under operating leases expiring at various dates with some leases cancelable upon 30 to 90 days notice. The leases require payment of taxes, insurance and maintenance costs in addition to rental payments.

Future minimum lease payments under operating leases are summarized as follows: 1998, $3,107; 1999, $2,870; 2000, $1,660; 2001, $629; and $233 thereafter. Minimum obligations have not been reduced by minimum sublease rentals of $149 due under a noncancellable sublease.

Rental expense under all operating leases was $2,329, $1,379 and $759 for 1997, 1996 and 1995, respectively.

Noncancellable Processing Commitment

The Company has an agreement with a third party processor (the "Processor") who provides certain services for some of the Company's franchised and licensed temporary placement operations; the cost of such services is a percentage of gross billings as defined within the agreement. Pursuant to certain contract termination provisions, the Company would be required to pay $500 in the event of termination of such agreement. The agreement continues in effect until the aggregate of all amounts actually collected and paid to the Processor from September 1, 1985 exceeds $5,000. The cumulative amounts processed were $4,373, $4,279 and $4,094 as of December 31, 1997, 1996 and 1995, respectively.

Stock Repurchase Agreements

Stock repurchase agreements between certain subsidiaries of the Company (former Romac-FMA subsidiaries) and certain shareholders provided for the purchase of their shares of the subsidiaries' stock in the event of disability or death of the shareholder, at market value as determined by an independent third party. The commitment under such agreements was partially funded by term life insurance and disability policies on these shareholders owned by the Company. In connection with these redemption agreements, the Company had employment agreements with such key employees until consummation of the share exchange, wherein all such employment agreements were terminated, with the exception of those discussed below and the repurchase agreements were amended to reflect the receipt of shares of the Company in exchange for shares owned in the former FMA subsidiaries. On April 26, 1995, all such agreements were amended to convert the Company's repurchase obligation to an option to purchase, at the discretion of the Company.

In October 1994, the Company became liable to repurchase approximately 676 shares under one of the stock repurchase agreements due to the death of a shareholder. Under the terms of the repurchase agreement, the liability was to be paid in five equal annual installments beginning March 1, 1995, with interest payable at 9%. The note was paid in full as of December 31, 1995. The related life insurance proceeds of approximately $500 is included in other income for the year ended December 31, 1994. The amendment of the stock purchase agreements on April 26, 1995 by the Company and its certain shareholders eliminated all contingent stock repurchase obligations. Accordingly, the related life insurance policies were terminated.

Litigation

The Company is involved in litigation in the ordinary course of business which is not, in the opinion of management, expected to have a material effect on the results of operations or financial condition of the Company.

Employment Agreements

During 1996 and 1997, the Company entered into employment agreements with certain executive officers which provide for minimum compensation and salary and certain benefit continuation for a two year period under certain circumstances. The agreements also provide for a payment of amounts two times their annual salary if a change in control (as defined) of the Company occurs and include a covenant against competition with the Company which extends for one year after termination for any reason. The Company's liability at December 31, 1997 would be approximately $1,100 in the event of a change in control or if all of the employees under contract were to be terminated by the Company without good cause (as defined) under these contracts.

13. SUPPLEMENTAL CASH FLOWS INFORMATION

The Company's non-cash investing and financing activities and cash payments for interest and income taxes were as follows:

	YEARS ENDED DECEMBER 31,		
	1997	1996	1995
Notes payable issued in settlement of contingent purchase price of previous acquisitions	$5,640	$ --	$ --
Capital lease transaction	$2,526	$ --	$1,207
Cash paid during the year for:			
Interest	$ 127	$ 79	$ 133
Income taxes	$4,187	$3,675	$1,515

14. SUBSEQUENT EVENTS

On February 1, 1998 and as amended on February 11, 1998, the Company announced a definitive merger agreement (the "Merger") with Source Services Corporation ("Source"), a flexible and permanent specialty staffing company. The agreement provides for a stock-for-stock merger transaction whereby the stockholders of Source will receive 1.1932 shares of Romac common stock for each of the outstanding shares of Source common stock, subject to adjustment based on Romac's market price prior to closing and certain other conditions. Based on Romac's closing price of $22.375 per share on Friday, January 30, 1998, the transaction would be valued at approximately $375,000. The consummation of the Merger is subject to certain conditions including effectiveness of a registration statement to be filed by the Company with the SEC, approval by the stockholders of each company and the receipt of the opinions that the Merger may be accounted for as a "pooling of interests" for accounting purposes and qualify as a tax-free reorganization.

15. QUARTERLY FINANCIAL DATA (UNAUDITED)

	QUARTER ENDED			
	MAR. 31	JUN. 30	SEPT. 30	DEC. 31
Fiscal 1997				
Net service revenues	$34,952	$39,640	$45,915	$60,927
Gross profit	13,948	16,063	18,591	22,282
Net income	2,078	2,427	3,041	3,996
Net income per share -- basic	$ .09	$ .10	$ .12	$ .15
Net income per share -- diluted	$ .08	$ .10	$ .12	$ .14
Fiscal 1996				
Net service revenues	$16,889	$21,466	$26,433	$29,422
Gross profit	7,170	9,437	11,369	12,395
Net income	1,025	1,288	1,805	1,863
Net income per share -- basic	$ .06	$ .06	$ .08	$ .08
Net income per share -- diluted	$ .05	$ .06	$ .08	$ .07

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON

FINANCIAL STATEMENT SCHEDULE

To the Board of Directors
of Romac International, Inc.

Our audits of the consolidated financial statements referred to in our report dated February 25, 1998 appearing in this Form 10-K of Romac International, Inc. also included an audit of the Financial Statement Schedule listed in Item 14 of this Form 10-K. In our opinion, this Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ Price Waterhouse LLP
Price Waterhouse LLP
Tampa, Florida
February 25, 1998

SCHEDULE II

ROMAC INTERNATIONAL, INC.

VALUATION AND QUALIFYING
ACCOUNTS AND RESERVES
SUPPLEMENTAL SCHEDULE

COLUMN A	COLUMN B		COLUMN C		COLUMN D	COLUMN E
DESCRIPTION		BALANCE AT BEGINNING OF	CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF PERIOD
Allowance Reserve........................	1995	$333	$376	$ --	$ 86	$623
	1996	623	193	--	199	617
	1997	617	638	--	375	880

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ROMAC INTERNATIONAL, INC.

Date: March 17, 1998 By: /s/ DAVID L. DUNKEL

David L. Dunkel
Chairman of the Board
Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL THESE PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints David L. Dunkel and James Swartz and each of them, jointly and severally, his attorneys-in-fact, each with full power of substitution, for him in any and all capacities, to sign any and all amendments to this Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each said attorneys-in-fact or his substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: March 17, 1998 By: /s/ JAMES D. SWARTZ

James D. Swartz
President and Director

Date: March 17, 1998 By: /s/ HOWARD W. SUTTER

Howard W. Sutter
Vice President and Director

Date: March 17, 1998 By: /s/ THOMAS M. CALCATERRA

Thomas M. Calcaterra
Chief Financial Officer, Secretary,
and Principal Accounting Officer

Date: March 17, 1998 By: /s/ PETER DOMINICI

Peter Dominici
Vice President, Treasurer, and Director

Date: March 17, 1998 By: /s/ RICHARD M. COCCHIARO

Richard M. Cocchiaro
Vice President and Director

Date: March 17, 1998 By: /s/ W. R. CAREY, JR.

W. R. Carey, Jr.
Director

Date: March 17, 1998 By: /s/ GORDON TUNSTALL

Gordon Tunstall
Director

Date: March 17, 1998 By: /s/ TODD MANSFIELD

Todd Mansfield
Director

Date: March 17, 1998 By: /s/ DAVID L. DUNKEL

David L. Dunkel
Director

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	SEQUENTIAL PAGE
2.1	Agreement and Plan of Merger, dated February 1, 1998, between Romac International, Inc. and Source Services Corporation****	
2.2	Amendment Number 1 to Agreement and Plan of Merger, dated February 11, 1998, between Romac International, Inc. and Source Services Corporation*****	
3.1	Amended and Restated Articles of Incorporation*	
3.2	Bylaws*	
4.1	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1)**	
4.2	Bylaws (incorporated by reference to Exhibit 3.1)	
10.5	Asset Purchase Agreement, effective September 1, 1997 between Romac International Inc. and the Sellers of Sequent Associates, Inc.**	
10.6	Stock Purchase Agreement, dated September 5, 1997, between Romac International Inc. and the Sellers of Uni*Quality Systems Solutions, Inc.***	
10.7	$30,000,000 Revolving Line of Credit Agreement between NationsBank, National Association and Romac International, Inc. dated September 11, 1997	
10.18	Employment Agreement, dated as of March 1, 1997, between the Company and David L. Dunkel******	
10.19	Employment Agreement, dated as of March 1, 1997, between the Company and Howard W. Sutter******	
10.20	Employment Agreement, dated as of March 1, 1997, between the Company and Peter Dominici******	
21.	List of subsidiaries of Company	
23.	Consent of Price Waterhouse LLP	
27.	Financial Data Schedule (for SEC use only)	

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* Incorporated by reference to the Company's Registration Statement on Form S-1 (File No. 33-91738).

