

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION  
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IN RE: Chapter 11 Cases  
MEDICAL STAFFING NETWORK HOLDINGS, Case No. 10-29101-BKC-EPK  
INC., *et al.*,<sup>1</sup> Joint Administration Pending  
Debtors.

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**DEBTORS' APPLICATION FOR APPROVAL, ON AN INTERIM AND FINAL BASIS,  
OF EMPLOYMENT OF JEFFERIES & COMPANY, INC., AS INVESTMENT BANKER  
TO THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE**

Medical Staffing Network Holdings, Inc., Medical Staffing Holdings, LLC, Medical Staffing Network, Inc., IntelliStaf Holdings, Inc., MSN-Illinois Holdings, Inc., IntelliStaf Group, Inc., Medical Staffing Network of Illinois, LLC, Medical Staffing Network Assets, LLC, IntelliStaf Healthcare, Inc., IntelliStaf Partners No. 1, LLC, IntelliStaf Partners No. 2, LLC and IntelliStaf Healthcare Management, L.P. (each, a "Debtor," and, collectively, the "Debtors"), file this application (the "Application") pursuant to 11 U.S.C. §§ 327(a) and 328 and Fed. R. Bankr. P. 2014(a), seeking approval on an interim and final basis of the employment of Jefferies & Company, Inc. ("Jefferies") as their investment banker, *nunc pro tunc* to the Petition Date (as defined below). In support of the Application, the Debtors rely upon the *Declaration of Mohsin Y. Meghji in Support of Chapter 11 Petitions and Request for First Day Relief* (the "First Day Declaration") and the *Declaration of Leon Szlezinger in Support of Debtors' Application for*

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<sup>1</sup> The address of each of the Debtors is 901 Yamato Road, Suite 110, Boca Raton, FL 33431; and the last four digits of the taxpayer identification number of each of the Debtors follows in parenthesis: (i) Medical Staffing Network Holdings, Inc. (5171); (ii) Medical Staffing Holdings, LLC (2662); (iii) Medical Staffing Network, Inc. (9868); (iv) MSN-Illinois Holdings, Inc. (4402); (v) IntelliStaf Holdings, Inc. (4008); (vi) IntelliStaf Group, Inc. (7220); (vii) Medical Staffing Network of Illinois, LLC (4409); (viii) Medical Staffing Network Assets, LLC (4413); (ix) IntelliStaf Healthcare, Inc. (7108); (x) IntelliStaf Partners No. 1, LLC (2832); (xi) IntelliStaf Partners No. 2, LLC (5965); and (xii) IntelliStaf Healthcare Management, L.P. (7958).

*Approval, on an Interim and Final Basis, of Employment of Jefferies & Company, Inc., as Investment Banker to the Debtors-in-Possession, Nunc Pro Tunc to the Petition Date* (the “Slezinger Declaration”), and respectfully represent as follows:

**I. Jurisdiction and Venue**

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicates for the relief sought herein are Sections 105(a) and 327(a) of the Bankruptcy Code.

**II. Background**

4. On the date hereof (the “Petition Date”), the Debtors filed voluntary petitions for relief under Chapter 11, title 11, United States Code, 11 U.S.C. § 101-1531 (the “Bankruptcy Code”).
5. The Debtors are operating their businesses and managing their affairs as debtors in possession. 11 U.S.C. §§ 1107(a) and 1108.
6. For a detailed description of the Debtors and their operations, the Debtors respectfully refer the Court and parties in interest to the First Day Declaration.

**III. Relief Requested and Basis Therefor**

7. The Debtors seek to employ Jefferies as investment banker pursuant to the terms of that certain engagement letter dated as of February 8, 2010 (as amended, and as may be amended from time to time) (the “Engagement Letter”). A true and correct copy of the Engagement Letter is attached hereto as **Exhibit “A”**. Through this Application, the Debtors seek to employ Jefferies as investment banker during the pendency of these Chapter 11 cases.

The requested retention by the Debtors is sought pursuant to section 327(a) of the Bankruptcy Code.

8. The Bankruptcy Code allows a debtor, with the Court's approval, to employ one or more professional persons "that do not hold or represent an interest adverse to the estate, and that are disinterested persons." 11 U.S.C. § 327(a).

9. To the best of the Debtors' knowledge, other than as set forth in the Szlezinger Declaration attached hereto as Exhibit "B" Jefferies has not represented and has no relationship with (i) the Debtors; (ii) the Debtors' creditors or equity security holders; (iii) any other parties in interest in these cases; (iv) the respective attorneys and accountants of the foregoing; and (v) the United States Trustee or any person employed in the Office of the United States Trustee for the Southern District of Florida.

10. To the best of the Debtors' knowledge, other than as set forth in Szlezinger Declaration, Jefferies: (i) does not hold or represent any interest adverse to the Debtors or their estates on any matters in which Jefferies is to be engaged; (ii) is "disinterested" (as such term is defined in 11 U.S.C. § 101(14), as modified in 11 U.S.C. § 1107(b)).

**A. Services to be Provided**

11. As per the terms contained in the Engagement Letter, Jefferies has agreed to provide investment banking services to the Debtors, including, but not limited to providing advice and assistance (including providing testimony and certain other services relating to a potential debtor-in-possession facility of the Company), and acting as the exclusive financial advisor, to the Company in connection with, any potential sale, disposition or other business transaction or series of transactions involving a transfer of ownership of all or a material portion of the Company's assets, including under the Bankruptcy Code (and including a "credit bid"

under Section 363(k) of the Bankruptcy Code and including a liquidation under Chapter 7 of the Bankruptcy Code); and if requested, providing a fairness opinion with respect to the foregoing. Working collaboratively with the Debtors' other professionals, Jefferies will assist the Debtors in evaluating and implementing strategic and tactical options through the restructuring process.

12. The Debtors believe that Jefferies is qualified to advise and assist the Debtors toward a successful transaction that will benefit the Debtors' estates. Jefferies has significant and extensive experience providing investment banking services, including services previously provided to the Debtors pre-petition, has an excellent reputation for providing such services throughout the United States and internationally, and has the resources necessary to provide the staff necessary to accomplish these complex and highly-specialized services.

13. The Debtors believe that it is in the best interests of the Debtors' estates to employ Jefferies as their investment banker to provide the services listed above and in the Engagement Letter.

**B. Qualifications**

14. Jefferies is well qualified to assist the Debtors in the matters for which the Debtors propose to retain it. Jefferies was founded in 1962 and is a wholly-owned subsidiary of Jefferies Group, Inc., which is a public company and, together with its subsidiaries, has gross assets of approximately \$28 billion, annual revenues of more than \$2 billion and approximately 2,700 employees in more than 25 offices around the world. Jefferies provides a broad range of corporate advisory services to its clients including, without limitation, services pertaining to: (i) general financial advice, (ii) mergers, acquisitions and divestitures, (iii) special committee assignments, (iv) capital raising and (v) corporate restructuring. Moreover, Jefferies is a registered broker-dealer with the United States Securities and Exchange Commission and is a

member of the Boston Stock Exchange, the International Stock Exchange, the Financial Industry Regulatory Authority, the Pacific Stock Exchange, the Philadelphia Stock Exchange and the Securities Investor Protection Corporation.

15. Jefferies and its senior professionals have extensive experience in providing financial advisory and investment banking services to financially distressed companies and to creditors, equity holders, asset purchasers and other constituencies in reorganization proceedings and complex financial restructurings, both in- and out-of-court. Since 2007, Jefferies has been involved in over 100 announced or completed restructurings representing over \$145 billion in restructured liabilities.

16. For instance, Jefferies and its professionals are providing or have provided financial advisory, investment banking and other services in connection with the restructuring of: *In re Uno Restaurant Holdings Corporation*, Case No. 10-10209 (MG) (Bankr. S.D.N.Y. January 20, 2010); *In re Spheris Inc.*, Case No. 10-10352 (KG) (Bankr. D. Del. Feb. 3, 2010); *In re FairPoint Communications, Inc.*, Case No. 09-16335 (BRL) (Bankr. S.D.N.Y. Oct. 26, 2009); *In re Nortel Networks, Inc.*, Case No. 09-10138 (KG) (Bankr. D. Del. Jan. 14, 2009); *In re RathGibson, Inc.*, Case No. 09-12452 (CSS) (Bankr. D. Del. Jul. 13, 2010); *In re Sea Launch Company, LLC*, Case No. 09-12153 (BLS) (Bankr. D. Del. Jun. 22, 2010); *In re DBSD North America, Inc.*, Case No. 09-13061 (REG) (Bankr. S.D.N.Y. May 15, 2009); *In re Accuride Corporation*, Case No. 09-13449 (BLS) (Bankr. D. Del. Oct. 8, 2009); *In re AbitibiBowater, Inc.*, Case No. 09-11296 (KJC) (Bankr. D. Del. Apr. 16, 2009); *In re Aventine Renewable Energy Holdings, Inc.*, Case No. 09-11214 (KG) (Bankr. D. Del. Apr. 7, 2009); *In re Extended Stay Inc.*, Case No. 09-13764 (JMP) (Bankr. S.D.N.Y. Jun. 15, 2009); *In re Tronox Incorporated*, Case No. 09-10156 (ALG) (Bankr. S.D.N.Y. Jan. 11, 2009); *In re Circuit City*

*Stores Inc.*, Case No. 08-35663 (KRH) (Bankr. E.D. Virginia Nov. 10, 2008); *In re Quebecor World (USA) Inc.*, Case No. 08-10152 (JMP) (Bankr. S.D.N.Y. Jan. 21, 2008); *In re AmeriServe Food Distribution, Inc.*, Case No. 00-358 (PJW) (Bankr. D. Del. Jun. 27, 2000); *In re Ames Dep't Stores, Inc.*, Case No. 01-42217 (REG) (Bankr. S.D.N.Y. Dec. 21, 2001); *In re Bally Total Fitness of Greater New York, Inc.*, Case No. 08-14818 (BRL) (Bankr. S.D.N.Y. Feb. 10, 2009); *In re Diamond Brands Operating Corp.*, Case No. 01-1825 (RB) (Bankr. D. Del. Jul. 24, 2001); *In re Federal-Mogul Corp.*, Case No. 01-10578 (JKF) (Bankr. D. Del. Jan. 24, 2002); and *In re Delphi Corp., et al.*, Case No. 05-44481 (RDD) (Bankr. S.D.N.Y. Jun. 9, 2006).

17. The Debtors have selected Jefferies based on its experience and expertise in providing investment banking services in Chapter 11 cases throughout the country, and based on the familiarity of Jefferies with the Debtors' businesses. Jefferies has substantial expertise in advising troubled companies in connection with restructurings, asset sales and related issues.

