

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):

March 27, 2012

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 3.03 Material Modification to Rights of Security Holders.

On March 28, 2012, Barrett Business Services, Inc. (the "Company") issued 34,800 shares of Series A Nonconvertible, Non-voting Redeemable Preferred Stock ("Series A Preferred Stock"). The initial dividend rate on the Series A Preferred Stock is 5% per annum, payable semi-annually at the Company's option in cash or additional shares of Series A Preferred Stock. The dividend rate will increase by 2% annually beginning April 1, 2013 until all the Series A Preferred Stock has been redeemed. No dividends will be payable on shares of Series A Preferred Stock, if any, that are redeemed prior to September 28, 2012.

As a result of the issuance of the Series A Preferred Stock, the ability of the Company to declare or pay dividends or distributions on, or purchase, redeem or retire, shares of its Common Stock, par value \$0.01 per share (the "Common Stock"), is subject to restrictions, including a restriction against declaring, paying or setting apart funds for the payment of dividends on the Common Stock, or repurchasing, redeeming, or otherwise retiring, or setting aside funds for such repurchase, redemption or retirement, of Common Stock, unless all accrued and unpaid dividends in respect of the Series A Preferred Stock have been paid or set apart for such payment on the Series A Preferred Stock for all prior dividend periods.

In addition, upon the voluntary or involuntary liquidation, dissolution, or winding up of the Company, the holders of the Series A Preferred Stock then outstanding are entitled to be paid, or have the Company declare and set apart for payment, out of the assets of the Company legally available for distribution to its stockholders, before any distribution of assets is made to holders of Common Stock, a liquidation preference per share of Series A Preferred Stock equal to the sum of (i) \$1,000.00 (as may be adjusted in accordance with the Series A Preferred Stock terms) and (ii) all accrued and unpaid dividends.

Although holders of the Series A Preferred Stock generally have no voting rights, the Company is not permitted to (A) amend its Charter so as to materially and adversely affect the rights of the Series A Preferred Stock or (B) create or issue any additional shares of Series A Preferred Stock (other than in satisfaction of dividends payable on the shares of Series A Preferred Stock issued on March 28, 2012 or thereafter as dividends on such shares) or any preferred stock that is senior to or on a parity with the Series A Preferred Stock with respect to dividends and liquidation preference, unless such action is approved by the affirmative vote of the holders of at least 85% of the Series A Preferred Stock outstanding at the time voting as a separate class.

Item 5.01 Change in Control of Registrant.

On March 9, 2012, the Company entered into a stock repurchase agreement with Kimberly J. Jacobsen Sherertz in her capacities as Personal Representative of the Estate of William W. Sherertz and Trustee of the Barrett Share Trust under the Estate, and Kimberly J. Jacobsen Sherertz individually. Pursuant to the agreement, the Company agreed to acquire 2,485,929 shares of the Common Stock held by the Estate at a price of \$20.00 per share, for aggregate consideration of \$49,718,580 consisting of \$20,745,580 in cash at closing and 28,973 shares of Series A Preferred Stock. A copy of the agreement was attached as Exhibit 10.1 to the Company's Form 8-K filed on March 13, 2012.

On March 9, 2012, the Company also entered into a stock repurchase agreement with Nancy Sherertz to acquire 500,000 shares of the Common Stock at a price of \$20.00 per share for aggregate consideration of \$10,000,000 consisting of \$4,173,000 in cash at closing and 5,827 shares of Series A Preferred Stock. A copy of the agreement was attached as Exhibit 10.2 to the Company's Form 8-K filed on March 13, 2012.

The stock repurchases were completed on March 28, 2012. The repurchased shares constituted approximately 30% (25% held by the Estate and 5% held by Nancy Sherertz) of the issued and outstanding Common Stock immediately before completion of the repurchases. Except in the limited circumstances described in Item 3.03 above, the holders of the Series A Preferred Stock have no voting rights. The Estate now holds no capital stock of the Company with voting rights in the election of directors. Kimberly J. Jacobsen Sherertz individually holds voting rights equivalent to approximately 0.8% of the outstanding shares of Common Stock. Nancy Sherertz holds voting rights equivalent to approximately 4.3% of the outstanding shares of Common Stock. To the knowledge of the Company, no person or control group has sufficient voting power to exercise control over the Company.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Effective March 27, 2012, Article III of the Charter of the Company was amended to classify and designate 50,000 shares of authorized but unissued Series A Preferred Stock. The classification and designation of the Series A Preferred Stock was approved by the Board of Directors of the Company and was not subject to stockholder approval under the Maryland General Corporation Law.

A copy of the Articles Supplementary effecting the Charter amendment is attached hereto as Exhibit 3.1 and is incorporated herein by reference.