** Incorporated by reference to the Company's Current Report on Form 8-K (File No. 0-26058), filed September 22, 1997

*** Incorporated by reference to the Company's Current Report on Form 8-K (File No. 0-26058), filed October 9, 1997.

**** Incorporated by reference to the Company's Current Report on Form 8-K (File No. 0-26058), filed February 2, 1998.

***** Incorporated by reference to the Company's Current Report on Form 8-K (File No. 0-26058), filed February 19, 1998.

****** Incorporated by reference to the Company's Annual Report on Form 10-K (File No. 0-26058), filed March 28, 1997.

NationsBank, N.A.

REVOLVING LINE OF CREDIT LOAN AGREEMENT

This Revolving Line of Credit Loan Agreement (the "Agreement") is dated as of September 11th, 1997, by and between NationsBank, N.A., a national banking association ("Bank" or "Lender"), and the Borrower and Guarantors described below.

In consideration of the Loan or loans described below and the mutual covenants and agreements contained herein, and intending to be legally bound hereby, Bank, Borrower and Guarantors agree as follows:

ARTICLE 1.
DEFINITIONS AND REFERENCE TERMS.

For purposes of this Agreement, and in addition to any other terms defined herein, the following terms shall have the meaning set forth with respect thereto:

A. General Definitions.

1. "Adjusted EBITDA" means (i) Net Income (or Net Loss) plus (ii) interest expense plus (iii) state and federal taxes on income plus (iv) depreciation and amortization, all determined on a consolidated basis in accordance with Generally Accepted Accounting Principles applied on a Consistent Basis. Adjusted EBITDA will be computed on a rolling four quarter basis and shall include the Adjusted EBITDA of each acquisition as if such acquisition had been owned for an entire twelve (12) month time period.

2. "Affiliate" means a Person (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with the Borrowers; (ii) which beneficially owns or holds 25% or more of any class of the outstanding voting stock (or in the case of a Person which is not a corporation, 25% or more of the equity interest) of the Borrower; or (iii) 25% or more of any class of the outstanding voting stock (or in the case of a Person which is not a corporation, 25% or more of the equity interest) of which is beneficially owned or held by the Borrowers. The term "control" means the possession, directly or indirectly, of the power or cause the direction of the management and policies of a Person, whether through ownership of voting stock, by contract or otherwise.

3. "Authorized Representative" means any of the President, Chief Executive Officer, the Treasurer, the Secretary, and, with respect to financial matters, the Chief Financial Officer or Controller of the Borrower or any Guarantor, as the case may be, or any other person expressly designated by the Board of Directors of the Borrower or any Guarantor (or the appropriate committee thereof) as an Authorized Representative of the Borrower.

4. "Basis Point" means the amount equal to .01%. (By way of example, 50 Basis Points shall be equal to one half of one percent, or .5%).

5. "Borrower" means Romac International, Inc., a Florida corporation.

6. "Borrower's Address:" 120 West Hyde Park, Suite 150 Tampa, Florida 33606

7. "Business Day" means any day which is not a Saturday, Sunday or a day on which banks in the State of Florida are authorized or obligated by law, executive order or governmental decree to be closed.

8. "Closing Date'' means the date as of which this Agreement is executed by the Borrower, the Lender and the Guarantors and on which the conditions set forth in Article IV.A hereof have been satisfied.

9. "Code" means the Internal Revenue Code of 1986, as amended, any successor provision or provisions and any regulations promulgated thereunder.

10. "Consistent Basis" in reference to the application of Generally Accepted Accounting Principles means the accounting principles observed in the period referred to are comparable in all material respects to those applied in the preparation of the audited financial statements of the Borrower and Guarantors referred to below.

11. "Cost of Acquisition" means, the proposed costs to acquire any Person, which shall be the sum of the following: (i) the value of the capital stock or warrants or options to acquire capital stock of Borrower or any Guarantor to be transferred in connection therewith, (ii) any cash or other property (excluding property described in clause (i) or the face amount of any debt instrument given as consideration, and (iii) any indebtedness or liabilities assumed by the Borrower or its Guarantors in connection with such acquisition; but "Cost of Acquisition" shall not include out of pocket transaction costs for the services and expenses of attorneys, accountants and consultants incurred in effecting an acquisition, and other similar transaction costs so incurred.

12. "Default" means any event or condition which, with the giving or receipt of notice or lapse of time or both, would constitute an Event of Default hereunder if that condition or event were not cured or removed with any applicable grace or cure period.

13. "Dollars" and the symbol "$" means dollars constituting legal tender for the payment of public and private debts in the United States of America.

14. "Environmental Laws" means, collectively, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, as amended, the Clean Air Act, as amended, the Clean Water Act, as amended, any other "Superfund" or "Superlien" law or any other applicable statute, law, ordinance, code, rule, regulation, order or decree, of the United States or any foreign nation or any province, territory, state, protectorate or other political subdivision thereof, regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material.

15. "ERISA" means, at any date, the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder, all as the same shall be in effect at such date.

16. "Event of Default" means any of the occurrences set forth as such in Article VII.A hereof.

17. "Funded Debt" means the sum of any principal outstanding under the Loan, plus all capital lease obligations, plus any principal amount of any loans due to officers, stockholders or affiliates, plus the principal amount of any debt incurred by Borrower to fund the acquisition of a Person, plus all other borrowed funds, plus all contingent liabilities, including but not limited to any issued letters of credit or guaranty, as defined by Generally Accepted Accounting Principles, computed on a consolidated basis.

18. "Generally Accepted Accounting Principles" or "GAAP" means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board of the American Institute of Certified Public Accountants or successor organization and are applicable in the circumstances as of the date of a report, as such principles are from time to time supplemented and amended.

19. "Government Authority" shall mean any Federal, state, municipal, national or other governmental department, commission, board, bureau, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative or judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether a state of the United States, the United States or foreign nation, state, province or other governmental instrumentality.

20. "Guaranty" means each Continuing Guaranty of a Guarantor (whether delivered individually or jointly and severally with other Guarantors) in favor of Bank whether delivered to the Bank on the Closing Date or thereafter guaranteeing the payment of obligations, as the same may be amended, modified or supplemented.

21. "Guarantors" shall mean collectively all current and future subsidiaries and all current and future affiliates of Borrower. Individual subsidiaries and affiliates of Romac International, Inc. shall be referred to as "Guarantor." As of the Closing Date, the following are affiliates of Borrower (and, therefore, Guarantors):

a. Romac and Associates, Inc., a Massachusetts corporation
b. Romac and Associates of Boston, Inc., a Massachusetts corp.
c. Romac and Associates of Fort Lauderdale, Inc., a Florida corp.
d. Romac International of Minnesota, Inc., a Florida corporation
e. Romac International of Pennsylvania, Inc., a Florida corporation
f. Romac International of California, Inc., a Florida corporation
g. Romac International of Kentucky, Inc., a Florida corporation
h. Romac International of Texas, Inc., a Florida corporation
i. Romac Temporaries, Inc., a Delaware corporation
j. FMA International, Inc., a Florida corporation
k. FMA Temporaries of Chicago, Inc. a Florida corporation
l. Professional Application Resources Incorporated, a Texas corp.
m. Romac/Lanorf, Inc., a Delaware corporation
n. Romac/Ncralf, Inc., a Delaware corporation

22. "Hazardous Material" means and includes any hazardous, toxic or dangerous waste, substance or material, the generation, handling, storage, disposal, treatment or emission of which is subject to any Environmental Law.

23. "LIBO Rate" means the fluctuating London InterBank Offering interest rate per annum obtained by dividing (i) the ninety (90) day rate quoted in the "Money Rates" section of The Wall Street Journal, by (ii) an amount equal to 1 minus the Floating LIBOR Reserve Requirement (as such term is hereinafter defined) for such day. The term "Floating LIBO Reserve Requirement" means the rate at which reserves (including without limitation, any marginal, supplemental, or emergency reserve) are required to be maintained by bank by any applicable governmental regulatory authority on the date for which interest is being calculated, against "Eurocurrency Liabilities" as currently defined under Regulation D, expressed as a decimal. The LIBO Rate shall be adjusted on a daily basis to reflect changes in the LIBO Rate and each adjustment shall be effective on the date the change occurs.

24. "Loans" or "Facility" means collectively any and all loans heretofore or hereafter made by Bank to the Borrower.

25. "Loan Documents" means this Agreement, the Notes, the Guaranties and all other instruments, certificates, and documents heretofore or hereafter executed or delivered to and in favor of Bank in connection with any Loan made, issued or created

under this Agreement as the same may be amended, modified or supplemented from time to time.

26. "Obligations" means the obligations, liabilities and indebtedness of the Borrower and Guarantors with respect to (i) the principal and interest on the Loans and (ii) the payment and performance of all other obligations, liabilities and indebtedness of the Borrower and Guarantors to the Bank hereunder, under any one or more of the other Loan Documents or with respect to the Loans.