18. Since February 8, 2010, Jefferies has provided the following services, among others, to the Debtors in connection with their restructuring efforts:

- (a) familiarized itself with the assets, operations, capital structure and financial affairs of the Debtors;
- (b) analyzed the business projections of the Debtors;
- (c) identified and evaluated candidates for a potential sale transaction;
- (d) approached multiple parties to inquire as to their interest in engaging in a sale transaction;
- (e) coordinated the analysis and delivery of the Debtors' information to interested parties;
- (f) participated in negotiations with interested parties, including potential stalking horse bidders;
- (g) assisted in discussions and negotiations with the Debtors' prepetition secured lenders; and

- (h) with respect to debtor- in-possession financing, worked with the Debtors to evaluate whether alternate lenders would be available to provide financing in an amount sufficient to fund the Debtors with adequate liquidity during these chapter 11 cases.

19. In providing professional services to the Debtors, Jefferies has worked closely with the Debtors' management and has become well-acquainted with the Debtors' businesses, capital structure, financial affairs, and related matters. The experience Jefferies gained before the Petition Date will facilitate the provision of the services required by the Debtors in these Chapter 11 cases. The Debtors believe that Jefferies is both well-qualified and uniquely able to represent them in their Chapter 11 cases in an efficient and timely manner.

20. Furthermore, Jefferies has become familiar with the Debtors' business and financial affairs as a result of services provided to the Debtors prior to the Petition Date. In consideration of the familiarity and institutional knowledge of the Debtors that Jefferies has gained from its pre-petition relationship with the Debtors, the Debtors submit that the retention of Jefferies is in the best interests of the Debtors' estates and creditors and should be approved *nunc pro tunc* to the Petition Date.

21. Through this retention, Jeffries intends to continue to provide the foregoing services to the Debtors and to staff this project with members of its firm, who will endeavor to work diligently, efficiently, and to avoid duplication of efforts of any other professionals that the Debtors may retain in this Chapter 11 case through regular communication with the Debtors and by focusing on the services for which Jeffries has be retained.

22. Based on the foregoing, the Debtors believe that Jefferies is both well-qualified and uniquely able to represent them in their Chapter 11 cases in an efficient and timely manner and that the engagement of Jefferies to provide investment banking services to the

Debtors is essential to the successful marketing and sale of Medical Staffing Network Holdings, Inc., and accordingly, is in the best interests of the creditors of the Debtors.

**C. Compensation**

Subject to the provisions of section 328(a) of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, the Debtors request approval of the fee structure detailed in Exhibit “A” (the “Fee Structure”).

23. The Fee Structure is consistent with Jefferies’ typical fee for work of this nature. The Debtors believe that the fees are set at a level designed to compensate Jefferies fairly for the work of its professionals and assistants and to cover fixed and routine overhead expenses. The Debtors understand that it is Jefferies’ policy to charge its clients for all disbursements and expenses incurred in the rendition of services.

24. The Debtors understand that it is not the general practice of investment banking firms to keep detailed time records similar to those customarily kept by attorneys. Jefferies’ restructuring professionals, when formally retained in Chapter 11 cases, and when required by local rules, do, and in the Chapter 11 Cases will, keep time records describing their general daily activities, the identity of persons who performed such tasks and the estimated amount of time expended on each activity on a daily basis. Jefferies’ restructuring personnel do not maintain their time records on a “project category” basis. The Debtors believe that for Jefferies to recreate the time entries for its restructuring personnel and require its non-restructuring personnel to record their time as prescribed by the Local Rules would be, in each case, unduly burdensome and time-consuming.

25. The Fee Structure is comparable to those generally charged by financial advisory and investment banking firms of similar stature to Jefferies and for comparable



engagements, both in and out of court, and reflect a balance between a fixed, monthly fee, and a contingency amount which is tied to the consummation and closing of the transactions contemplated in the Engagement Letter.

26. As more fully described in the Engagement Letter, the Debtors have also agreed to indemnify, defend and hold harmless Jefferies and its affiliates, the respective partners, directors, officers, agents and employees of Jefferies and its affiliates and each other person, if any, controlling Jefferies or its affiliates (the foregoing being referred to herein individually as an "Indemnified Party" and collectively as the "**Indemnified Parties**") from and against any and all losses, claims, damages, liabilities or costs, as and when incurred, to which such Indemnified Party may become subject to or which are asserted against any Indemnified Party, directly or indirectly, in any way related to the acts of Jefferies for the Debtors under the Engagement Letter in connection with (i) any act or omission by Jefferies related to its engagement as investment banker under the Engagement Letter, or (ii) the acceptance of Jefferies, or its performance or non-performance, of its obligations under the Engagement Letter, except to the extent that any losses, claims, damages, liabilities or costs resulting from the acts, omissions, acceptance, performance or non-performance of Jefferies specified above, are found to be the product of the gross negligence or willful misconduct of Jefferies (the "**Indemnification Provision**").

27. Although not provided for in the Indemnification Provision, Jefferies agrees that if before the earlier of (i) the entry of an order confirming a Chapter 11 plan in the Chapter 11 Cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing the Chapter 11 Cases, Jefferies believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Indemnification Provision, as modified herein, including,

without limitation, the advancement of defense costs, Jefferies will file an application with the Court for payment of such amounts, and the Debtors may not pay such amounts to Jefferies before the entry of an order by this Court approving the payment.

28. The Debtors believe that the Indemnification Provision is customary and reasonable for investment bankers, both out-of-court and in Chapter 11 proceedings. *See, e.g., In re United Artists Theatre Company*, 315 F.3d 217 (3d Cir. 2003) (authorizing the indemnification of Houlihan Lokey by the debtors); *In re Joan & David Halpern, Inc.*, 248 B.R. 43 (Bankr. S.D.N.Y. 2000). The Indemnification Provision is also similar to other indemnification provisions that have been approved by bankruptcy courts. *See, e.g., In re Sharper Image Corp.*, Case No. 08-10322 (KG) (Bankr. D. Del. May 14, 2008) (order authorizing retention of Gemini Valuation Services, LLC on similar terms); *In re Premium Papers Holdco, LLC*, Case No. 06-10269 (CSS) (Bankr. D. Del. May 3, 2006) (order authorizing retention of Giuliani Capital Advisors on similar terms); *In re Burlington Industries, Inc.*, Case No. 01-11282 (RJN) (Bankr. D. Del. May 21, 2003) (order authorizing retention of Hostmann on similar terms); *In re Oakwood Homes Corporation*, Case No. 02-13396 (PJW) (Bankr. D. Del. July 21, 2003) (same).

**D. Disinterestedness**

29. Jefferies is a “disinterested person” as that phrase is defined in section 101(14) of the Bankruptcy Code, and Jefferies’ employment is necessary and in the best interests of the Debtors and their estates. To the best of the Debtors’ knowledge, except as set forth below and in the Jefferies Declaration, Jefferies does not hold or represent any interest adverse to the Debtors:

- a. Jefferies has not been employed by any entity other than the Debtors in matters related to the Chapter 11 Cases;
- b. Jefferies provides services in connection with numerous cases, proceedings and transactions unrelated to the Chapter 11 Cases. These unrelated matters involve numerous attorneys, financial advisors and creditors, some of which may be claimants or parties with actual or potential interests in the Chapter 11 Cases or may represent such parties;
- c. Jefferies' personnel may have business associations with certain creditors of the Debtors unrelated to the Chapter 11 Cases. In addition, in the ordinary course of its business, Jefferies may engage counsel or other professionals in unrelated matters who now represent, or who may in the future represent, creditors or other interested parties in the Chapter 11 Cases; and

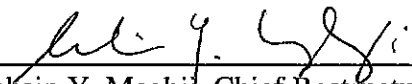
30. During the ninety (90) days prior to the Petition Date, Jefferies received a total of \$500,000.00 in monthly fees, \$43,265.09 as reimbursement for expenses incurred and an expense retainer of \$5,000.00, the remaining balance (if any) of which will be applied to postpetition expenses, from the Debtors.

31. The Debtors seek entry of an order, on an interim basis, approving the employment of Jefferies, and scheduling a final hearing to consider the Application.

**WHEREFORE**, the Debtors respectfully request entry of an order in the form attached hereto as **Exhibit "C"** (i) approving, on an interim basis, the Debtors' employment of Jefferies & Company, Inc., as investment banker to the Debtors in these cases, *nunc pro tunc* to the Petition Date, (ii) scheduling a final hearing on the Application; and (iii) for such other and further relief as the Court deems just and proper.

**DATED:** July 2, 2010

MEDICAL STAFFING NETWORK HOLDINGS, INC., *et al.*  
901 Yamato Road, Suite 110  
Boca Raton, FL 33431

By:   
Mehsein Y. Meghji, Chief Restructuring Officer

**I HEREBY CERTIFY** that I am admitted to the Bar of the United States District Court for the Southern District of Florida and I am in compliance with the additional qualifications to practice in this court set forth in Local Rule 2090-1(A).

Dated: July 2, 2010

BERGER SINGERMAN, P.A.  
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By: /s/ Paul Steven Singerman

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**EXHIBIT "A"**

**(Engagement Letter)**



**Engagement Letter**

**Medical Staffing Network Holdings Inc.**  
901 Yamato Road, Suite 110  
Boca Raton, FL 33431

Jefferies & Company, Inc.  
520 Madison Avenue, 12th Floor  
New York, NY 10022  
tel 212.284.2550  
fax 212.284.2111  
www.jefco.com

February 8, 2010

Attn: Kevin Little  
President and Chief Financial Officer

Re: Advisory Services; Financing Transaction:

This agreement (the "Agreement") confirms that Jefferies & Company, Inc. ("Jefferies") has been engaged by Medical Staffing Network Holdings Inc., a Delaware corporation and its present and future subsidiaries and any entity used thereby to facilitate the transactions contemplated hereby (collectively, the "Company") to act as financial advisor to the Company in connection with the transactions and services contemplated herein.