Item 8.01 Other Events.

On March 29, 2012, the Company issued a news release reporting the completion of the repurchase of approximately 30% of the outstanding shares of Common Stock, which included 2,485,929 shares of Common Stock repurchased from the Estate and 500,000 shares of Common Stock repurchased from Nancy Sherertz.

A copy of the news release is attached as Exhibit 99.1 to this report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 3.1	Articles Supplementary relating to Series A Nonconvertible, Non-voting Redeemable Preferred Stock filed March 27, 2012.
Exhibit 99.1	News Release dated March 29, 2012.

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: March 29, 2012

By: /s/ James D. Miller
James D. Miller
Vice President-Finance, Treasurer and Secretary

BARRETT BUSINESS SERVICES, INC.

**ARTICLES SUPPLEMENTARY
SERIES A NONCONVERTIBLE, NON-VOTING REDEEMABLE PREFERRED STOCK**

Barrett Business Services, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under the authority contained in Article III of the Charter of the Corporation (the "Charter"), the Board of Directors (the "Board"), by duly adopted resolutions, classified and designated 50,000 shares of authorized but unissued Preferred Stock (as defined in the Charter), \$0.01 par value per share, of the Corporation as shares of Series A Nonconvertible, Non-Voting Redeemable Preferred Stock (the "Series A Preferred Stock"), with the following preferences or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption, which, upon any restatement of the Charter, shall become part of Article III of the Charter, with any necessary and appropriate renumbering or relettering of the sections or subsections hereof.

"Series A Nonconvertible, Non-Voting Redeemable Preferred Stock"

(1) Designation and Number. A series of Preferred Stock, designated the "Series A Nonconvertible, Non-Voting Redeemable Preferred Stock" (the "Series A Preferred Stock"), is hereby established. The number of shares of the Series A Preferred Stock shall be 50,000.

(2) Rank. The Series A Preferred Stock shall, with respect to rights to the payment of dividends and the distributions of assets upon the liquidation, dissolution, or winding up of the Corporation, rank (a) senior to all classes or series of Common Stock (as defined in the Charter) and any other class or series of stock of the Corporation if the holders of the Series A Preferred Stock are entitled to receive dividends or amounts distributable upon the liquidation, dissolution, or winding up of the Corporation or redemption in preference or priority to the holders of shares of such class or series (the "Junior Stock"); (b) on a parity with any class or series of stock of the Corporation if the holders of such class or series of stock and the Series A Preferred Stock are entitled to receive dividends and amounts distributable upon the liquidation, dissolution, or winding up of the Corporation or redemption in proportion to their respective amounts of accumulated, accrued, and unpaid dividends per share or liquidation preferences, without preference or priority of one over the other (the "Parity Stock"); and (c) junior to any class or series of stock of the Corporation if holders of such class or series are entitled to receive dividends and amounts distributable upon the liquidation, dissolution, or winding up of the Corporation or redemption in preference or priority to the holders of the Series A Preferred Stock (the "Senior Stock").

(3) Dividends.

(a) Subject to the preferential rights of holders of any class or series of Senior Stock, holders of the outstanding shares of Series A Preferred Stock shall be entitled to receive, when and as authorized by the Board of Directors and declared by the Corporation, out of funds legally available for the payment of dividends, if applicable, cumulative preferential dividends at the rate of 5% per annum based on the \$1,000 liquidation preference (as may be adjusted in accordance with Section 7) with such rate increasing by 2% on each April 1 beginning April 1, 2013, until all of the outstanding shares of Series A Preferred Stock are redeemed as provided in Section 5. Such dividends shall accrue from the first date on which any Series A Preferred Stock is issued (the "Original Issue Date") and shall be payable semi-annually in arrears on or before March 31 and September 30 of each year (each a "Dividend Payment Date"); provided, however, that if any Dividend Payment Date is not a Business Day (as defined below), then the dividend which would otherwise have been payable on such Dividend Payment Date may be paid on the following Business Day with the same force and effect as if paid on such Dividend Payment Date. Any dividend payable on the Series A Preferred Stock for any partial dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. A "dividend period" shall mean, with respect to the first "dividend period," the period from and including the Original Issue Date to and including the first Dividend Payment Date, and with respect to each subsequent "dividend period," the period from, but excluding, a Dividend Payment Date to and including the next succeeding Dividend Payment Date or other date as of which accrued dividends are to be calculated.