27. "Net Worth" means the sum of the depreciation book value of the Assets of the Borrower minus the Liabilities of the Borrower as reflected in its consolidated balance sheet.

28. "Permitted Liens" shall means (i) liens for taxes, assessments, or other governmental charges or levies which are not delinquent or which are not being diligently contested in good faith by appropriate proceeds; (ii) liens imposed by law, such as carriers, warehousemen and mechanics liens, and similar liens arising out of the ordinary course of business not satisfied or transferred to bond within sixty (60) days from the date the lien attaches to any property of borrower or Guarantor; and (iii) liens or pledges arising under workers' compensation laws, unemployment insurance or similar legislation.

29. "Persons" means an individual, partnership, corporation, trust, unincorporated organization, association, joint venture or a government or agency or political subdivision thereof.

30. "Prime Rate" shall mean the rate of interest announced by the Bank from time to time as its Prime Rate which represents a reference used by the Bank in determining the interest rate on certain loans and is not intended to be the lowest rate of interest charged on any extension of credit to any customer. The Prime Rate shall be adjusted on a daily basis to reflect changes in the Prime Rate and each adjustment shall be effective on the date the change occurs.

31. "Solvent" means, when used with respect to any Person, that at the time of determination;

(i) the fair value of its assets (both at fair valuation and at present fair saleable value on an orderly basis) is in excess of the total amount of its liabilities including, without limitation, contingent obligations; and

(ii) it is then able and expects to be able to pay its debts as they mature; and

(iii) it has capital sufficient to carry on its business as conducted and as proposed to be conducted.

32. "Subsidiary" means any corporation or other entity (i) in which more than 50% of its outstanding voting stock or more than 50% of all equity interests is owned directly or indirectly by the Borrower and/or by one or more of the Guarantors.

B. Accounting Terms. All accounting terms not specifically defined herein shall have the meanings assigned to such terms and shall be interpreted in accordance with Generally Accepted Accounting Principles applied on a Consistent Basis; provided, however, if any change in Generally Accepted Accounting Principles in effect on the Closing Date shall result in a change in any calculation required to determine compliance with any provision contained in this Agreement, the Borrower and the Bank will amend such provision in a manner to reflect such change such that the determination of compliance with such provision shall yield the same result as would have obtained prior to such change in Generally Accepted Accounting Principles. Until an amendment is entered into covenants shall be calculated in accordance with Generally Accepted Accounting Principles as in effect immediately preceding such change.

ARTICLE II.
THE LOANS

A. Loan. Subject to the terms and conditions set forth in this Agreement and the other Loan Documents, Bank hereby agrees to make a loan or loans to Borrower in the aggregate principal amount of Thirty Million Dollars ($30,000,000.00). The obligation to repay the loan is evidenced by a promissory note or notes dated of even date herewith (the promissory note or notes together with any other promissory notes heretofore or hereafter executed by Borrower in favor of Bank and any and all renewals, extensions or rearrangements thereof being hereafter collectively referred to as the "Note") having a maturity date, repayment terms and interest rate as set forth herein and in the Note.

B. Purpose of Loan. Borrower hereby covenants and warrants to Bank that all loan proceeds of the Note shall be used for general corporate purposes, future corporate acquisitions and the start-up of new offices and working capital, as well as provide additional short term working capital.

C. Security for the Loan. This loan shall be unsecured. However, in addition, Borrower hereby covenants and agrees at all times during which the Loan or any portion thereof, including principal, interest, or other expenses chargeable to Borrower under any of the Loan Documents, is outstanding, all assets owned by the Borrower and each Guarantor shall be maintained by the Borrower and each Guarantor free and clear of all material liens, encumbrances and pledges, except for Permitted Liens, and acquisitions by Borrower and its Subsidiaries, as provided in Article VI, Section B, below.

D. Revolving Credit Feature. The Loan provides for a revolving line of credit (the "Line") under which Borrower may from time to time, borrow, repay and re-borrow funds. Borrower may borrow, repay, and re-borrow under the Loan at any time, up to a maximum aggregate amount outstanding at any one time equal to the amount of the Loan as set forth in subsection A above; provided, however, that Borrower is not in Default under any provision of the Note, any other Loan Documents, or any other obligation of Borrower to Bank, and provided the borrowings do not exceed any other limitations on borrowings by Borrower. Bank shall have no liability for its refusal to advance funds based upon its determination that any conditions of such further advances have not been met. Bank's records of the amounts borrowed from time to time shall be conclusive proof thereof.

E. Breakup Fee. If the Borrower should cancel, terminate, payoff in full, or otherwise refinance all or any portion of the Loan prior to August 31, 1998 (except to the extent that Bank is the agent or lead bank on such other lending transaction) the Borrower shall pay the Bank a Breakup Fee in the amount of Fifteen Thousand Dollars ($15,000.00). This Breakup Fee shall not be deemed additional interest or a penalty.

F. Repayment of the Loan. Interest shall be paid monthly commencing on September 30, 1997, and continuing on the last day of each successive month thereafter. Principal payments may be paid at any time; provided, however, that all unpaid principal shall be paid in full when the Facility matures on March 31, 2000 (the "Maturity Date").

G. Rate. Interest shall accrue on the unpaid balance of the Facility at the rate selected from the Interest Rate Options, plus the Applicable Margin.

1. Interest Rate Options. The following options are available:

a. Option One: LIBO Rate plus the Applicable Margin, calculated in accordance with the requirements set out below.

b. Option Two: Prime Rate, calculated in accordance with the requirements set out below.

2. Applicable Margin. The Applicable Margin shall be a function of the Borrower's ratio of Funded Debt divided by Adjusted EBITDA and shall be calculated quarterly based upon the Borrower's internally-prepared financial statement or if available, Borrower's annual audited financial statement. Upon Bank's receipt of said financial statement, Bank shall calculate the Applicable Margin and inform Borrower of same.

Within one (1) business day of its receipt of the Applicable Margin calculation, Borrower shall inform the Bank of its choice of Interest Rate Option, which Interest Rate Option shall be in effect for the quarter subsequent to the quarter for which said financial statement was prepared. In the event Borrower fails to notify Bank of its rate selection in a timely manner, Borrower shall be deemed, for all purposes herein, to have selected Option One. Prior to Borrower's selection of the applicable Interest Rate Option, interest shall be charged on the outstanding principal balance of the Loan at the Interest Ratio Option for the prior quarter. The monthly interest payment due immediately subsequent to the Borrower's choice of the Interest Rate Option shall be adjusted with the Borrower either paying any shortfall or receiving credit for any overpayment, to reflect any difference between the prior quarter's Interest Rate Option and the current quarter's Interest Rate Option for payments made during the current quarter. The Funded Debt portion of the calculation will be determined based on the then-current quarter end; whereas the Adjusted EBITDA portion of the calculation will be determined based on the previous four fiscal quarters.

a. Option One:

(1) If the ratio of Funded Debt to Adjusted EBITDA (hereafter, "FD/Adj EBITDA") is less than 1.00 to 1.00, the Applicable Margin for the LIBO Rate shall be sixty-five Basis Points (.65%).

(2) If the ratio of FD/Adj EBITDA is between 1.00 to 1.00 (inclusive) and 1.50 to 1.00, the Applicable Margin for the LIBO Rate shall be ninety Basis Points (.90%).

(3) If the ratio of FD/Adj EBITDA is between 1.51 to 1.00 and 2.00 to 1.00, the Applicable Margin for the LIBO Rate shall be one hundred fifteen Basis Points (1.15%).

(4) If the ratio of FD/Adj EBITDA is between 2.01 to 1.00 and 2.50 to 1.00, the Applicable Margin for the LIBO Rate shall be one hundred fifty Basis Points (1.50%).

b. Option Two:

So long as the ratio of FD/Adj EBITDA is less than or equal to 2.50 to 1.00, the Applicable Margin for the Prime Rate shall be zero.

H. Advances. Advances under the Line shall be made by telephone (confirmed in writing) or written communication to Bank from any Authorized Representative; provided, however, that Bank shall have the right to rely upon telephonic representations that the person claiming to be an Authorized Representative is, in fact, that person. Unless otherwise agreed by the Bank, all advances under the Line will be made by way of a credit into Borrower's demand deposit account maintained at the Bank.

I. Unused Commitment Fee. Beginning on October 15, 1997, and as additional consideration for the making of this Loan (and regardless of which Interest Rate Option has been selected), Borrower shall pay to Bank an additional fee equal to [$30,000,000 minus the average daily principal amount outstanding under the Loan for the calendar quarter ending September 30, 1997] multiplied by a specific number of Basis Points, depending on the ratio of FD/Adj EBITDA, as more specifically set forth below:

a. If the ratio of FD/Adj EBITDA is less than 1.00 to 1.00, seventeen and one-half Basis Points (.175%).

b. If the ratio of FD/Adj EBITDA is between 1.00 to 1.00 (inclusive) and 1.50 to 1.00, twenty Basis Points (.20%).

c. If the ratio of FD/Adj EBITDA is between 1.51 to 1.00 and 2.00 to 1.00, twenty-five Basis Points (.25%).

d. If the ratio of FD/Adj EBITDA is between 2.01 to 1.00 and 2.50 to 1.00, thirty Basis Points (.30%).