1. Services.

(a) Restructuring. During the term of this engagement, and as mutually agreed upon by Jefferies and the Company and as appropriate, Jefferies will:

(i) provide advice and assistance to the Company in connection with analyzing, structuring, negotiating and effecting (including providing valuation analyses as appropriate), and acting as the financial advisor to the Company in connection with, any potential restructuring of the Company's outstanding indebtedness ("Debt") (including, without limitation, the Company's First Lien Revolving Credit Facility due 2013, First Lien Term Loan due 2013 and Second Lien Term Loan due 2014), through any offer by the Company or any other party with respect to any outstanding Company indebtedness, a solicitation of votes, approvals, or consents giving effect thereto (including, without limitation, with respect to a prepackaged or pre-negotiated plan of reorganization or other plan pursuant to chapter 11, Title 11 of the United States Code (the "Bankruptcy Code")), the execution of any agreement giving effect thereto, a sale of all or a material portion of the Company's assets under the Bankruptcy Code (including a "credit bid" under section 363(k) of the Bankruptcy Code and including a liquidation under Chapter 7 of the Bankruptcy Code) or any similar balance sheet restructuring involving the Company (any such transaction considered in this paragraph is hereinafter referred to as a "Restructuring"); and

(ii) perform the following financial advisory services, among others, for the Company in connection with a Restructuring: (a) becoming familiar with, to the extent Jefferies deems appropriate, and analyzing, the business, operations, properties, financial condition and prospects of the Company; (b) advising the Company on the

Medical Staffing Network Holdings Inc.  
 February 8, 2010  
 Page 2



current state of the “restructuring market”; (c) assisting and advising the Company in developing a general strategy for accomplishing a Restructuring; (d) assisting and advising the Company in implementing a Restructuring; (e) assisting and advising the Company in evaluating and analyzing a Restructuring, including the value of the securities or debt instruments, if any, that may be issued in any such Restructuring; (f) providing a fairness opinion (an “Opinion”) to the Company's Board of Directors with respect to a proposed Restructuring Transaction, if requested by the Company, the scope of which will be as mutually agreed by Jefferies and the Company (it being understood that nothing herein shall obligate Jefferies to deliver such Opinion if Jefferies reasonably determines that the contemplated Restructuring is not the type of transaction on which Jefferies is able to render an Opinion); and (g) rendering such other financial advisory services as may from time to time be agreed upon by the Company and Jefferies.

(b) Financing.

(i) In addition, the Company hereby retains Jefferies and Jefferies shall have the right to act as sole and exclusive manager, bookrunner, placement agent, arranger, underwriter and/or initial purchaser, as the case may be, in connection with the structuring, issuance, sale or placement (any or all of the foregoing, the “Financing”, and each of a Financing and a Restructuring, individually and collectively, a “Transaction”), whether in one or more public or private transactions, of (i) debt securities of the Company (“Debt Securities”), (ii) preferred or common equity or equity-linked securities of the Company (collectively, “Equity Securities”) and/or (iii) bank debt or a similar credit facility of the Company (“Bank Debt”, and any or a combination of Bank Debt, Equity Securities and/or Debt Securities, “Instruments”) during the term of this engagement. The Company agrees that no other titles will be awarded in connection with any Financing without the written consent of Jefferies, which shall not be unreasonably withheld.

(ii) Notwithstanding the foregoing, it is understood and agreed that Jefferies reserves the right not to participate in any proposed Financing, and the foregoing is not an agreement by Jefferies to underwrite, place or purchase any Instruments. In connection with any Financing in which Jefferies elects to participate, the Company shall enter into an underwriting agreement, placement agency agreement, credit agreement or purchase agreement, as applicable, with Jefferies, which agreement shall be based on Jefferies’ customary form for the applicable Financing (a “Definitive Agreement”). Jefferies shall have no obligation hereunder to act as underwriter, placement agent, arranger or initial purchaser with respect to any Instruments unless and until Jefferies has executed a Definitive Agreement. For the avoidance of doubt, if a Financing is executed in more than one issuance or tranche, each shall be deemed to be a Financing for the purposes of this Agreement.

2. Cooperation.

(a) The Company shall furnish Jefferies with all current and historical materials and information regarding the business and financial condition of the Company,



**Medical Staffing Network Holdings Inc.**

February 8, 2010

Page 3

**Jefferies** 

which the Company believes are relevant to the transactions contemplated hereby and all information and data that Jefferies shall reasonably request in connection with Jefferies' activities hereunder, and if necessary, all solicitation materials prepared by the Company (and provided to Jefferies for comments) with respect to the Company (which materials the Company agrees shall not contain any untrue statement of material fact, or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading). In addition, the Company shall provide Jefferies full access, as requested, to the Company's officers, directors, employees and professional advisors; provided, however, that all requests for information or access shall be coordinated through either Robert Adamson, Kevin Little or Jeffrey Yesner. The Company agrees to promptly advise Jefferies of all developments materially affecting the Company, any proposed Transaction or the accuracy of the information previously furnished to Jefferies by or on behalf of the Company, and agrees to take commercially reasonable efforts to ensure (subject to applicable regulatory requirements) that no material initiatives relating to the proposed Transaction will be taken without Jefferies having been informed in advance thereof. If the Company or, to the Company's knowledge, any of its stockholders, affiliates or other advisors or representatives are contacted by any person concerning a potential Transaction, the Company will inform Jefferies of such inquiry, and all relevant details thereof.

(b) The Company further acknowledges that Jefferies (i) will be relying on information and data provided by the Company and available from generally recognized public sources, without having independently verified the accuracy or completeness thereof, (ii) does not assume responsibility for the accuracy or completeness of any such information and data and (iii) has not made, and will not make, any physical inspection or appraisal of the properties or assets of the Company and with respect to any financial forecasts that may be furnished to or discussed with Jefferies by the Company, Jefferies will assume that such forecasts have been reasonably prepared and reflect the best then currently available estimates and judgments of the Company's management as to the expected future financial performance of the Company.

(c) In connection with the Financing, as appropriate for the given Financing, the Company shall prepare with Jefferies' assistance, a registration statement or confidential offering or placement memorandum to use in connection with the Financing (the "Offering Document") and such other documents as are necessary for the Financing, in such form as Jefferies and the Company determine is appropriate to market the Instruments. The Company agrees that the Offering Document shall not contain any untrue statement of material fact, or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading. The Company further agrees that it will (i) provide Jefferies as soon as practicable but in any event no later than is reasonable and customary for the applicable Financing, with a complete initial draft of the Offering Document, which contains all financial statements and other data to be included therein (including all audited financial statements, all unaudited financial statements (which shall have been reviewed by the independent accountants for the Company as provided in Statement on Auditing

**Medical Staffing Network Holdings Inc.**

February 8, 2010

Page 4



Standards No. 100) and all appropriate pro forma financial statements prepared in accordance with, or reconciled to, generally accepted accounting principles and practices in the United States and prepared in accordance with Regulation S-X under the Securities Act of 1933, as amended, and all other information and data (including selected financial data) that the Securities and Exchange Commission would require in a registered offering of any securities in the Financing or that would be necessary for Jefferies to receive customary "comfort" (including "negative assurance" comfort) from independent accountants in connection with the Financing) (collectively, the "Required Financial Information"), and (ii) provide Jefferies, if applicable, as soon as practicable but in any event no later than is reasonable and customary for financings of this type, with a complete printed preliminary Offering Document suitable for use in a customary "road show" relating to the Financing (including the Required Financial Information). The Company also agrees that, if applicable, it will promptly commence the preparation of materials for a presentation to Standard & Poor's Rating Group and Moody's Investors Service, Inc. for a rating on any applicable Instruments.

(d) The Company shall comply, and shall use commercially reasonable efforts to assist Jefferies in complying, with all federal and state securities laws and regulations applicable to the Transaction.

(e) The Company agrees that Jefferies will be entitled to rely on: (i) any opinion of the Company's internal and/or outside counsel as to the compliance of the Financing with all applicable securities laws provided to investors in such Financing, and (ii) the representations, warranties and covenants of the Company and the investors in such Financing that are set forth in the definitive agreement between the Company and the investors in such Financing (such agreement or agreements, collectively, the "Purchase Agreement"). The Purchase Agreement shall be in form and substance reasonably satisfactory to Jefferies.

3. Use of Name, Opinion, Advice, etc.

(a) No information or advice provided (other than any information or advice relating to the U.S. tax treatment and U.S. tax structure of any Transaction), or any Opinion rendered, by Jefferies may be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to without Jefferies' prior written consent. In addition, the Company agrees that any reference to Jefferies in any release, communication or other material is subject to Jefferies' prior written approval, which may be given or withheld in its reasonable discretion, for each such reference. Notwithstanding the foregoing, the written Opinion, if rendered by Jefferies pursuant to this Agreement in connection with a Transaction which is required by applicable law or regulation to be approved by the Company's stockholders, may be included in the Company's proxy statement or, if required by applicable law or regulation, a similar disclosure document that is required by applicable law or regulation to be mailed by the Company to its stockholders with respect to such Transaction; provided that the Opinion shall be reproduced in full and that any summary or other description of the Opinion or

**Medical Staffing Network Holdings Inc.**

February 8, 2010

Page 5



other reference to Jefferies in such proxy statement or other disclosure document is reasonably acceptable to Jefferies and its counsel in their sole discretion.

(b) The nature and scope of the investigation that Jefferies will conduct in order to render the Opinion, as well as the form, scope and substance of the Opinion, will be such as Jefferies considers appropriate. The Opinion will be addressed to, and prepared solely for the use of, the Board (solely in its capacity as such), and may not be relied upon by any other person (including, without limitation, securityholders, affiliates, creditors or employees of the Company).

(c) Jefferies' advice is solely for the use and information of the Company's management, the Company's Board of Directors (and Committees of the Board) and the Company's other advisors with respect to the Restructuring (including its counsel), and is only to be used in considering the matters to which this Agreement relates. Such advice may not be relied upon by any other person other than the Company and its Board of Directors (and Committees thereof).

4. Compensation. The Company agrees to pay Jefferies each of the following:

(a) A monthly fee (the "Monthly Fee") equal to \$125,000 per month until the expiration or termination of this Agreement. The first Monthly Fee shall be due and payable upon the execution of this engagement letter. Each subsequent Monthly Fee shall be payable in advance on each monthly anniversary thereafter.

(b) Promptly upon Jefferies having informed the Company that Jefferies is prepared to deliver an opinion (regardless of the conclusion reached therein) an opinion fee equal to \$500,000 (the "Opinion Fee"). It is expressly understood that a separate Opinion Fee shall be payable in respect of each Opinion rendered. The Opinion Fee will be credited, to the extent previously paid, once against the Restructuring Fee, if any, payable to Jefferies by the Company in respect of the Restructuring to which the Opinion relates.

(c) A fee in an amount equal to the greater of (x) \$1.50 million and (y) 1.0% of the principal amount of outstanding Debt of the Company, plus any accrued interest thereon payable upon consummation of a Restructuring, including, without limitation, upon the effective date of a confirmed plan of reorganization pursuant to chapter 11 of the Bankruptcy Code, whether or not through the use of cramdown procedures (the "Restructuring Fee"), minus 50.0% of the Monthly Fees actually paid to Jefferies in excess of \$375,000.

(d) Upon the placement or purchase of any Debt Securities, a fee (the "Debt Placement Fee") in an amount equal to 2.75 % of the aggregate principal amount of Debt Securities placed.

(e) Promptly upon the purchase or placement of any Equity Securities, a fee to be mutually determined in good faith by Jefferies and the Company, which fee shall be

**Medical Staffing Network Holdings Inc.**

February 8, 2010

Page 6



based on the prevailing market for similar services and similar transactions, with Jefferies and the Company to agree to reduce such fee by 50.0% for any purchase of Equity Securities by parties who are identified solely through the efforts of the Company (which parties shall be those parties listed in a letter delivered by the Company to Jefferies contemporaneous with entering into this Agreement).

