

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

January 2, 2008

BARRETT BUSINESS SERVICES, INC.
(Exact name of registrant as specified in charter)

Maryland
(State or other jurisdiction of incorporation)

0-21886
(SEC File Number)

52-0812977
(IRS Employer Identification No.)

8100 N.E. Parkway Drive, Suite 200
Vancouver, Washington
(Address of principal executive offices)

98662
(Zip Code)

Registrant's telephone number, including area code:

(360) 828-0700

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

On January 2, 2008, Barrett Business Services, Inc. (the "Company") issued a press release announcing an agreement in principle (the "Agreement") to acquire certain assets of First Employment Services, Inc., a privately-held staffing company with headquarters in Tempe, Arizona. Consideration for the all cash transaction is expected to be approximately \$5.0 million, which includes approximately \$3.8 million in cash due upon closing and the balance of the consideration to be contingent upon financial performance during the 12-month period following closing. Completion of the transaction, which is subject to successful completion of due diligence by the Company and negotiation of a definitive purchase agreement, is presently scheduled to occur on February 4, 2008.

The press release announcing the agreement in principle is attached as Exhibit 99.1 to this report and incorporated by reference.

Statements in this report that are not historical in nature are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements, including statements that suggest that the proposed transaction will occur and be completed as scheduled, are subject to risks and uncertainties relating to the negotiation of a definitive agreement and satisfactory completion of due diligence. The Company disclaims any obligation to publicly announce future events or developments in this matter.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits: The following exhibit is furnished with this Form 8-K:

99.1 Press Release dated January 2, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BARRETT BUSINESS SERVICES, INC.

Dated: January 2, 2008

By: /s/ Michael D. Mulholland
Michael D. Mulholland
Vice President – Finance, Treasurer and Secretary

NEWS RELEASE

For Immediate Release

Contact: William W. Sherertz
President and
Chief Executive Officer

Telephone: (360) 828-0700

BBSI ANNOUNCES ACQUISITION OF FIRST EMPLOYMENT SERVICES, INC.

VANCOUVER, WASHINGTON, January 2, 2008 - Barrett Business Services, Inc. (Nasdaq: BBSI) today announced that it has reached an agreement in principle to acquire First Employment Services, Inc. headquartered in Tempe, Arizona pursuant to an asset purchase agreement to be effective February 4, 2008. The transaction is subject to the successful completion of due diligence and the execution of a definitive purchase agreement. Consideration for the all cash transaction is expected to approximate \$5.0 million, which includes approximately \$3.8 million in cash due upon closing and the balance of the consideration to be contingent upon the financial performance during the 12-month period following the effective date.

First Employment Services, a privately-held staffing company, operates two offices in Arizona, one in Tempe and one in Phoenix. For calendar 2007, First Employment's revenues are expected to be approximately \$7.5 million. BBSI anticipates that this acquisition may be accretive to its earnings by approximately 3 to 4 cents per diluted share for the 12-month period following the effective date.

BBSI provides a comprehensive range of human resource management solutions to large and small companies throughout many regions of the United States.

Statements in this release about future events or performance, including revenues expectations for 2007 and earnings expectations for 2008, are forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. Factors that could affect future results include economic conditions in the Company's service areas, the effect of changes in the Company's mix of services on gross margin, the Company's ability to successfully integrate acquired businesses with its existing operations, future workers' compensation claims experience, the effect of changes in the workers' compensation regulatory environment in one or more of our primary markets, and the collectibility of accounts receivable, among others. Other important factors that may affect the Company's future prospects are described in the Company's 2006 Annual Report on Form 10-K and quarterly reports on Form 10-Q filed thereafter. Although forward-looking statements help to provide complete information about the Company, readers should keep in mind that forward-looking statements may be less reliable than historical information. The Company undertakes no obligation to update or revise forward-looking statements in this release to reflect events or changes in circumstances that occur after the date of this release.

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