Thereafter, for so long as the Line is in place, Borrower shall pay a fee on a quarterly basis, determined in accordance with the above formula, which shall be due within 15 days from the end of said calendar quarter.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

A. Representations and Warranties. The Borrower represents and warrants with respect to itself and the Guarantors, and the Guarantors (by joining in the execution of this Agreement) represent and warrant on their behalf (which representations and warranties shall survive the delivery of the documents mentioned herein and the making of Loans), that:

1. ORGANIZATION AND AUTHORITY.

a. the borrower and each guarantor is a corporation duly organized, validly existing and in good standing under the laws of the state in which it was formed.

b. The Borrower and each Guarantor has the requisite power and authority to own its properties and assets and to carry on its business as now being conducted and as contemplated in the Loan Documents, and is qualified to do business in every jurisdiction in which failure to do so would have a material adverse effect on the business or operations of the Borrower or each corporate Guarantor taken as a whole.

c. The Borrower has the power and authority to execute, deliver and perform this Agreement and the Notes, and to borrow hereunder, and to execute, deliver and perform each of the other Loan Documents to which it is a party.

d. Each Guarantor has the power and authority to execute, deliver and perform the Guaranty and the other Loan Documents to which it is a party.

e. When executed and delivered, each of the Loan Documents to which Borrower or any Guarantor is a party will be the legal, valid and binding obligation or agreement, as the case may be, of such Borrower or Guarantor, enforceable against such Borrower or Guarantor in accordance with its terms, subject to the effect of any applicable bankruptcy, moratorium, insolvency, reorganization or other similar law affecting the enforceability of creditors' rights generally and to the effect of general principles of equity which may limit the availability of equitable remedies (whether in a proceeding at law or in equity);

2. LOAN DOCUMENTS. The execution, delivery and performance by the Borrower and each Guarantor of each of the Loan Documents to which the Borrower or a Guarantor is a party:

a. Have been duly authorized by all requisite corporate action (including any required shareholder approval) of the Borrower and each corporate Guarantor.

b. Do not violate any provisions of (1) applicable law, rule or regulation, (2) any order of any court or other agency of government binding on the Borrower or any Guarantor, or their respective properties, or (3) the charter documents, documents of creation or by-laws of Borrower or any corporate Guarantor.

c. Will not be in conflict with, result in a breach of or constitute an Event of Default, or an event which, with notice or lapse of time, or both, would constitute an Event of Default, under any indenture, agreement or other instrument to which Borrower or any Guarantor is a party, or by which the properties or assets of Borrower or any Guarantor are bound.

d. Will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of Borrower, or any Guarantor.

3. SOLVENCY. Borrower and each Guarantor are Solvent after giving effect to the transactions contemplated by this Agreement and the other Loan Documents.

4. SUBSIDIARIES AND STOCKHOLDERS. Borrower has no active subsidiaries or affiliates other than the Guarantors; the outstanding shares or other equity interests of each such subsidiary have been duly authorized and validly issued and are fully paid and nonassessable; and Borrower owns beneficially and of record all the shares and other interests of each Guarantor free and clear of any lien.

5. FINANCIAL CONDITION. (i) The Borrower has heretofore furnished to the Bank an audited balance sheet of the Borrower as of December 31, 1996, the related statements of earnings, changes in stockholders' equity for the fiscal year then ended as examined and certified, and the notes relating to all the above. Except as set forth therein, such financial statements (including the notes thereto) present fairly the financial condition of the Borrower as of the end of such fiscal year and results of their operations and the changes in their stockholders' equity for the fiscal year, all in conformity with Generally Accepted Accounting Principles applied on a Consistent Basis.

a. Since December 31, 1996, there has been no material adverse change in the condition, financial or otherwise, of the Borrower and its subsidiaries or in the businesses, properties and operations of the Borrower and its subsidiaries, considered as a whole, nor have such businesses or properties, taken as a whole, been materially adversely affected as a result of any fire, explosion, earthquake, accident, strike, lockout, organized labor activity, combination of workers, flood, embargo or act of God.

b. Except as set forth in the financial statements referred to above, neither Borrower nor any subsidiary has incurred, other than in the ordinary course of business, any material indebtedness, obligations, commitments or other liability contingent or otherwise which remain outstanding or unsatisfied.

6. TITLE TO PROPERTIES. The Borrower and its Guarantors have title to all their respective owned real and personal properties, and such properties are not subject to any transfer restrictions or liens of any kind, other than Permitted Liens, and except for purchase money financing related liens on specific property, as provided in Article VI, Section B.

7. TAXES. The Borrower and its subsidiaries have filed or caused to be filed all federal, state, local and foreign returns which are required to be filed by them and except for (i) taxes and assessments being contested in good faith and against which reserves satisfactory to the Borrower's independent certified public accountants have been

established and (ii) taxes and charges with respect to which failure to file or pay will not have a material adverse effect on Borrower or its subsidiaries, have paid or caused to be paid all taxes as shown on said returns or on any assessment received by them, to the extent that such taxes have become due.

8. OTHER AGREEMENTS. Neither the Borrower nor any Guarantor is:

a. A party to any judgment, order, decree or any agreement or instrument or subject to restrictions materially adversely affecting the business, properties or assets, operation or condition (financial or otherwise) of the Borrower or of any Guarantor; or

b. In default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which the Borrower or any Guarantor is a party, which default has, or if not remedied within any applicable grace period could have, a material adverse effect on the business, operations or condition, financial or otherwise, of the Borrower or any Guarantor.

9. LITIGATION. There is no action, suit or proceeding at law or in equity in excess of $250,000,000 in aggregate, except as disclosed to Bank, by or before any governmental instrumentality or agency or arbitral body pending, or, to the knowledge of the Borrower, threatened by or against the Borrower or any Guarantor or affecting the Borrower or any Guarantor or any properties or rights of the Borrower or any Guarantor (other than claims arising in the ordinary course of Borrower's business, as to which Borrower represents do not and will not have a material adverse affect on the financial condition of Borrower), which if adversely determined could reasonably be expected to materially adversely affect the financial condition, business or operations of the Borrower and the Guarantors taken as a whole. Notwithstanding the above, any adverse final judgment against Borrower after all appeals have been exhausted (and regardless of whether the judgment has been satisfied) that would result in Borrower being in violation of its Affirmative Covenants, as provided in Article V below, shall constitute a default hereunder.

10. INVESTMENT COMPANY. Neither the Borrower nor any subsidiary is an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended (15 U.S.C. section 80a-1, et seq.). The application of the proceeds of the Loans and repayment thereof by the Borrower and the performance by the Borrower of the transactions contemplated by this Agreement will not violate any provision of said Act, or any rule, regulation or order issued by the Securities and Exchange Commission thereunder, in each case as in effect on the date hereof.

11. PATENTS, ETC. The Borrower and its subsidiaries own or have the right to use, under valid license agreements or otherwise all material patents, licenses, franchises, trademarks, trademark rights, trade names, trade name rights, trade secrets and copyrights necessary to the conduct of their businesses as now conducted, without known

conflict with any patent, license, franchise, trademark, trade secrets and confidential commercial or proprietary information, trade name, copyright, rights to trade secrets or other proprietary rights of any other Person.

12. NO UNTRUE STATEMENT. Neither this Agreement nor any other Loan Document contains any misrepresentation or untrue statement of material fact or omits to state a material fact necessary, in light of the circumstance under which it was made, in order to make any such representation or statement contained therein not misleading in any material respect.

13. NO CONSENTS, ETC. Neither the respective businesses nor properties of the Borrower or any Guarantor, nor any relationship between the Borrower or any Guarantor and any other Person, nor any circumstance in connection with the execution, delivery and performance of the Loan Documents and the transactions contemplated hereby is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any Governmental Authority or other authority or any other Person on the part of the Borrower or any Guarantor as a condition to the execution, delivery and performance of, or consummation of the transactions contemplated by, this Agreement or the other Loan Documents or if so, such consent, approval, authorization, filing, registration or qualification has been obtained or effected, as the case may be.