(f) With respect to the placement or arrangement of Bank Debt, if any, upon the execution of a definitive credit agreement by the Company and the lenders thereunder, a fee equal to 2.0% of the maximum principal amount available under the Bank Debt.

(g) For the avoidance of doubt, Jefferies shall only be due fees under (c), (d) and (e) above if new Debt Securities, new Equity Securities and/or new Bank Debt is raised in connection with the Restructuring, and shall only be due a Restructuring Fee pursuant to (b) above if the existing Debt is restructured.

(h) The Company shall use commercially reasonable efforts to provide for the payment in full, in cash, of any fees and expenses described in this Section 4 in any plan of reorganization submitted to the Bankruptcy Court (as defined below) for confirmation. Notwithstanding the foregoing, in the event that a Transaction is consummated pursuant to a prepackaged plan of reorganization, the fees payable to Jefferies hereunder shall be deemed earned and payable in full upon the receipt by the Company of the votes necessary to approve such a prepackaged plan of reorganization (whether through cramdown or otherwise) prior to the filing of the chapter 11 case. Additionally, in the event that a Transaction is consummated pursuant to a prenegotiated plan of reorganization, 50% the fees payable to Jefferies hereunder shall be deemed earned and payable in full upon the receipt by the Company of lock up agreements or other commitments to support a plan of reorganization prior to the filing of the chapter 11 case (with the balance deemed earned when such plan of reorganization is approved and such plan is effectuated). In either of such event, Jefferies shall provide during the chapter 11 case such additional services as are reasonably necessary (including testimony) to confirm and consummate such prepackaged or prenegotiated plan, as applicable, without additional compensation.

The Company acknowledges that in light of Jefferies' substantial experience and knowledge in the restructuring market, the uncertain nature of the time and effort that may be expended by Jefferies in fulfilling its duties hereunder, the opportunity cost associated with undertaking this engagement, and the "market rate" for professionals of Jefferies' stature in the restructuring market generally, the fee arrangement hereunder is just, reasonable and fairly compensates Jefferies for its services. The Company further acknowledges that it believes Jefferies' general restructuring expertise and experience, its knowledge of the capital markets and its other capabilities will inure to the benefit of the Company in connection with any Transaction and that the value to the Company of Jefferies' services hereunder derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the compensation hereunder is reasonable regardless of the number of hours to be expended by Jefferies'

Medical Staffing Network Holdings Inc.

February 8, 2010

Page 7

Jefferies 

professionals in the performance of the services to be provided hereunder and that none of the fees hereunder shall be considered to be “bonuses” or fee enhancements under applicable law.

5. Expenses. In addition to any fees that may be paid to Jefferies hereunder, whether or not any Transaction occurs, the Company will reimburse Jefferies, promptly upon receipt of an invoice therefor (and if unpaid after 30 days from delivery of an invoice, shall thereafter carry interest from such delivery date, both before and after any judgment, at a rate equivalent to LIBOR plus 1% compounded quarterly until payment), for all out-of-pocket expenses (including reasonable fees and expenses of its outside counsel, and the reasonable fees and expenses of any other independent experts retained by Jefferies) incurred by Jefferies and its designated affiliates in connection with the engagement contemplated hereunder. Any one expense in excess of \$7,500, and the retention of independent experts, shall require pre-approval by the Company.

6. Indemnification, etc. As further consideration under this Agreement, the Company shall indemnify and hold harmless the Indemnified Persons (as defined in Schedule A) in accordance with Schedule A. The terms and provisions of Schedule A are incorporated by reference herein, constitute a part hereof and shall survive any termination or expiration of this Agreement. Neither Jefferies nor its affiliates shall be responsible or have any liability for any indirect, special or consequential damages arising out of or in connection with this Agreement or the transactions contemplated hereby, even if advised of the possibility thereof.

7. Termination. Jefferies' engagement hereunder will commence upon the execution of this Agreement by both parties, and will continue until terminated by either party on five business days' written notice to the other. Upon any termination of this Agreement, the Company shall promptly pay Jefferies any accrued but unpaid fees hereunder, and shall reimburse Jefferies for any unreimbursed expenses that are reimbursable hereunder. In the event of any termination of this Agreement, Jefferies shall be entitled to the applicable fee set forth in Section 4 if the Company enters into an agreement for a Transaction on or prior to that date that is twelve (12) months from the effective date of termination of this Agreement and such agreement subsequently results in a Transaction. Upon any termination of this Agreement, the rights and obligations of the parties hereunder shall terminate, except for the obligations set forth in Sections 3-7, 9-17, and Schedule A, which shall survive such termination.

8. Exclusivity. During the term of the Agreement, the Company agrees that it will not, directly or indirectly, offer or borrow any Instruments, as applicable, solicit an offer to purchase or lend any Instruments, or otherwise contact or enter into a discussion with any person in connection with the structuring, issuance, sale, arrangement, placement, lending or purchase of Instruments, other than through Jefferies; provided, however, that for the avoidance of doubt representatives of the Company and the Company's counsel may engage in discussions with the holders of the Debt and with potential Transaction parties without obtaining the prior consent of Jefferies provided that such discussions do not involve the solicitation of an offer to purchase or lend any Instruments. In addition,

Medical Staffing Network Holdings Inc.

February 8, 2010

Page 8

Jefferies 

and without limiting the foregoing, during the term of the Agreement, the Company will not, and will not permit any advisor or representative of the Company to engage any other person to perform any services or act in any capacity for which Jefferies has been engaged pursuant to this Agreement with respect to any potential Transaction without the prior written approval of Jefferies. The Company will promptly inform Jefferies of any inquiry it may receive regarding a Transaction. The Company will promptly inform Jefferies of any inquiry it may receive regarding a Transaction. Notwithstanding the Company's obligations hereunder, including, but not limited to, their obligation to pay the fees and expenses of Jefferies and to indemnify Jefferies, it is understood and agreed that Jefferies' sole and exclusive client is the Company, and Jefferies will in no circumstance be deemed to be an advisor to or have any obligation to any other party.

9. Bankruptcy Retention. If the Company becomes a debtor under chapter 11 of the Bankruptcy Code and (a) the Transaction is not consummated pursuant to a prepackaged plan of reorganization, (b) the fees payable to Jefferies pursuant to Section 4 of this Agreement are not deemed earned and payable in full prepetition (for any reason whatsoever) or (c) upon the request of Jefferies, the Company agrees promptly to retain Jefferies as its exclusive financial advisor in the Company's bankruptcy cases (pursuant to a new engagement letter on terms agreeable to Jefferies and the Company), and to apply to the bankruptcy court having jurisdiction over such cases (the "Bankruptcy Court") for the approval of such retention pursuant to section 328(a) of the Bankruptcy Code, and not subject to any other standard of review under section 330 of the Bankruptcy Code. The Company shall supply Jefferies with a draft of any application and proposed order authorizing Jefferies' retention sufficiently in advance of its filing to enable Jefferies to review and approve any such application or order prior to its filing. Jefferies shall have no obligation to provide any services under this Agreement if the Company becomes a debtor under the Bankruptcy Code unless Jefferies' retention is approved under section 328(a) of the Bankruptcy Code by a final order of the Bankruptcy Court no longer subject to appeal, rehearing, reconsideration or petition for certiorari, which order is acceptable to Jefferies in its sole discretion. Prior to commencing a bankruptcy case, the Company shall pay to Jefferies in cash all amounts due and payable to Jefferies under this or any other Agreement. In the event of a conversion of the Cases to cases under Chapter 7 of the Bankruptcy Code (such converted cases, the "Chapter 7 Cases"), all unpaid fees and expenses then payable or which subsequently become payable to Jefferies hereunder shall be deemed an allowed administrative expenses in such Chapter 7 Cases having the priority set forth in Section 507(a)(2) of the Bankruptcy Code, and shall be paid to Jefferies as and when due in accordance with this Agreement.

10. Other Transactions; Disclaimer.

(a) If the Company determines, commencing on the date hereof and terminating on that date which is twelve months from the date hereof, to pursue (i) any equity, equity-linked, debt or mezzanine financing (other than a Transaction contemplated by this Agreement) or other investment in the Company (including a secondary sale or offering by securityholders effected with the Company's assistance),

Medical Staffing Network Holdings Inc.

February 8, 2010

Page 9

Jefferies 

then Jefferies shall have the right, but not the obligation, to act as sole bookrunning manager, sole placement agent or sole arranger, as the case may be, in any such financing and to receive all (or, in the case of a syndicated financing, at least 50%) of the aggregate gross spread or fees from any such financing (such gross spread or fees in such financing or financings will be mutually determined in good faith by the Company and Jefferies based on the prevailing market for similar services), (ii) any tender or exchange offer for, or consent solicitation with respect to, debt (including, without limitation, convertible debt) securities, then Jefferies shall have the right, but not the obligation, to act as sole dealer manager and/or solicitation agent for such tender or exchange offer and/or consent solicitation and to receive a fee in an amount to be mutually determined in good faith by the Company and Jefferies based on the prevailing market for similar services or (iii) (other than a Transaction contemplated by this Agreement) any merger, consolidation, sale, transfer or other disposition involving all or a material portion of the Company's or any Company subsidiary's stock or assets or acquisition involving all or a material portion of the stock or assets of another party or group of affiliated parties, whether in one or a series of transactions, or any restructuring transaction (through a recapitalization, extraordinary dividend, stock repurchase, spin-off, joint venture or otherwise), or any other activity for which the Company would engage a financial advisor, then Jefferies shall have the right, but not the obligation, to act as exclusive financial advisor to the Company for such transaction or transactions and to receive fees in an amount to be mutually determined in good faith by the Company and Jefferies based on the prevailing market for similar types of transactions.

(b) The Company will promptly notify Jefferies in writing if it intends to pursue any of the foregoing transactions referenced in clause (a) above setting out in reasonable detail the proposed transaction and other relevant information and, if Jefferies exercises its rights with respect thereto, then the Company will enter into and, to the extent requested by Jefferies, will require that any selling stockholders of the Company in any of the foregoing transactions referred to in clause (a)(i) enter into, a separate agreement in Jefferies' customary form for such engagement containing terms and conditions no less favorable to Jefferies than those contained in this Agreement. It is expressly agreed and acknowledged that the absence of any such separate agreements will not relieve the Company of its obligations to pay Jefferies the fees and other compensation contemplated by this Section 10.

(c) The Confidentiality Agreement, dated January 7, 2010, between the Company and Jefferies (the "Confidentiality Agreement"), remains in full force and effect following the execution and delivery of this Agreement, and all information provided by the Company to Jefferies under this Agreement shall be afforded confidential treatment in accordance with the terms of the Confidentiality Agreement.