(b) No dividends shall be declared or paid or funds set apart for the payment of dividends by the Corporation or other distributions on any Common Stock or other Junior Stock for any period (other than dividends or other distributions payable in shares of Common Stock or other Junior Stock or in options, warrants or rights to subscribe for or purchase any shares of Common Stock or other Junior Stock and which options, warrants or rights do not entitle the holder thereof to rights to dividends, amounts distributable upon the liquidation, dissolution, or winding up of the Corporation or redemption on parity with or senior to the Series A Preferred Stock), and no shares of Common Stock or other Junior Stock may be repurchased, redeemed or otherwise retired, nor may funds be set apart for such payment, repurchase, redemption or retirement, unless all accrued and unpaid dividends in respect of the Series A Preferred Stock have been paid or set apart for such payment on the Series A Preferred Stock for all prior dividend periods.

(c) Dividends shall be payable, at the sole option of the Corporation, either (i) in cash, (ii) by issuance of additional shares of Series A Preferred Stock (including fractional shares) having an aggregate Liquidation Preference equal to the amount of the dividend to be paid, or (iii) in any combination thereof. All dividends paid with respect to shares of Series A Preferred Stock, whether in cash or shares of Series A Preferred Stock, shall be made pro rata among the holders of Series A Preferred Stock based on the aggregate accrued but unpaid dividends on the shares held by each such holder. If and when any shares are issued under this Section 3(c) for the payment of accrued dividends, such shares shall be validly issued and outstanding and fully paid and nonassessable.

(d) No dividends on shares of Series A Preferred Stock shall be declared by the Corporation or paid or set apart for payment by the Corporation at such time as the terms and provisions of any existing written agreement between the Corporation and any other party, including any existing agreement relating to its indebtedness, (i) prohibit or impose any penalty on such declaration, payment or setting apart for payment or (ii) provide that such declaration, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such declaration or payment shall be restricted or prohibited by law.

(e) Notwithstanding the foregoing, dividends on the Series A Preferred Stock shall accumulate, whether or not the terms and provisions set forth in Section 3(d) hereof at any time prohibit the current payment of dividends, whether or not there are funds legally available for the payment of such dividends and whether or not dividends are declared.

(f) Notwithstanding the foregoing, no dividend will be declared or paid with respect to shares of the Series A Preferred Stock that are redeemed prior to the elapse of six months from the Original Issue Date (for avoidance of doubt, such date being September 28, 2012).

(g) For purposes of these Articles Supplementary, "Business Day" shall mean any day on which a bank doing business in the State of Washington is not permitted to be closed.

(4) Liquidation Preference.

(a) Upon any voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, the holders of the Series A Preferred Stock then outstanding are entitled to be paid, or have the Corporation declare and set apart for payment, out of the assets of the Corporation legally available for distribution to its stockholders, before any distribution of assets is made to holders of any Junior Stock, a liquidation preference per share of Series A Preferred Stock equal to the sum of (i) \$1,000.00 (as may be adjusted in accordance with Section 7) and (ii) all accrued and unpaid dividends (the "Liquidation Preference").

(b) In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, the available assets of the Corporation are insufficient to pay the full amount of the Liquidation Preference on all outstanding shares of Series A Preferred Stock and all shares of Parity Stock, then the holders of the Series A Preferred Stock and all holders of such Parity Stock shall share ratably in any such distribution of assets in proportion to the full liquidation preference to which they would otherwise be respectively entitled.

(c) After payment of the full amount of the Liquidation Preference to which they are entitled, the holders of Series A Preferred Stock will have no right or claim to any of the remaining assets of the Corporation.

(d) Upon the Corporation's provision of written notice as to the effective date of any such liquidation, dissolution or winding up of the Corporation, accompanied by a check in the amount of the full Liquidation Preference to which each record holder of the Series A Preferred Stock is entitled, the Series A Preferred Stock shall no longer be deemed outstanding shares of stock of the Corporation and all rights of the holders of such shares will terminate. Such notice shall be given by first class mail, postage pre-paid, to each record holder of the Series A Preferred Stock at the respective mailing addresses of such holders as the same shall appear on the stock transfer records of the Corporation.

(e) In determining whether a distribution (other than upon voluntary or involuntary liquidation), by distribution, redemption or other acquisition of the Corporation's equity securities is permitted under Maryland law, no effect shall be given to amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights on dissolution are superior to those receiving the distribution.

(f) The consolidation or merger of the Corporation with or into any other business enterprise or of any other business enterprise with or into the Corporation, or the sale, lease or conveyance of all or substantially all of the assets or business of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

(5) Redemption.

(a) Mandatory Redemption. At the earlier of (such earlier date, the “Mandatory Redemption Date”) (i) the fifth anniversary of the Original Issue Date, or (ii) a Change of Control (as defined below), the Corporation, to the extent that it has funds legally available therefor shall redeem all of the outstanding shares of the Series A Preferred Stock for cash at a redemption price per share of Series A Preferred Stock (the “Redemption Price”) equal to \$1,000.00 (as may be adjusted in accordance with Section 7) plus all accrued and unpaid dividends thereon up to and including the Mandatory Redemption Date.