14. BENEFIT PLANS.

a. None of the employee benefit plans maintained at any time by the Borrower or any subsidiary for the benefit of its employees or the trusts created thereunder has to its knowledge engaged in a prohibited transaction which is not subject to a statutory or administrative exemption which could subject any such employee benefit plan or trust to a material tax or penalty on prohibited transactions imposed under Internal Revenue Code Section 4975 or ERISA or under any Foreign Benefit Law.

b. None of the employee benefit plans maintained at any time by the Borrower or any subsidiary for the benefit of its employees which are employee pension benefit plans and which are subject to Title IV of ERISA or any Foreign Benefit Law or the trusts created thereunder has been terminated so as to result in a material liability of the Borrower under ERISA or under any Foreign Benefit Law nor has any such employee benefit plan of the Borrower or any subsidiary incurred any material liability to the Pension Benefit Guaranty Corporation established pursuant to ERISA or any other Person exercising similar duties and functions under any Foreign Benefit Law, other than for required insurance premiums which have been paid or are not yet due and payable; neither the Borrower nor any subsidiary has withdrawn from or caused a partial withdrawal to occur with respect to any Multi-employer Plan resulting in any assessed and unpaid withdrawal liability; the Borrower and the subsidiaries have made or provided for all contributions to all such employee pension benefit plans which they maintain and which are required as of the end of the most recent fiscal year under each such plan; neither the borrower nor any subsidiary has incurred any accumulated funding deficiency with respect to any such plan, whether or not waived; nor has there been any reportable event, or other event or condition, which presents a material risk of termination of any such employee benefit plan by such Pension Benefit Guaranty Corporation or any other Person exercising similar duties and functions under any Foreign Benefit Law.

c. The present value of all vested accrued benefits under the employee pension benefit plans which are subject to Title IV of ERISA or any Foreign Benefit Law, maintained by the Borrower or any subsidiary for the benefit of its employees, did not, as of the most recent valuation date for each such plan, exceed the then current value of the assets of such employee benefit plans allocable to such benefits.

d. The consummation of the Loans provided for in Article II will not involve any prohibited transaction under ERISA or any Foreign Benefit Law which is not subject to a statutory or administrative exemption.

e. To the best of the Borrower's knowledge, each employee pension benefit plan subject to Title IV of ERISA or any Foreign Benefit Law, maintained by the Borrower or any subsidiary for the benefit of its employees, has been administered in accordance with its terms in all material respects and is in compliance in all material respects with all applicable requirements of ERISA and other applicable laws, regulations and rules and any applicable Foreign Benefit Law.

f. There has been no withdrawal liability incurred and unpaid with respect to any Multi-employer Plan to which the Borrower or any subsidiary is or was a contributor.

g. As used in this Agreement, the terms "employee benefit plan," "employee pension benefit plan," "accumulated funding deficiency," "reportable event," and "accrued benefits" shall have the respective meanings assigned to them in ERISA, and the term "prohibited transaction" shall have the meaning assigned to it in Code Section 4975 and ERISA.

h. Neither the Borrower nor any subsidiary has any liability not disclosed on any of the financial statements furnished to the Bank, contingent or otherwise, under any plan or program or the equivalent for unfunded post-retirement benefits, including pension, medical and death benefits, which liability would have a material adverse effect on the financial condition of the Borrower or any subsidiary.

i. For purposes of this subsection 14, Foreign Benefit Law shall mean any applicable statute, law, ordinance, code, rule, regulation, order or decree of any foreign national or any province, state, territory, protectorate or other political subdivision thereof regulating, relating to, or imposing liability or standards of conduct concerning, any pension, retirement, health care, death, disability or other employee benefit plan.

15. NO DEFAULT. As of the date hereof, there does not exist any Default or Event of Default hereunder;

16. HAZARDOUS MATERIALS. The Borrower and each Guarantor is in compliance with all applicable Environmental Laws in all material respects and neither the Borrower nor any Guarantor has been notified of any action, suit, proceeding or investigation which calls into question compliance by the Borrower or any Guarantor with any Environmental Laws or which seeks to suspend, revoke or terminate any license, permit or approval necessary for the generation, handling, storage, treatment or disposal of any Hazardous Material any of which could have a material adverse effect on the business, operations or financial condition of the Borrower or any Guarantor.

17. RICO. Neither the Borrower nor any Guarantor is engaged in or has engaged in any course of conduct that could subject any of their respective properties to any lien, seizure or other forfeiture under any criminal law, racketeer influenced and corrupt organizations law, civil or criminal, or other similar laws.

18. EMPLOYMENT MATTERS. The Borrower and all subsidiaries are in compliance in all material respects with all applicable laws, rules and regulations pertaining to labor or employment matters, including without limitation those pertaining to wages, hours, occupational safety and taxation the noncompliance with which could have a material adverse effect on the business, operations or financial condition of the Borrower or its subsidiaries and there is neither pending nor, to the knowledge of the Borrower, threatened any litigation, administrative proceeding or investigation, in respect of such matters, an adverse ruling or determination in which could have a material adverse effect on the Borrower or its subsidiaries.

19. CONTINUATION OF REPRESENTATION AND WARRANTIES. All representations and warranties made under this Agreement shall be deemed to be made at and as of the date hereof and at and as of the date of any future advance under any Loan.

ARTICLE IV.
CONDITIONS TO MAKING LOAN

A. Conditions of Initial Advance. The obligation of the Bank to make the initial advance under the Loan is subject to the conditions precedent that the Bank shall have received on the Closing Date, in form and substance satisfactory to the Bank, the following:

1. Executed originals of each of this Agreement, the Note and the other Loan Documents, together with any and all schedules and exhibits thereto, all as are satisfactory to Tew, Zinober, Barnes, Zimmet & Unice, special counsel to the Bank.

2. Resolutions of the boards of directors or other appropriate governing body (or of the appropriate committee thereof) of the Borrower certified by its secretary or assistant secretary or other appropriate official as of the Closing Date, approving and adopting the Loan Documents and authorizing the execution and delivery thereof.

3. Specimen signatures of officers of the Borrower and each Guarantor executing the Loan Documents on behalf of such Person, certified by the secretary or assistant secretary or other appropriate official of the Borrower or Guarantor, as applicable.

4. The charter documents of the Borrower certified as of a recent date by the Secretary of State or other appropriate Governmental Authority of its jurisdiction of incorporation.

5. The By-laws (including any amendments thereto) of the Borrower certified as of the Closing date as true and correct by the secretary or assistant secretary of the Person to whom such by-laws relate.

6. Certificates issued as of a recent date by the Secretary of State or other appropriate Governmental Authority of its jurisdiction of incorporation as to the due existence and good standing of the Borrower.

7. Appropriate certificates of qualification to do business, good standing and, where appropriate, authority to conduct business under assumed name, issued in respect of the Borrower and each Guarantor as of a recent date by the Secretary of State or other appropriate Governmental Authority of each jurisdiction in which the failure to be qualified to do business or authorized so to conduct business could materially adverse affect the business, operations or conditions, financial or otherwise, of the Borrower or any Guarantor.

8. Evidence of insurance required by the Loan Documents.

9. All fees payable by the Borrower on the Closing Date to the Bank.

10. With respect to real and personal property owned by Borrower, evidence that there are no priority security interests in any of the assets of Borrower except the Permitted Liens and except as otherwise specifically acknowledged and approved by Bank; provided, further however, that Borrower shall be permitted to pledge

a purchase money security interest in specific equipment, and newly-created Subsidiaries shall be permitted to pledge purchased assets, both in accordance with Article VI, Section B below.

11. Such other documents, instruments, certificates and opinions as the Bank may reasonably request on or prior to the Closing Date in connection with the consummation of the transactions contemplated hereby.

B. Conditions of Loans. The obligations of the Lender to make any additional advance under the Loan on or subsequent to the Closing Date are subject to the satisfaction of the following conditions:

1. The representations and warranties of the Borrower and each Guarantor set forth in Article III hereof and in each of the other Loan Documents shall be true and correct in all material respects on and as of the date of such additional advance with the same effect as though such representations and warranties had been made on and as of such date, except to the extent that such representations and warranties expressly relate to an earlier date and except that the financial statements shall be deemed to be those financial statements most recently delivered to the Bank.

2. Immediately after giving effect to the additional advance, the aggregate principal balance of the Loan shall not exceed the total amount of the Loan (to wit, $30,000,000.00).

3. There has occurred no material adverse change in the consolidated financial condition of Borrower or any Guarantor.

4. The Bank has reasonably determined that the prospect of payment or performance of the Loan has not been materially impaired.

5. No Default or Event of Default exists either before or after giving effect to the additional advance.

6. Borrower has affirmed each of the above.

ARTICLE V.
AFFIRMATIVE COVENANTS

Until full payment and performance of all obligations of Borrower under the Loan Documents, Borrower will, unless Bank consents otherwise in writing (and without limiting any requirement of any other Loan Document):

A. Financial Condition. Maintain Borrower's financial condition as follows, determined in accordance with GAAP applied on a Consistent Basis throughout the period involved except to the extent modified by the following definitions:

1. Maintain a minimum Net Worth of Sixty Five Million Dollars ($65,000,000.00). This minimum Net Worth covenant shall increase annually upon receipt of Borrower's fiscal year end financial statements, beginning with fiscal year end 1997, by an amount which equals fifty percent (50%) of the respective fiscal year's net income. A net loss in any fiscal year will not result in a decrease in the net worth minimum.