(d) The Company acknowledges that Jefferies' parent, Jefferies Group, Inc. (collectively with its subsidiaries and affiliates, the "Jefferies Group") is a full service financial institution engaged in a wide range of investment banking and other activities (including investment management, corporate finance, securities issuing, trading and

Medical Staffing Network Holdings Inc.

February 8, 2010

Page 10

Jefferies 

research and brokerage activities) from which conflicting interests, or duties, may arise. Information that is held elsewhere within the Jefferies Group, but of which none of the individuals in Jefferies' investment banking department involved in providing the services contemplated by this Agreement actually has (or without breach of internal procedures can properly obtain) knowledge, will not for any purpose be taken into account in determining Jefferies' responsibilities to the Company under this Agreement. Neither Jefferies nor any other part of the Jefferies Group will have any duty to disclose to the Company or utilize for the Company's benefit any non-public information acquired in the course of providing services to any other person, engaging in any transaction (on its own account or otherwise) or otherwise carrying on its business. In addition, in the ordinary course of business, the Jefferies Group may trade the securities of the Company and of potential participants in the Transaction for its own account and for the accounts of customers, and may at any time hold a long or short position in such securities. Jefferies recognizes its responsibility for compliance with federal securities laws in connection with such activities. Further, the Company acknowledges that from time to time Jefferies' research department may publish research reports or other materials, the substance and/or timing of which may conflict with the views or advice of the members of Jefferies' investment banking department, and may have an adverse effect on the Company's interests in connection with the Transaction or otherwise. Jefferies' investment banking department is managed separately from its research department, and does not have the ability to prevent such occurrences. The Jefferies Group, its directors, officers and employees may also at any time invest on a principal basis or manage or advise funds that invest on a principal basis in any company that may be involved in the transactions contemplated hereby.

(e) In connection with any Financing, (i) the purchase and sale of any Instruments, including the determination of the offering price of the Instruments and any related discounts and commissions, shall be an arm's-length commercial transaction between the Company and Jefferies or the investors in the Financing, as applicable, (ii) Jefferies will not be the agent or fiduciary of the Company or its stockholders, affiliates, creditors, employees or any other party, (iii) Jefferies shall not assume an advisory or fiduciary responsibility in favor of the Company (irrespective of whether Jefferies has advised or is currently advising the Company on other matters) and Jefferies shall have no obligation to the Company with respect to any Financing except as may be set forth in a Definitive Agreement, (iv) Jefferies and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and (v) Jefferies shall not provide any legal, accounting, regulatory or tax advice with respect to any Financing and the Company shall consult its own legal, accounting, regulatory and tax advisors to the extent it deems appropriate.

11. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.



Medical Staffing Network Holdings Inc.

February 8, 2010

Page 11

Jefferies 

12. Exclusive Jurisdiction. EXCEPT AS SET FORTH BELOW, THE PARTIES AGREE THAT ANY DISPUTE, CLAIM OR CONTROVERSY DIRECTLY OR INDIRECTLY RELATING TO OR ARISING OUT OF THIS AGREEMENT, THE TERMINATION OR VALIDITY OF THIS AGREEMENT, ANY ALLEGED BREACH OF THIS AGREEMENT, THE ENGAGEMENT CONTEMPLATED BY THIS AGREEMENT OR THE DETERMINATION OF THE SCOPE OF APPLICABILITY OF THIS AGREEMENT TO THIS SECTION 12 (ANY OF THE FOREGOING, A "CLAIM") SHALL BE COMMENCED IN THE COMMERCIAL DIVISION OF THE SUPREME COURT OF THE STATE OF NEW YORK LOCATED IN THE CITY AND COUNTY OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, WHICH COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER THE ADJUDICATION OF SUCH MATTERS AND SHALL DECIDE THE MERITS OF EACH CLAIM ON THE BASIS OF THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE COMPANY AND JEFFERIES AGREE AND CONSENT TO PERSONAL JURISDICTION, SERVICE OF PROCESS AND VENUE OF SUCH COURTS, WAIVE ALL RIGHT TO TRIAL BY JURY FOR ANY CLAIM AND AGREE NOT TO ASSERT THE DEFENSE OF FORUM NON-CONVENIENS. THE COMPANY AND JEFFERIES ALSO AGREE THAT SERVICE OF PROCESS MAY BE EFFECTED THROUGH OVERNIGHT MAIL TO THE ADDRESSES SET FORTH OR REFERRED TO IN SECTION 15 HEREOF. THE COMPANY SHALL PAY ALL OF JEFFERIES' COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, FEES AND EXPENSES OF OUTSIDE COUNSEL REASONABLY INCURRED) IN AN ENFORCEMENT PROCEEDING IF THE COURT IN SUCH PROCEEDING DETERMINES THAT JEFFERIES IS ENTITLED TO RECOVER AMOUNTS DUE HEREUNDER. THE COMPANY AND JEFFERIES FURTHER AGREE THAT A FINAL, NON-APPEALABLE JUDGMENT IN RESPECT OF ANY CLAIM BROUGHT IN ANY SUCH COURT SHALL BE BINDING AND MAY BE ENFORCED IN ANY OTHER COURT HAVING JURISDICTION OVER THE PARTY AGAINST WHOM THE JUDGMENT IS SOUGHT TO BE ENFORCED. THE COMPANY ALSO HEREBY CONSENTS TO PERSONAL JURISDICTION, SERVICE AND VENUE IN ANY COURT IN WHICH ANY ACTION (AS DEFINED IN SCHEDULE A) IS BROUGHT BY ANY THIRD PARTY AGAINST JEFFERIES OR ANY INDEMNIFIED PARTY.

13. Payments. All payments to be made to Jefferies hereunder shall be non-refundable and made in cash by wire transfer of immediately available U.S. funds. Such fee may be paid by the Company in the form of a "gross spread" or a similar underwriting discount, if Jefferies' role hereunder is that of an underwriter or an initial purchaser. Except as expressly set forth herein, no fee payable to Jefferies hereunder shall be credited against any other fee due to Jefferies. The Company's obligation to pay any fee or expense set forth herein shall be absolute and unconditional and shall not be subject to reduction by way of setoff, recoupment or counterclaim.

Medical Staffing Network Holdings Inc.

February 8, 2010

Page 12

Jefferies 

14. Announcements, etc. The Company agrees that Jefferies may, following the announcement of a Transaction, describe the Transaction in any form of media or in Jefferies' marketing materials, stating Jefferies' role and other material terms of the Transaction and using the Company's name and logo in connection therewith (so long as the Company is provided with a copy of such announcement prior to its use and approves the first use of such announcement). The Company agrees that any press release it may issue announcing a Transaction will, at Jefferies' request, contain a reference to Jefferies' role in the Transaction.

15. Notices. Notice given pursuant to any of the provisions of this Agreement shall be in writing and shall be mailed or delivered (a) if to the Company, at the address set forth above, and (b) if to Jefferies, at 520 Madison Avenue, New York, New York 10022, Attention: General Counsel. Either party may notify the other party of a change of address by written notice to the other party.

16. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and may not be amended or modified except in writing signed by each party hereto. This Agreement may not be assigned by either party hereto without the prior written consent of the other, to be given in the sole discretion of the party from whom such consent is being requested. Any attempted assignment of this Agreement made without such consent shall be void and of no effect, at the option of the non-assigning party. This Agreement is solely for the benefit of the Company, Jefferies and, to the extent expressly set forth herein, the Indemnified Persons and no other party shall be a third party beneficiary to, or otherwise acquire or have any rights under or by virtue of, this Agreement; provided that Jefferies may, in the performance of its services hereunder, procure the services of other members of the Jefferies Group (as defined above), which members shall be entitled to the benefits and subject to the terms of this Agreement. If any provision hereof shall be held by a court of competent jurisdiction to be invalid, void or unenforceable in any respect, or against public policy, such determination shall not affect such provision in any other respect nor any other provision hereof. The Company and Jefferies shall endeavor in good faith negotiations to replace the invalid, void or unenforceable provisions. Headings used herein are for convenience of reference only and shall not affect the interpretation or construction of this Agreement. This Agreement may be executed in facsimile or other electronic counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same document. This Agreement has been reviewed by the signatories hereto and their counsel. There shall be no construction of any provision against Jefferies because this Agreement was drafted by Jefferies, and the parties waive any statute or rule of law to such effect.

17. Patriot Act. Jefferies hereby notifies the Company that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act. Pub. L. N 109-177 (Mar. 9, 2006) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Company in a manner that satisfies the requirements of the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act.

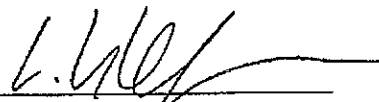
Medical Staffing Network Holdings Inc.  
February 8, 2010  
Page 13



Please sign below and return to Jefferies to indicate your acceptance of the terms set forth herein, and once executed by each of Jefferies and the Company, this Agreement shall constitute a binding agreement between the Company and Jefferies as of the date first written above.

Sincerely,


**JEFFERIES & COMPANY, INC.**

By   
Name: LEON SELEZINGER  
Title: MANAGING DIRECTOR

Accepted and agreed, this 2<sup>nd</sup> day of February, 2010.

**MEDICAL STAFFING NETWORK HOLDINGS INC.**

On behalf of its present and future subsidiaries and any entity used thereby to facilitate the transactions contemplated hereby

By   
Name: ROBERT ADAMSON  
Title: CEO

## SCHEDULE A



Reference is made to the engagement letter attached hereto between Jefferies & Company, Inc. ("Jefferies") and the Company (as defined therein) (as amended from time to time in accordance with the terms thereof, the "Agreement"). Unless otherwise noted, all capitalized terms used herein shall have the meanings set forth in the Agreement.

If the Company commences a case under title 11 of the United States Code, any and all obligations and agreements of the Company under this Schedule A shall be equally applicable to, and binding upon, each of the Company's bankruptcy estates and any trustee appointed in the Company's bankruptcy cases.

As further consideration under the Agreement, the Company agrees to indemnify and hold harmless Jefferies and its affiliates, and each of their respective officers, directors, managers, members, partners, employees and agents, and any other persons controlling Jefferies or any of its affiliates (collectively, "Indemnified Persons"), to the fullest extent lawful, from and against any claims, liabilities, losses, damages, costs and expenses (or any action, claim, suit or proceeding (an "Action") in respect thereof), as incurred, (a) related to or arising out of or in connection with any untrue or alleged untrue statement of material fact contained in the Company's disclosure documents with respect to the Transaction (the "Materials") or other information provided by or on behalf of the Company to Jefferies or investors, or omission or alleged omission to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading or (b) otherwise related to or arising out of or in connection with Jefferies' services (whether occurring before, at or after the date hereof) under the Agreement, the Transaction or any proposed transaction contemplated by the Agreement or any Indemnified Person's role in connection therewith, whether or not resulting from an Indemnified Person's negligence ("Losses"), provided, however, that, in the case of the foregoing clause (b), the Company shall not be responsible for any Losses that arise out of or are based on any action of or failure to act by Jefferies to the extent such Losses are determined, by a final, non-appealable judgment by a court, to have resulted solely from Jefferies' gross negligence or willful misconduct (other than an action or failure to act undertaken at the request or with the consent of the Company).

The Company agrees that no Indemnified Person shall have any liability to the Company or its owners, parents, affiliates, securityholders or creditors for any Losses, except to the extent such Losses are determined, by a final, non-appealable judgment by a court, to have resulted solely from Jefferies' gross negligence or willful misconduct (other than an action or failure to act undertaken at the request or with the consent of the Company).

The Company agrees that it will not settle or compromise or consent to the entry of any judgment in, or otherwise seek to terminate any pending or threatened Action in respect of which indemnification or contribution may be sought hereunder (whether or not any Indemnified Person is a party to such Action) unless Jefferies has given its prior written consent, or the settlement, compromise, consent or termination (i) includes an express unconditional release of such Indemnified Person from all Losses arising out of such Action and (ii) does not include any admission or assumption of fault on the part of any Indemnified Person.

If, for any reason (other than by reason of a final, non-appealable judgment by a court as to the gross negligence or willful misconduct of an Indemnified Person as provided above) the foregoing indemnity is judicially determined to be unavailable to an Indemnified Person for any reason or insufficient to hold any Indemnified Person harmless, then the Company agrees to contribute to any such Losses in such proportion as is appropriate to reflect the relative benefits received or proposed to be received by the Company and its securityholders, on the one hand, and by Jefferies, on the other, from the Transaction or proposed Transaction or, if allocation on that basis is not permitted under applicable law, in such proportion as is appropriate to reflect not only the relative benefits received by the Company and its securityholders, on the one hand, and Jefferies, on the other, but also the relative fault of the Company and Jefferies, as well as any relevant equitable considerations. Notwithstanding the provisions hereof, the aggregate contribution of all Indemnified Persons to all Losses shall not exceed the amount of fees actually received by Jefferies with respect to the services rendered pursuant to the Agreement. Relative benefits to the Company and its securityholders, on the one hand, and to Jefferies, on the other hand, shall be deemed to be in the same proportion as (i) the total transaction value of the Transaction or the proposed Transaction bears to (ii) all fees actually received by Jefferies in connection with the Agreement.

The Company agrees to reimburse the Indemnified Persons for all expenses (including, without limitation, reasonable fees and expenses of outside counsel), including all costs and expenses (including expenses of outside counsel reasonably incurred) incurred by an Indemnified Person to enforce the terms of this Schedule A, as they are incurred in connection with investigating, preparing, defending or settling any Action for which indemnification or contribution has or is reasonably likely to be sought by the Indemnified Person, whether or not in connection with litigation in which any Indemnified Person is a named party; provided that if any such reimbursement is determined by a final, non-appealable

## SCHEDULE A



judgment by a court or arbitral tribunal, to have resulted solely from Jefferies' gross negligence or willful misconduct, such Indemnified Person shall promptly repay such amount to the Company.

Promptly after receipt by Jefferies of notice of any claim or the commencement of any action or proceeding with respect to which Jefferies is entitled to indemnity hereunder, Jefferies will notify the Company in writing of such claim or of the commencement of such action or proceeding, and the Company will assume the defense of such action or proceeding and will employ counsel reasonably satisfactory to Jefferies and will pay the fees and expenses of such counsel. Notwithstanding the preceding sentence, Jefferies will be entitled to employ counsel separate from counsel for the Company and from any other party in such action if counsel for Jefferies reasonably determines that Jefferies has one or more legal or equitable defenses available to it that are different from those available to the Company; (ii) the use of counsel chosen by the Company to represent the Indemnified Person would present such counsel with a conflict of interest; (iv) the Company authorizes the Indemnified Person to employ separate counsel at the Company's expense or (iii) the Company has failed promptly to assume the defense and employ counsel reasonably satisfactory to the Indemnified Person in accordance with the preceding sentence. In such event, the reasonable fees and disbursements of no more than one such separate counsel (including local counsel) will be paid by the Company.

The indemnity, contribution and expense reimbursement obligations set forth herein (i) shall be in addition to any liability the Company may have to any Indemnified Person at common law or otherwise, (ii) shall survive the expiration or termination of the Agreement or completion of Jefferies' services hereunder, (iii) shall apply to any modification of Jefferies' engagement, (iv) shall remain operative and in full force and effect regardless of any investigation made by or on behalf of Jefferies or any other Indemnified Person, (v) shall be binding on any successor or assign of the Company and successors or assigns to the Company's business and assets and (vi) shall inure to the benefit of any successor or assign of any Indemnified Person. For a period beginning on the date hereof and ending on that date which is three years from termination of this Agreement, prior to entering into any agreement or arrangement with respect to, or effecting, any proposed sale, exchange, dividend or other distribution or liquidation of all or a significant portion of its assets in one or a series of transactions or any significant recapitalization or reclassification of its outstanding securities that does not directly or indirectly provide for the assumption of the obligations of the Company set forth in this Schedule A, the Company will notify Jefferies in writing thereof (if not previously notified) and, if requested by Jefferies, shall arrange in connection therewith alternative means of providing for obligations of the Company set forth in this Schedule A, including the assumption of such obligations by another party, insurance, surety bonds or the creation of an escrow, in each case in an amount and upon terms and conditions satisfactory to Jefferies; provided, however, that if any action, proceeding or investigation is pending at the end of such three-year period for which a claim for indemnification, contribution or reimbursement under this Schedule A has been made, the Company's obligations hereunder shall continue until such action, proceeding or investigation has been ultimately resolved.

**Amendment to Engagement Letter**

June 9, 2010

**Medical Staffing Network Holdings Inc.**  
901 Yamato Road, Suite 110  
Boca Raton, FL 33431

Attn: Robert J. Adamson  
Chairman and Chief Executive Officer

Re: Amendment to Engagement Letter

Reference is made to that certain engagement letter, dated February 8, 2010 (the "Agreement"), between Jefferies & Company, Inc. ("Jefferies") and Medical Staffing Network Holdings Inc., a Delaware corporation and its present and future subsidiaries and any entity used thereby to facilitate the transactions contemplated thereby (collectively, the "Company"). For good and valuable consideration, the adequacy of which is hereby acknowledged, Jefferies and the Company hereby agree to amend the Agreement as follows.

1. Amendment and Restatement of Subsection 1(a) of the Agreement. Subsection 1(a) of the Agreement is hereby amended and restated in its entirety to read as follows:

"(a) M&A Transaction. During the term of this engagement, and as mutually agreed upon by Jefferies and the Company and as appropriate, Jefferies will:

(i) provide advice and assistance (including providing testimony and certain other services relating to a potential debtor-in-possession facility of the Company), and act as the exclusive financial advisor, to the Company in connection with, any potential sale, disposition or other business transaction or series of transactions involving a transfer of ownership to a party other than Warburg Pincus Private Equity VIII, L.P. ("WP") or WP's affiliates of all or a material portion of the Company's assets, including under the Bankruptcy Code (and including a "credit bid" under section 363(k) of the Bankruptcy Code and including a liquidation under Chapter 7 of the Bankruptcy Code) (any such transaction considered in this paragraph is hereinafter referred to as an "M&A Transaction"); and

(ii) if requested by the Company, Jefferies shall provide a fairness opinion (an "Opinion") to the Company's Board of Directors with respect to a proposed M&A Transaction, the scope of which will be as mutually agreed by Jefferies and the Company (it being understood that nothing herein shall obligate Jefferies to deliver such Opinion if Jefferies reasonably determines that the contemplated M&A Transaction is not the type of transaction on which Jefferies is able to render an Opinion)."

2. Removal of Subsection 1(b) of the Agreement. Subsection 1(b) of the Agreement is hereby deleted in its entirety.

3. Amendment to Subsection 3(c) of the Agreement. Subsection 3(c) of the Agreement is hereby amended by replacing the word "Restructuring" with the word "M&A Transaction".

4. Amendment and Restatement of Subsections 4(a), (b) and (c) of the Agreement. Subsections 4(a), (b) and (c) of the Agreement are hereby amended and restated in their entirety to read as follows:

"4. Compensation. The Company agrees to pay Jefferies each of the following:

(a) A monthly fee (the "Monthly Fee") equal to \$150,000 per month until the expiration or termination of this Agreement. Four Monthly Fees have been paid to Jefferies at a reduced rate of \$125,000 prior to the execution of this amended and restated Agreement. The fifth Monthly Fee, together with an additional \$100,000 (representing the difference between the Monthly Fees paid and the current rate of the Monthly Fee), shall be paid upon execution of this amendment to the Agreement. Each subsequent Monthly Fee shall be payable in advance on each monthly anniversary of February 8, 2010.

(b) Promptly upon Jefferies having informed the Company that Jefferies is prepared to deliver an Opinion (regardless of the conclusion reached therein) an opinion fee equal to \$500,000 (the "Opinion Fee"). It is expressly understood that a separate Opinion Fee shall be payable in respect of each Opinion rendered. The Opinion Fee will be credited, to the extent previously paid, once against the M&A Transaction Fee, if any, payable to Jefferies by the Company in respect of the M&A Transaction to which the Opinion relates.

(c) With respect to an M&A Transaction, the following fees (as applicable, the "M&A Transaction Fee"):

(i) Promptly upon signing of a definitive agreement in respect of an M&A Transaction, a fee equal to \$400,000 (the "Agreement Fee"); and

(ii) Promptly upon closing of an M&A Transaction, the greatest single applicable additional fee set forth below:

(1) If the Transaction Value (as defined below) of the M&A Transaction is greater than \$78.0 million, an additional fee of \$250,000;

(2) If the Transaction Value of the M&A Transaction is greater than the sum of the aggregate principal amount of the Company's First Lien Revolving Credit Facility due 2013 (including all outstanding Revolving Loans (including Protective Advances) and L/C Reimbursement Obligations that have become Revolving Loans), First Lien Term Loan due 2013 and debtor-in-possession indebtedness ("DIP Facility Debt"), to the extent that any such DIP Facility Debt shall be obtained by the Company and shall be outstanding, in each case as of closing of the M&A Transaction (collectively, the "Priority Debt"), an additional fee of \$500,000; or

(3) If the Transaction Value of the M&A Transaction is greater than the sum of the Priority Debt and the aggregate principal amount plus accrued interest of the Company's Second Lien Term Loan due 2014 (the "Second Lien");

Debt"), in each case as of closing of the M&A Transaction, a fee of 1.5% of the Transaction Value, less the amount of the Agreement Fee actually paid.