2. Maintain a ratio of Funded Debt to Adjusted EBITDA not to exceed two and one-half to one (2.50 to 1).

B. Financial Statements and Other Information. Maintain a system of accounting in accordance with GAAP applied on a Consistent Basis throughout the period involved. All financial statements called for below shall be prepared in form and content reasonably acceptable to the Bank, and prepared by Borrower's independent certified public accountants.

C. Reporting Requirements. In addition to the above, Borrower shall:

1. Furnish to Bank, within forty-five (45) days of the end of each fiscal quarter, quarterly, internally prepared consolidated financial statements of the Borrower and each Guarantor, including a consolidated balance sheet and income statement, which may be in the form provided to the Securities and Exchange Commission.

2. Furnish to Bank annually, within one hundred twenty (120) days of the end of the Borrower's fiscal year end, a consolidated balance sheet and income statement of the Borrower and the Guarantors on a consolidated basis prepared in accordance with GAAP on an audited basis by Borrower's independent certified public accountant or another top ten certified public accounting firm in the United States, including statements of financial condition, income, cash flow and changes in shareholders' equity which may be in the form provided to the Securities and Exchange Commission.

3. Furnish to Bank a compliance certificate in the form attached hereto as Exhibit "A" and incorporated herein by this reference for (and executed by an Authorized Representative of Borrower and each corporate Guarantor), concurrently with and dated as of the date of delivery of each of the financial statements as required in paragraphs 1 and 2 above, containing (a) a certification that the financial statements of even date are true and correct and that the Borrower is not in default under the terms of this Agreement,and (b) computations and conclusions, in such detail as Bank may request, with respect to compliance with this Agreement, and the other Loan Documents, including computations of all quantitative covenants.

4. Promptly, upon becoming available to the public and in any event, no later than the date when released, copies of all regular periodic or special reports, schedules, and other material, financial or otherwise, which the Borrower or any of its subsidiaries may now or hereafter be required to file with the Securities and Exchange Commission.

5. Borrower shall submit to Bank any other financial information that the Bank, in its sole discretion, may reasonably request from time to time.

D. Insurance. Maintain insurance with responsible insurance companies on such of its properties, in such amounts and against such risks as is customarily maintained by similar businesses operating in the same vicinity, specifically to include fire and extended coverage insurance covering all assets, business interruption insurance, workers compensation insurance and liability insurance, all to be with such companies as are reasonably satisfactory to Bank. Satisfactory evidence of such insurance will be supplied to Bank prior to funding under the Loan(s) and 30 days prior to each policy renewal.

E. Existence and Compliance. Maintain its existence, good standing and qualification to do business, where required and comply with all laws, regulations and governmental requirements including, without limitation, environmental laws applicable to it or to any of its property, business operations and transactions.

F. Adverse Conditions or Events. Promptly advise Bank in writing of (i) any condition, event or act which comes to its attention that would materially adversely affect the financial condition or operations of Borrower or any Guarantor, or Bank's rights under the Loan Documents, (ii) any litigation filed by or against Borrower or any Guarantor that would materially adversely affect the consolidated financial condition or operations of Borrower or any Guarantor if an adverse determination occurs, (iii) any event that has occurred that would constitute an event of default under any Loan Documents, (iv) any uninsured or partially uninsured loss through fire, theft, liability or property damage in excess of an aggregate of $250,000.00, and (v) any default or notice of default with respect to any other loan to Borrower or any subsidiary.

G. Taxes and Other Obligations. Pay all of its taxes, assessments and other obligations, including, but not limited to taxes, costs or other expenses arising out of this transaction, as the same become due and payable, except to the extent the same are being contested in good faith by appropriate proceedings in a diligent manner.

H. Maintenance. Maintain all of its tangible property in good condition and repair and make all necessary replacements thereof in the ordinary course of business consistent with past practices, and preserve and maintain all licenses, trademarks, privileges, permits, franchises, certificates and the like necessary for the operation of its business.

I. Notification of Environmental Claims. Borrower shall immediately advise Bank in writing of (i) any and all enforcement, cleanup, remedial, removal, or other governmental or regulatory actions instituted, completed or threatened pursuant to any applicable federal, state, or local laws, ordinances or regulations relating to any Hazardous Materials affecting the business operations of Borrower or any Guarantor; and (ii) all claims made or threatened by any third party against Borrower or any Guarantor relating to damages, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials. Borrower shall immediately notify Bank of any remedial environmental action taken by Borrower or any Guarantor with respect to the business operations of Borrower or any Guarantor.

J. Future Guaranties. Borrower shall cause to be provided to Bank, within fifteen (15) days of incorporation, reactivation of an inactive corporation, acquisition, or legal establishment, a written guaranty, in substantially the same form of those guaranties executed by the Guarantors on even date herewith, from any and every affiliate or subsidiary created, reactivated, or acquired after the date hereof.

ARTICLE VI.
NEGATIVE COVENANTS

Until full payment and performance of all obligations of Borrower under the Loan Documents, Borrower will not, without the prior written consent of Bank (and without limiting any requirement of any other Loan Documents):

A. Transfer of Assets or Control. Sell, lease, assign or otherwise dispose of or transfer any assets, except in the normal course of its business.

B. Liens. Grant, suffer or permit any contractual or noncontractual lien on or security interest in any of the assets of Borrower or any Guarantor, except in favor of Bank, and except for Permitted Liens, or fail to promptly pay when due all lawful claims, whether for labor, materials or otherwise; provided, however, (i) that Borrower shall have the right to purchase specific equipment for which Borrower may grant a security interest to the seller of said equipment as part of a standard purchase-money financing arrangement; and (ii) any newly-created Subsidiary shall have the right, as part of any purchase-money financing provided by the seller of the business being acquired by any such newly-created Subsidiary, to pledge the assets being acquired by the newly-created Subsidiary (but not any of the assets of Borrower or any then-existing Guarantor) to the seller of said assets as security for the purchase-money financing; provided,however, that the sum of (i) Borrower's aggregate obligations under subsection B(i) above (including purchases made prior to the Closing Date), (ii) the aggregate of all outstanding obligations incurred by newly-created Subsidiaries in the acquisition of businesses under subsection B(ii) above, and (iii) any indebtedness incurred or created pursuant to Article VI, Section D, below, shall not exceed at any one time Seven Million Five Hundred Thousand Dollars

($7,500,000.00); and provided further that any purchase-money financing debts shall be paid in full before the newly-created Subsidiary that incurred the debt(s) can be merged into Borrower, or any other Subsidiary.

C. Extensions of Credit. Make any loan or advance to any individual, partnership, corporation or other entity, except accounts receivable incurred in the ordinary course of business in excess of One Million Dollars ($1,000,000.00) in the aggregate excluding split dollar life insurance on principals.

D. Borrowings. Create, incur, assume or become liable in any manner, directly or indirectly, for any indebtedness in excess of Seven Million Five Hundred Thousand Dollars ($7,500,000.00) at any one time (for borrowed money, deferred payment for the purchase of assets, lease payments, as surety or guarantor for the debt for another, or otherwise, including under Section B(i) and B(ii) above) other than to Bank, except for normal trade debts incurred in the ordinary course of Borrower's business.

E. Investments. Make investments in excess of Five Million Dollars ($5,000,000.00) in the aggregate; provided, however, that Borrower shall not be restricted on its investments of investment grade securities.

F. Character of Business. Change the general character of business as conducted at the date hereof, or engage in any type of business not reasonably related to its business as presently conducted.

G. Additional Liabilities. Incur (or engage in any activity in which Borrower knows will likely result in) any additional liabilities, direct, indirect, or contingent, except in the ordinary course of business, as permitted by the Loan Documents.

H. Merger and Consolidation. (a) Consolidate with or merge into any other Person, or (b) permit any other Person to merge into it, or (c) liquidate, wind-up or dissolve or sell, transfer or lease or otherwise dispose of all or a substantial part of its assets; provided, however, (i) any subsidiary of the Borrower may merge or transfer all or substantially all of its assets into or consolidate with any wholly-owned subsidiary of the Borrower or the Borrower, (ii) any Person may merge with the Borrower if the Borrower or a subsidiary thereof shall be the survivor thereof and such merger shall not cause, create or result in the occurrence of any Default or Event of Default under this Agreement or any other Loan Document; provided, however, if the surviving entity is a subsidiary, Bank retains the right to require the assumption of the Loan upon terms and conditions satisfactory to the Bank in its sole discretion.

I. Enter into any agreement, other than its Agreement (and the Negative Pledge Agreement contemplated herein), with any Person other than Bank, wherein by Borrower or any Guarantor agrees not to create any lien on its or their assets.