"Transaction Value" shall mean (A) the aggregate amount of cash and the fair market value (determined as set forth below) of any securities or other property or consideration directly or indirectly paid or payable in connection with a Transaction, including, without limitation, (1) any dividends or distributions or any stock redemptions or repurchases outside the normal course of business, (2) amounts payable under retention or severance arrangements, consulting agreements, agreements not to compete or similar arrangements and other payments to any of the Company's directors, management or key employees, (3) all amounts payable in relation to, or other value ascribed in the Transaction (including the form of "rollover" options or warrants) in respect of, warrants, options or other convertible securities, (4) the full amount of any consideration placed in escrow or otherwise withheld to support the Company's (or its stockholders') indemnification or similar obligations under the definitive documents with respect to the Transaction, and the full amount of any payments in installments, and (5) the present value (utilizing the yield on Treasury securities matched to the estimated date of payment) of any contingent consideration to be paid in the future (taking into account the range of possible outcomes, the payouts associated with each possible outcome and the probability of each outcome arising); plus (B) all indebtedness for borrowed money, pension liabilities, guarantees, capitalized leases and other liabilities (whether consolidated, off-balance sheet or otherwise) and preferred stock directly or indirectly assumed, refinanced, retired or extinguished (and all payments made and expenses incurred in connection therewith, including, without limitation, prepayment premiums and defeasance costs) in connection with the Transaction (including, in the case of the sale, exchange or purchase of equity securities, outstanding at the closing of the Transaction) and the value of operating leases (calculated by multiplying the latest quarter annualized operating lease rental expense prior to closing by 8); plus (C) in the case of the sale, exchange or purchase of equity securities if less than 100% of the equity of the Company is transferred in the Transaction, the value of any retained interest in the Company based on the value paid for or ascribed to the equity interests transferred in the Transaction; plus (D) in the case of a sale or disposition of assets, the net value of any current assets (such as accounts receivable, inventory, cash and cash equivalents) retained by the Company that relate to the assets transferred in the Transaction; plus (E) in the case of a joint venture or similar transaction (a "Joint Venture"), the aggregate value of the proceeds, assets and other consideration contributed or to be contributed to such Joint Venture by all parties to such Joint Venture in connection with the Transaction (which shall be deemed to include up-front payments, milestone payments, research and development payments, licensing fees and royalties, installment amounts, future and contingent payments and other payments), including, without limitation, cash, notes, securities, intellectual property, licenses, marketing or distribution rights and other property and the amount of any liabilities assumed by such Joint Venture.

For purposes of computing the Transaction Fee, (x) publicly-traded securities shall be valued at the average of their 4:00 p.m. closing prices (as reported in The Wall Street Journal) for the five trading days prior to the date which is two business days prior to



the date of announcement of the Transaction and (y) any other non-cash consideration shall be valued at the fair market value thereof as determined in good faith by the Company and Jefferies.”

As used herein, the terms "Revolving Loans," "Protective Advances" and "L/C Reimbursement Obligations" shall have the meanings ascribed to such terms in the Company's Amended and Restated First Lien Credit Agreement, as amended to this date.

5. Removal of Subsections 4(d), 4(e), 4(f) and 4(g) and Amendment to Subsection 4(h) of the Agreement. Subsections 4(d), 4(e), 4(f) and 4(g) of the Agreement are hereby deleted in their entirety. Subsection 4(h) of the Agreement is hereby renumbered as Subsection 4(d) and the first paragraph of such subsection is hereby amended and restated in its entirety to read as follows:

(d) The Company shall use commercially reasonable efforts to provide for the payment in full, in cash, of any fees and expenses described in this Section 4 in any plan of reorganization submitted to the Bankruptcy Court (as defined below) for confirmation. Notwithstanding the foregoing, in the event that a Transaction is consummated pursuant to a prepackaged plan of reorganization, the fees payable to Jefferies hereunder shall be deemed earned and payable in full upon the receipt by the Company of the votes necessary to approve such a prepackaged plan of reorganization (whether through cramdown or otherwise) prior to the filing of the chapter 11 case. Jefferies shall provide during the chapter 11 case such additional services as are reasonably necessary (including testimony) to confirm and consummate such prepackaged or prenegotiated plan, as applicable, without additional compensation (other than the compensation provided for in the Agreement, as amended).

6. Removal of Subsections 10(a) and 10(b). Subsections 10(a) and 10(b) of the Agreement are hereby eliminated from the Agreement in their entirety. Subsections 10(c), 10(d) and 10(e) of the Agreement are hereby renumbered Subsections 10(a), 10(b) and 10(c).

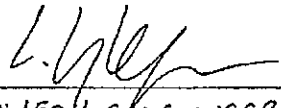
THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

[Signatures on Next Page]

Except as expressly set forth herein in this amendment, all provisions of the Agreement shall remain in full force and effect as set forth in the Agreement.

Sincerely,

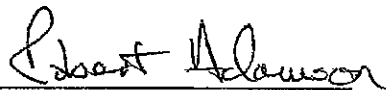
**JEFFERIES & COMPANY, INC.**

By   
Name: LEON SLEZINGER  
Title: MANAGING DIRECTOR

Accepted and agreed, this 9<sup>th</sup> day of June, 2010.

**MEDICAL STAFFING NETWORK HOLDINGS INC.**

On behalf of its present and future subsidiaries and any entity used thereby to facilitate the transactions contemplated hereby

By   
Robert J. Adamson  
Chairman and CEO

**Second Amendment to Engagement Letter**

June 30, 2010

**Medical Staffing Network Holdings, Inc.**  
901 Yamato Road, Suite 110  
Boca Raton, FL 33431

Attn: Robert J. Adamson  
Chairman and Chief Executive Officer

Re: Second Amendment to Engagement Letter

Reference is made to that certain engagement letter dated February 8, 2010 and the amendment thereto dated June 9, 2010 (collectively, the "Agreement") between Jefferies & Company, Inc. ("Jefferies") and Medical Staffing Network Holdings, LLC, a Delaware corporation and its present and future subsidiaries and any entity used thereby to facilitate the transactions contemplated thereby (collectively, the "Company"). For good and valuable consideration, the adequacy of which is hereby acknowledged, Jefferies and the Company hereby agree to amend the Agreement as follows.

1. Amendment and Restatement of Subsection 4 of the Agreement. The lead-in paragraph of Subsection 4 of the Agreement is hereby amended and restated to read as follows:

"4. Compensation. The Company agrees to pay Jefferies compensation for all of the services described in this Agreement, the timing and amount of which is described below:"

2. Amendment and Restatement of Subsection 4(c)(i) of the Agreement. Subsection 4(c)(i) of the Agreement is hereby amended and restated to read as follows:

"(i) A fee equal to \$400,000, payable promptly upon entry of an order by the bankruptcy court approving the Debtors' motion to approve bid procedures and asset purchase agreement (the "Agreement Fee"); and"

3. Amendment of Subsection 16 of the Agreement. Subsection 16 is hereby amended by adding the following to end of the existing subsection:

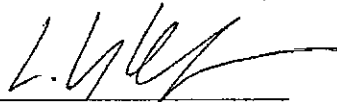
"This Agreement is an integrated Agreement that comprises and details all of the services to be provided by Jefferies to the Company. Notwithstanding the savings provisions above, to the extent that a portion of the Agreement is found to be invalid, void, or unenforceable, or to the extent any portion of the Agreement is not approved in connection with Jefferies retention by the Company in any bankruptcy case, Jefferies may terminate the Agreement."

THIS SECOND AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

Except as expressly set forth herein in this second amendment, all provisions of the Agreement shall remain in full force and effect as set forth in the Agreement.

Sincerely,

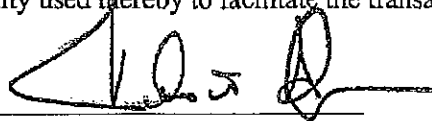
**JEFFERIES & COMPANY, INC.**

By   
Name: LEON SZLEZINGER  
Title: MANAGING DIRECTOR

Accepted and agreed, this 30<sup>th</sup> day of June, 2010.

**MEDICAL STAFFING NETWORK HOLDINGS INC.**

On behalf of its present and future subsidiaries and any Entity used thereby to facilitate the transactions contemplated hereby

By   
Robert J. Adamson  
Chairman and CEO

**EXHIBIT "B"**

**(Slezinger Declaration)**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION  
www.flsb.uscourts.gov

IN RE: Chapter 11 Cases  
MEDICAL STAFFING NETWORK HOLDINGS, Case No.  
INC., *et al.*,<sup>1</sup>  
Debtors. (Jointly Administered)

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**DECLARATION OF LEON SZLEZINGER IN SUPPORT OF DEBTORS'  
APPLICATION FOR APPROVAL, ON AN INTERIM AND FINAL BASIS, OF  
EMPLOYMENT OF JEFFERIES & COMPANY, INC., AS INVESTMENT BANKER TO  
DEBTORS-IN-POSSESSION, *NUNC PRO TUNC* TO THE PETITION DATE**

I, Leon Slezinger, under penalty of perjury, represent as follows:

1. I am a managing director of Jefferies & Company, Inc. ("Jefferies"), which has as its principal place of business at 520 Madison Avenue, 7<sup>th</sup> Floor, New York, NY 10022. I am familiar with the matters set forth herein and make this declaration in support of the *Debtors' Application for Approval, on an Interim and Final Basis, of Employment of Jefferies & Company, Inc., as Investment Banker to the Debtors-in-Possession, Nunc Pro Tunc to the Petition Date* (the "Application").
2. This Declaration is also submitted as the statement required pursuant to sections 328(a) and 504 of title 11, United States Code (11 U.S.C. §§ 101 *et seq.*) (the "Bankruptcy

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<sup>1</sup> The address of each of the Debtors is 901 Yamato Road, Suite 110, Boca Raton, FL 33431; and the last four digits of the taxpayer identification number of each of the Debtors follows in parenthesis: (i) Medical Staffing Network Holdings, Inc. (5171); (ii) Medical Staffing Holdings, LLC (2662); (iii) Medical Staffing Network, Inc. (9868); (iv) MSN-Illinois Holdings, Inc. (4402); (v) IntelliStaf Holdings, Inc. (4008); (vi) IntelliStaf Group, Inc. (7220); (vii) Medical Staffing Network of Illinois, LLC (4409); (viii) Medical Staffing Network Assets, LLC (4413); (ix) IntelliStaf Healthcare, Inc. (7108); (x) IntelliStaf Partners No. 1, LLC (2832); (xi) IntelliStaf Partners No. 2, LLC (5965); and (xii) IntelliStaf Healthcare Management, L.P. (7958).

Code”) and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

a. Unless otherwise stated, this Declaration is based upon facts of which I have personal knowledge.

b. I make this Declaration based in material part on my review of a list of the creditors of the Debtors, equity holders and other interested parties of the Debtors as provided to us by the Debtors, the business records of Jefferies, including its conflicts database, and the responses to conflict checks circulated throughout Jefferies.

3. To the extent that any information disclosed herein requires supplementation, amendment or modification upon Jefferies’ completion of further analysis or as additional information becomes available to it, a supplemental declaration will be submitted to the Court.

4. A search of Jefferies’ conflicts check system revealed the following matters, none of which impairs my or our firm’s disinterestedness or constitutes any conflict of interest:

a) Merrill Lynch Business Financial Services Inc.: Jefferies has numerous relationships with this lender in other capacities. We do not believe any of the relationships pose a conflict of interest in this case; and

b) SEI Institutional Managed Trust: Jefferies makes a market in securities of SEI Investments Company.

5. Jefferies provides a myriad of services to privately held as well as public companies in out of court restructuring matters (the “Non-Debtor Clients”). Several creditors of the instant Debtors may be creditors of one or more of Jefferies’ Non-Debtor Clients. Jefferies’

services to the Non-Debtor Clients does not impair Jefferies' disinterestedness or its ability to provide investment banking services to the Debtors in these cases.

6. Some of Jefferies' present and future employees may have, or may in the future have, personal investments in funds or other entities, over whose investment decisions such employees have no input or control, that may have made, or may in the future make, investments in the Debtors' securities, or those of their creditors, or other parties in interest in these cases.

7. Based on the results of the foregoing, Jefferies is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code in that Jefferies:

- (a) is not a creditor, equity security holder, or insider of the Debtors.
- (b) is not and was not within 2 years before the date of the filing of the petition, a director, officer, or employee of the Debtors; and
- (c) does not have an interest materially adverse to the interests of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors or for any other reason.

8. Prior to the Petition Date, Jefferies received total monthly fees of \$750,000, pursuant to section 4(a) of the Engagement Letter. In addition, Jefferies has received \$49,502.26 in reimbursement for expenses incurred, including an expense retainer of \$5,000.00. To the extent that Jefferies has received reimbursement for expenses in excess of the amount actually incurred, Jefferies will credit such overage to future incurred expenses.



9. The payments received in the 90 days before the Petition Date are described in more detail below:

Payment Date	Invoiced Amount			Amount Received		
	Fee	Expenses	Total	Fee	Expenses	Total
4/9/10	\$125,000.00	\$31,713.93	\$156,713.93	\$125,000.00	\$31,713.93	\$156,713.93
5/24/2010	\$125,000.00	\$11,551.16	\$136,551.16	\$125,000.00	\$11,551.16	\$136,551.16
6/30/2010	\$250,000.00	\$5,000.00	\$255,000.00	\$250,000.00	\$5,000.00	\$255,000.00

10. No promises have been received by Jefferies or by any member or associate thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code. Jefferies has no agreement with any other entity to share with such entity any compensation received by Jefferies.

11. To the best of my knowledge, except as otherwise disclosed herein, Jefferies has not represented or provided services to the Debtors' creditors, equity security holders, or any other parties in interest, or their respective attorneys and accountants, the United States trustee, or any person employed in the Office of the United States Trustee, in any matter relating to the Debtors or their estates. Neither I, nor Jefferies, nor any other officer of the firm, insofar as I have been able to ascertain, represents any interest adverse to the Debtors herein, or their respective estates in the matters upon which Jefferies is to be engaged. Jefferies and Jefferies' personnel may have business associations with certain creditors and professional advisors to the Debtors' estates unrelated to these Chapter 11 cases. In addition, in the ordinary course of business, Jefferies may engage counsel or other professionals in unrelated matters that now represent, or may in the future represent, creditors or other interested parties in these cases.

Jefferies submits that none of the foregoing disclosures or connections constitutes any conflict of interest or in any way impairs its disinterestedness in these cases.

12. Except as set forth below, neither I, nor Jefferies, nor any officer of Jefferies, insofar as I have been able to ascertain, has any connection with the Debtors in their Chapter 11 cases, or any interest materially adverse to the interests of any class of creditors or equity security holders by reason of any direct or indirect relationship to the Debtors, or their twenty largest unsecured creditors, or any other parties in interest herein, or their respective attorneys with respect to the matter on which Jefferies is being retained.

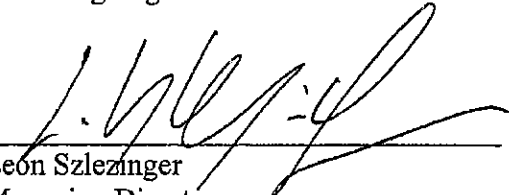
13. Other than as set forth in this declaration, Jefferies neither holds nor represents any interest adverse to the Debtors and is a “disinterested person” within the scope and meaning of Section 101(14) of the Bankruptcy Code.

14. Neither I nor Jefferies has or will provide services to any other entity in connection with these cases, and neither I nor Jefferies will accept any fee from any other party or parties in these cases, except the Debtors-in-Possession, unless otherwise authorized by the Court.

15. Further, the terms of compensation of Jefferies for services to be performed in these Chapter 11 cases is set forth in the Application and Engagement Letter. To the best of my knowledge, such terms are consistent with, and typical of, arrangements entered into by Jefferies and other investment banking firms with respect to the rendering of similar services for clients such as the Debtors.

**28 U.S.C. § 1746 DECLARATION**

I declare under penalty of perjury that the foregoing is true and correct. Executed on  
July 2, 2010.

  
\_\_\_\_\_  
Leon Szlezinger  
Managing Director  
Jefferies & Company, Inc.

**EXHIBIT "C"**

**(Proposed Order)**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION  
[www.flsb.uscourts.gov](http://www.flsb.uscourts.gov)

IN RE: Chapter 11 Cases  
MEDICAL STAFFING NETWORK HOLDINGS, Case No.  
INC., *et al.*,<sup>1</sup> Joint Administration Pending  
Debtors.

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**INTERIM ORDER APPROVING THE EMPLOYMENT OF JEFFERIES &  
COMPANY, INC., AS INVESTMENT BANKER TO THE DEBTORS,  
NUNC PRO TUNC TO THE PETITION DATE**

**THIS MATTER** came before the Court on the \_\_\_\_ day of July 2010 at \_\_\_\_:\_\_\_\_.m. in West Palm Beach, Florida, upon the *Debtors' Application for Approval, on an Interim and Final Basis, of Employment of Jefferies & Company, Inc. as Investment Banker to the Debtors, Nunc Pro*

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<sup>1</sup> The address of each of the Debtors is 901 Yamato Road, Suite 110, Boca Raton, FL 33431; and the last four digits of the taxpayer identification number of each of the Debtors follows in parenthesis: (i) Medical Staffing Network Holdings, Inc. (5171); (ii) Medical Staffing Holdings, LLC (2662); (iii) Medical Staffing Network, Inc. (9868); (iv) MSN-Illinois Holdings, Inc. (4402); (v) IntelliStaf Holdings, Inc. (4008); (vi) IntelliStaf Group, Inc. (7220); (vii) Medical Staffing Network of Illinois, LLC (4409); (viii) Medical Staffing Network Assets, LLC (4413); (ix) IntelliStaf Healthcare, Inc. (7108); (x) IntelliStaf Partners No. 1, LLC (2832); (xi) IntelliStaf Partners No. 2, LLC (5965); and (xii) IntelliStaf Healthcare Management, L.P. (7958).

*Tunc to the Petition Date* (the “Application”) (D.E. \_\_\_\_), the *Declaration of Mohsin Y. Meghji in Support of Chapter 11 Petitions and Request for First Day Relief* (the “First Day Declaration”) (D.E. \_\_\_\_), the Jefferies Engagement Letter dated February 8, 2010 as amended (collectively, the “Jefferies Agreement”) attached to the Application as **Exhibit “A”**, and the *Declaration of Leon Szlezinger in Support of Debtors’ Application for Approval, on an Interim and Final Basis, of Employment of Jefferies & Company, Inc., as Investment Banker to the Debtors-in-Possession, Nunc Pro Tunc to the Petition Date* (the “Szlezinger Declaration”) attached to the Application as **Exhibit**

**“B.”** The Application requests entry of an order approving the Debtors-in-Possessions’ employment of Jefferies & Company, Inc. (“Jefferies”) to represent them as investment bankers in these Chapter 11 cases. The Court has jurisdiction over the matters raised in the Application pursuant to 28 U.S.C. §§ 157 and 1334(b). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). The relief requested in the Application is in the best interests of the Debtors, their estates, and their creditors. Jefferies (i) holds no interest adverse to the Debtors, their creditors, the United States Trustee or any person employed in the United States Trustee’s office, or any other party in interest with respect to the matters upon which Jefferies is to be engaged; and (ii) Jefferies’ employment is necessary and would be in the best interests of the Debtors, the bankruptcy estates, and all parties-in-interest. Upon the record herein, and after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein. Accordingly, it is hereby

**ORDERED** that:

1. The Application is **GRANTED** on an interim basis.
2. The employment by the Debtors, as debtors-in-possession, of Jefferies, as investment banker, in these Chapter 11 cases is **APPROVED** pursuant to 11 U.S.C. § 327(a), on an interim basis, pending a final hearing as set forth below.

3. The employment of Jefferies by the Debtors shall be *nunc pro tunc* to the Petition Date.

4. Jefferies shall be compensated in accordance with the terms set forth in the Jefferies Agreement for such services and reimbursed for any related expenses, with such expenses being disclosed to the Court at such time as the amount of the Monthly Fee<sup>2</sup> and other fees payable under the Jefferies Agreement are approved by the Court, in accordance with section 328(a) of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and any other applicable orders of this Court. The Debtors are authorized to immediately commence the payment of Jefferies' Monthly Fee as contemplated by the Application and the Jefferies Agreement and other fees payable under the Jefferies Agreement. Jefferies shall not be required to file fee applications nor maintain time records in accordance with the Guidelines for Fee Applications for Professionals in the Southern District of Florida in bankruptcy cases.

5. The indemnification provisions (the "Indemnification Provisions") attached to the Jefferies Agreement are approved. Neither Jefferies nor its affiliates shall be responsible or have any liability for any indirect, special or consequential damages arising out of or in connection with the Jefferies Agreement.

6. In the event the Application is not granted on a final basis, Jefferies shall be authorized to submit a fee application with this Court for compensation for fees and expenses incurred in the period between the Petition Date and the hearing to consider the Application on a final basis (the "Final Hearing").

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application or the Engagement Letter, as the case may be.

7. The Court shall conduct the Final Hearing on the Application on July , 2010 at : .m., United States Bankruptcy Court, Flagler Waterview Building, 1515 North Flagler Drive, Courtroom , West Palm Beach, Florida 33401.

8. Entry of this Interim Order is without prejudice to the rights of any party-in-interest to interpose an objection to the Application, and any such objection will be considered on a *de novo* standard at the Final Hearing.

9. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

# # #

Submitted by:

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Copy furnished to:

Paul Steven Singerman, Esq.  
*(Attorney Singerman is directed to serve a copy of this Order upon all interested parties upon receipt and file a Certificate of Service.)*