ARTICLE VII.
ADDITIONAL PROVISIONS

A. DEFAULT. Subject to Borrower's rights under any applicable notice and/or cure provision in this Agreement or in the Note, Borrower shall be in default under this Agreement and under each of the other Loan Documents if and when any of the following shall occur (each being considered an "Event of Default"): (a) the failure to pay or perform in any material respect any obligation, liability or indebtedness of Borrower or any Guarantor (collectively, the "Obligors") to Bank, or to any affiliate or subsidiary of NationsBank Corporation, whether under this Agreement, the Note or any Loan Documents, within fifteen days of when due, whether upon demand, at maturity or by acceleration; (b) the failure to pay or perform in any material respect any other obligation, liability or indebtedness of any Obligor to any other party after notice from said party and if the Obligor does not contest in good faith the validity of such obligation, liability or indebtedness; (c) the commencement of a proceeding against any Obligor for dissolution or liquidation, the voluntary or involuntary termination or dissolution of any Obligor or the merger or consolidation of any Obligor with or into another entity that is not otherwise permitted under this Agreement; (d) the insolvency of, the business failure of, the appointment of a custodian, trustee, liquidator or receiver for or for any of the property of, the assignment for the benefit of creditors by, or the filing of a petition under bankruptcy, insolvency or debtor's relief law or the filing of a petition for any adjustment of indebtedness, composition or extension by or against any Obligor; (e) the determination by Bank that any representation or warranty made to Bank by any Obligor in any Loan Documents or otherwise is or was, when it was made, untrue or materially misleading; (f) the failure of any Obligor to timely deliver such financial statements, including tax returns, other statements of condition or other information, as Bank shall request from time to time; (g) the entry of a judgement against any Obligor which Bank deems to be of a material nature, in Bank's reasonable discretion and as more fully set out in Article III.A.9. of this Agreement; (h) the seizure or forfeiture of, or the issuance of any writ of possession, garnishment or attachment, or any turnover order for any property of any Obligor; (i) the reasonable determination by Bank that a material adverse change has occurred in the financial condition of any Obligor; or (j) the failure of Borrower's business to comply in any material respect with any law or regulation controlling its operation.

The Borrower shall receive written notice for non-monetary defaults and shall have thirty (30) days to cure such non-monetary defaults

Notwithstanding the restriction upon liens contained in Article VI, Section B, above, Bank acknowledges that one of the Guarantors (Romac and Associates, Inc., a Massachusetts corporation, and successor-by-merger to, and in some cases, still doing business as, Romac & Associates of Orlando, Inc.) is the Debtor under a UCC-1 Financing Statement. Within ninety (90) days from the Closing Date, Borrower and Romac and Associates, Inc., jointly and severally, shall cause any and all outstanding financing statements in which Romac and Associates, Inc. or Romac and Associates of Orlando, Inc. are shown as the Debtor to be released (including, but not limited to that certain statement filed June 7, 1990, showing Temporary Management Resources, Inc. as the Secured Party, as may have been assigned from time-to-time, and that certain amendment filed October 19, 1990, showing StanChart Business Credit as the Secured Party). Borrower also shall cause to be released within ninety (90) days that certain UCC-1 Financing Statement filed December 6, 1994, showing Merrill Lynch Business Financial Services, Inc. as the Secured Party. Borrower also shall cause to be released within ninety (90) days any additional financing statements showing Borrower or any Subsidiary as the Debtor that are obtained after the Closing Date and that are not acceptable to Bank in its sole discretion. A failure to provide Bank with written evidence of all such releases shall, without further notice or opportunity to cure, constitute a default hereunder.

B. REMEDIES UPON DEFAULT. If an Event of Default shall occur Bank shall have all rights, powers and remedies available under each of the Loan Documents as well as all rights and remedies available at law or in equity.

C. NOTICES. All notices, requests or demands which any party is required or may desire to give to any other party under any provision of this Agreement must be in writing delivered to the other party at the following address:

Borrower: Romac International, Inc.
120 West Hyde Park, Suite 150
Tampa, Florida 33606
Attn: Mr. Thomas M. Calcaterra, Secretary and CFO
Fax No. (813) 254-9640

Bank: NationsBank, N.A.
Commercial Banking Department
400 N. Ashley Drive, 2nd Floor
Tampa, Florida 33606-4317
Attn: Kathleen E. Collins, Vice President
Fax No. (813) 224-5770

With a courtesy copy to:

Robert L. Barnes, Jr., Esquire
Tew, Zinober, Barnes, Zimmet & Unice
2655 McCormick Drive
Clearwater, Florida 33759
Fax No. (813) 726-0058

or to such other address as any party may designate by written notice to the other party. Each such notice, request and demand shall be deemed given or made as follows:

1. If sent by hand or overnight delivery, upon delivery;

2. If sent by mail, certified or regular, upon the earlier of the date of receipt or five (5) days after deposit in the U.S. Mail, first class postage (and, if sent by certified mail, costs of certification) prepaid.

D. COSTS, EXPENSES AND ATTORNEY'S FEES. Borrower shall pay to Bank immediately upon demand the full amount of all costs and expenses, including reasonable attorneys' fees incurred by Bank in connection with negotiation and preparation of this Agreement and each of the Loan Documents, whether or not the Loan actually closes.

E. PERMITTED ACQUISITIONS. The Borrower and/or any Guarantor shall not be permitted to acquire any Person which Person shall become a subsidiary of the Borrower or the assets of a Person effected with the consent and approval of the board of directors or other applicable governing body of such Person and the duly obtained approval of such shareholders or other holder of equity interest in such Person as may be required to be obtained under applicable law, the charter documents of or any shareholder agreements or similar agreements pertaining to such person if, as a consequence of such transaction, Borrower would not be in compliance with the provisions of Article V, Section A, or any other provision in Article VI.

If the total Cost of Acquisition to be paid exceeds fifty percent (50%) of the Borrower's Net Worth as defined by GAAP, Borrower shall provide written notification to Bank prior to the closing of such acquisition stating that Borrower remains in compliance with the provisions of the financial, affirmative and negative covenants contained in the Loan Documents. Such compliance will be evidenced by any information related to the acquisition reasonably requested by Bank. If the acquisition would cause Borrower to be in non-compliance with the provisions of the Loan Documents, Borrower must obtain Bank's written approval prior to closing such acquisition.

F. MISCELLANEOUS. Borrower and Bank further covenant and agree as follows, without limiting any requirement of any other Loan Document:

1. CUMULATIVE RIGHTS AND NO WAIVER. Each and every right granted to Bank under any Loan Document, or allowed it by law or equity shall be cumulative of each other and may be exercised in addition to any and all other rights of Bank, and no delay in exercising any right shall operate as a waiver thereof, nor shall any single or partial exercise by Bank of any right preclude any other or future exercise thereof or the exercise of any other right. Borrower expressly waives any presentment, demand, protest or other notice of any kind, including but not limited to notice of intent to accelerate and notice of acceleration. No notice to or demand on Borrower in any case shall, of itself, entitle Borrower to any other or future notice or demand in similar or other circumstances.

2. Applicable Law. This Loan Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted in accordance with the laws of Florida and applicable United States federal law.

3. Amendment. No modification, consent, amendment or waiver of any provision of this Loan Agreement, nor consent to any departure by Borrower therefrom, shall be effective unless the same shall be in writing and signed by an officer of Bank, and then shall be effective only in the specified instance and for the purpose for which given. This Loan Agreement is binding upon Borrower, its successors and assigns, and inures to the benefit of Bank, its successors and assigns; however, no assignment or other transfer of Borrower's rights or obligations hereunder shall be made or be effective without Bank's prior written consent, nor shall it relieve Borrower of any obligations hereunder. There is no third party beneficiary of this Loan Agreement.

4. Documents. All documents, certificates and other items required under this Loan Agreement to be executed and/or delivered to Bank shall be in form and content satisfactory to Bank and its counsel.

5. Partial Invalidity. The unenforceability or invalidity of any provision of this Loan Agreement shall not affect the enforceability or validity of any other provision herein and the invalidity or unenforceability of any provision of any Loan Document to any person or circumstance shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

6. Indemnification. Borrower shall indemnify, defend and hold Bank and its successors and assigns harmless from and against any and all claims, demands, suits, losses, damages, assessments, fines, penalties, costs or other expenses (including reasonable attorneys' fees and court costs) including actual or threatened damage to the environment, agency costs of investigation, personal injury or death, or property damage, due to a release of Hazardous Materials, resulting form Borrower's business activities or from any condition existing on any property owned by Borrower. Borrower further agrees that its indemnity obligations shall include liability for damages resulting from the personal injury or death of an employee of the Borrower, regardless of whether the Borrower has paid the employee under the workman's compensation laws of any state or similar federal or state legislation for the protection of employees. The term "property damage" as used in this paragraph includes, but is not limited to, damage to any real or personal property of the Borrower, the Bank, and of any third parties. The Borrower's obligations under this paragraph shall survive the repayment of the Loan and any deed in lieu of foreclosure or foreclosure of any Deed to Secure Debt, Deed of Trust, Security Agreement or Mortgage securing the Loan, if any.

7. Survivability. All covenants, agreements, representations and warranties made herein or in the other Loan Documents shall survive the making of the

Loan and shall continue in full force and effect so long as the Loan is outstanding or the obligation of the Bank to make any advances under the Line shall not have expired.

G. ARBITRATION. ANY CONTROVERSY OR CLAIM BETWEEN OR AMONG THE PARTIES HERETO INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY RELATED AGREEMENTS OR INSTRUMENTS, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT, SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (OR IF NOT APPLICABLE, THE APPLICABLE STATE LAW). THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF JUDICIAL ARBITRATION AND MEDIATION SERVICES, INC. (J.A.M.S.), AND THE "SPECIAL RULES" SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO COMPEL ARBITRATION OF ANY CONTROVERSY OR CLAIM TO WHICH THIS AGREEMENT APPLIES IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION.

1. SPECIAL RULES. THE ARBITRATION SHALL BE CONDUCTED IN THE CITY OF THE BORROWER'S DOMICILE AT TIME OF THIS AGREEMENT'S EXECUTION AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR; IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION; FURTHER, THE ARBITRATOR SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS.

2. RESERVATION OF RIGHTS. NOTHING IN THIS AGREEMENT SHALL BE DEEMED TO (I) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVERS CONTAINED IN THIS AGREEMENT; OR (II) BE A WAIVER BY THE BANK OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. SEC. 91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW; OR (III) LIMIT THE RIGHT OF THE BANK HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF, OR (B) TO FORECLOSE AGAINST ANY REAL OR PERSONAL PROPERTY COLLATERAL, OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF, WRIT OF POSSESSION OR THE APPOINTMENT OF A RECEIVER. THE BANK MAY EXERCISE SUCH SELF HELP RIGHTS, FORECLOSE UPON SUCH PROPERTY, OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT

PURSUANT TO THIS AGREEMENT. NEITHER THIS EXERCISE OF SELF HELP REMEDIES NOR THE INSTITUTION OR MAINTENANCE OF AN ACTION FOR FORECLOSURE OR PROVISIONAL OR ANCILLARY REMEDIES SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE CLAIMANT IN ANY SUCH ACTION, TO ARBITRATE THE MERITS OF THE CONTROVERSY OR CLAIM OCCASIONING RESORT TO SUCH REMEDIES.

H. NO ORAL AGREEMENT. THIS WRITTEN LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed under seal by their duly authorized representatives as of the date first above written.

BORROWER:	BANK:
Romac International, Inc. a Florida Corporation	NationsBank, N.A.
By: /s/ THOMAS M. CALCATERRA (Seal) Thomas M. Calcaterra Secretary and CFO	By: /s/ KATHLEEN E. COLLINS (Seal) Kathleen E. Collins Vice President
[Corporate Seal]	
GUARANTORS:	GUARANTORS:
Romac and Associates, Inc., a Massachusetts corp.	Romac and Associates of Fort Lauderdale, Inc., a Florida corp.
By: /S/ THOMAS M. CALCATERRA Thomas M. Calcaterra, Secretary and CFO	By: /s/ THOMAS M. CALCATERRA Thomas M. Calcaterra, Secretary and CFO

NationsBank, N.A.

Romac Temporaries, Inc., a Delaware corporation	Romac International of Minnesota, Inc., a Florida corporation
By: /S/ THOMAS M. CALCATERRA ------------------------------ Thomas M. Calcaterra, Secretary and CFO	By: /S/ THOMAS M. CALCATERRA ------------------------------ Thomas M. Calcaterra, Secretary and CFO
FMA International, Inc., a Florida corporation	Romac International of Pennsylvania, Inc., a Florida corporation
By: /S/ THOMAS M. CALCATERRA ------------------------------ Thomas M. Calcaterra, Secretary and CFO	By: /S/ THOMAS M. CALCATERRA ------------------------------ Thomas M. Calcaterra, Secretary and CFO
FMA Temporaries of Chicago, Inc., a Florida corporation	Romac International of California, Inc., a Florida corporation
By: /S/ THOMAS M. CALCATERRA ------------------------------ Thomas M. Calcaterra, Secretary and CFO	By: /S/ THOMAS M. CALCATERRA ------------------------------ Thomas M. Calcaterra, Secretary and CFO
Romac International of Texas, Inc., a Florida corporation	Romac International of Kentucky, Inc., a Florida corporation
By: /S/ THOMAS M. CALCATERRA ------------------------------ Thomas M. Calcaterra, Secretary and CFO	By: /S/ THOMAS M. CALCATERRA ------------------------------ Thomas M. Calcaterra, Secretary and CFO
Romac and Associates of Boston, Inc., a Massachusetts corporation	Professional Application Resources Incorporated, a Texas corporation
By: /S/ THOMAS M. CALCATERRA ------------------------------ Thomas M. Calcaterra, Secretary and CFO	By: /S/ THOMAS M. CALCATERRA ------------------------------ Thomas M. Calcaterra, Secretary and CFO

NationsBank, N.A.

Romac/Lanorf, Inc.,
a Delaware corporation

By: /S/ THOMAS M. CALCATERRA

Thomas M. Calcaterra, Secretary
and CFO

Romac/Ncralf, Inc.,
a Delaware corporation

By: /S/ THOMAS M. CALCATERRA

Thomas M. Calcaterra, Secretary
and CFO

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EXHIBIT A

NationsBank, N.A.
400 North Ashley Drive
Tampa, Florida 33602
Attention: Commercial Banking Department

Reference is hereby made to the Revolving Line of Credit Loan Agreement dated as of August ______, 1997 (the "Agreement") between Romac International, Inc. (the "Borrower") and NationsBank, N.A. (the "Bank"). Capitalized terms used but not defined herein shall have the respective meanings therefor set forth in the Agreement. The undersigned, a duly authorized and acting Authorized Representative, hereby certifies on behalf of Borrower to you as of _______________________ (insert Determination Date) as follows:

1) Minimum Net Worth: ____

Required: Maintain a minimum Net Worth of $65,000,000. The minimum Net Worth covenant shall increase annually upon receipt of Borrower's fiscal year end financial statements, beginning with fiscal year end 1997, by an amount which equals fifty percent (50%) of the respective fiscal year's net income. A net loss in any fiscal year will not result in a decrease in the net worth minimum.

2) FUNDED DEBT TO ADJUSTED EBITDA: _____________________________________

Required: Maintain a ratio of Funded Debt to Adjusted EBITDA not to exceed two and one-half to one (2.50:1.0.). See Revolving Line of Credit Loan Agreement for definitions.

3) No Default

A. To the best knowledge of the undersigned, since ________________ _______________________ (the date of the last similar certification), (a) the Borrower has not defaulted in the keeping, observance, performance or fulfillment of any of the Loan Documents; and (b) no Default or Event of Default specified in Article VII of the Agreement has occurred.

B. If a default or Event of Default has occurred since ___________ ________________________ (the date of the last similar certification), the Borrower proposes to take the following action with respect to such Default or Event of Default:____ ____
(Note: if no Default or Event of Default has occurred, insert "Not Applicable")

The Determination Date is the date of the last required financial statements submitted to the Bank in accordance with Section C of the Agreement.

IN WITNESS WHEREOF, I have executed this Certificate this _______________ day of __________________________, 19________.

____
Authorized Representative for
Romac International, Inc.

EXHIBIT 21

ROMAC INTERNATIONAL, INC.
SUBSIDIARIES

ROMAC & ASSOCIATES OF BOSTON, INC., a Massachusetts corporation

ROMAC AND ASSOCIATES OF FT. LAUDERDALE, INC., a Florida corporation

ROMAC INTERNATIONAL OF CALIFORNIA, INC., a Florida corporation

ROMAC INTERNATIONAL OF KENTUCKY, INC., a Florida corporation

ROMAC INTERNATIONAL OF MINNESOTA, INC., a Florida corporation

ROMAC INTERNATIONAL OF TEXAS, INC., a Florida corporation

ROMAC INTERNATIONAL OF PENNSYLVANIA, INC., a Florida corporation

FMA TEMPORARIES OF CHICAGO, INC., a Florida corporation

ROMAC TEMPORARIES, INC., a Delaware corporation

ROMAC & ASSOCIATES, INC., a Massachusetts corporation

FMA INTERNATIONAL, INC., a Florida corporation

ROMAC/LANORF, INC., a Delaware corporation

ROMAC/NCRALF, INC., a Delaware corporation

PROFESSIONAL APPLICATION RESOURCES, INC., a Texas corporation

UNI QUALITY SYSTEMS SOLUTIONS, INC., an Illinois corporation

ROMAC INTERNATIONAL OF CONNECTICUT, INC., a Florida corporation

ROMAC INTERNATIONAL OF COLORADO, INC., a Florida corporation

EXHIBIT 23

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-97134) of Romac International, Inc. and its subsidiaries of our report dated February 25, 1998 appearing in the Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears in this Form 10-K.

Price Waterhouse LLP
Tampa, Florida
February 25, 1998

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1,000

YEAR
DEC-31-1997
DEC-31-1997
77,946
0
35,475
880
0
115,799
8,206
5,186
197,139
18,299
0
0
0
299
173,381
197,139
181,434
181,434
110,550
110,550
51,714
0
127
19,043
7,500
11,543
0
0
0
11,543
.46
.44