A “Change of Control” means, after the Original Issue Date, in one or a series of related transactions:

(i) (A) the acquisition by any person, including any syndicate or group deemed to be a “person” under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), of “beneficial ownership” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person or group shall be deemed to have beneficial ownership of all shares of voting stock that such person or group has the right to acquire regardless of when such right is first exercisable), directly or indirectly, of stock of the Corporation entitling that person to exercise more than 50% of the total voting power of all stock of the Corporation entitled to vote generally in the election of the Corporation’s directors; and (B) following the closing of any transaction referred to in (A), neither the Corporation nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange (the “NYSE”), the NYSE Amex Equities (the “NYSE Amex”), or the NASDAQ Stock Market (“NASDAQ”), or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or NASDAQ; or

(ii) the sale, lease or conveyance of all or substantially all of the assets or business of the Corporation.

(b) Optional Redemption. At any time before the Mandatory Redemption Date, the Corporation, at its option, may redeem shares of the Series A Preferred Stock, in whole or in part, for the Redemption Price. If less than all of the outstanding shares of Series A Preferred Stock are to be redeemed, the shares of Series A Preferred Stock to be redeemed may be selected by any equitable method determined by the Board provided that such method does not result in the creation of fractional shares.

(c) Procedure for Redemption.

(i) Upon the Corporation's written notice as to the effective date of the redemption, accompanied by payment in immediately available U.S. funds of the amount of the full Redemption Price through such effective date to which each record holder of shares of Series A Preferred Stock to be redeemed is entitled, shares of the Series A Preferred Stock shall be redeemed and shall no longer be outstanding shares of stock of the Corporation and all rights of the holders of such shares will terminate. Such notice shall be given by first class mail, postage pre-paid, to each record holder of the shares of Series A Preferred Stock to be redeemed at the respective mailing address of such holder as the same shall appear on the stock transfer records of the Corporation. No failure to give such notice or any defect therein or in the mailing thereof shall affect the validity of the proceedings for the redemption of any shares of Series A Preferred Stock except as to the holder to whom notice was defective or not given.

(ii) In addition to any information required by law or by the applicable rules of any exchange upon which Series A Preferred Stock may be listed or admitted to trading, such notice shall state: (A) the redemption date; (B) the Redemption Price; (C) the place or places where the shares of Series A Preferred Stock are to be surrendered (if so required in the notice) for payment of the Redemption Price in immediately available U.S. funds (if not otherwise included with the notice); and (D) that dividends on the shares to be redeemed will cease to accrue on the redemption date if payment accompanies the notice or, if not, on the date funds are set aside for payment. If less than all of the shares of Series A Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of shares of Series A Preferred Stock held by such holder to be redeemed.

(iii) If notice of redemption of any shares of Series A Preferred Stock has been given and if the funds necessary for such redemption have been set apart by the Corporation for the benefit of the holders of any shares of Series A Preferred Stock so called for redemption, then, from and after the date funds have been set apart for payment of the Redemption Price, dividends will cease to accrue on such shares of Series A Preferred Stock, such shares of Series A Preferred Stock shall no longer be outstanding and all rights of the holders of such shares will terminate, except the right to receive the Redemption Price therefor. If the Corporation shall so require and the notice of redemption shall so state, holders of Series A Preferred Stock to be redeemed shall surrender the certificates representing such Series A Preferred Stock, to the extent that such shares are certificated, at the place designated in such notice and, upon surrender in accordance with said notice of the certificates representing shares of Series A Preferred Stock so redeemed (properly endorsed or assigned for transfer, if the Corporation shall so require and the notice shall so state), such shares of Series A Preferred Stock shall be redeemed by the Corporation at the Redemption Price. In case less than all of the shares of Series A Preferred Stock represented by any such certificate are redeemed, a new certificate or certificates shall be issued representing the unredeemed shares of Series A Preferred Stock without cost to the holder thereof. In the event that the shares of Series A Preferred Stock to be redeemed are uncertificated, such shares shall be redeemed in accordance with the notice and no further action on the part of the holders of such shares shall be required.

(iv) The deposit of funds with a bank or trust company for the purpose of redeeming Series A Preferred Stock shall be irrevocable except that:

(A) the Corporation shall be entitled to receive from such bank or trust company the interest or other earnings, if any, earned on any money so deposited in trust, and the holders of any shares redeemed shall have no claim to such interest or other earnings; and

(B) any balance of monies so deposited by the Corporation and unclaimed by the holders of the Series A Preferred Stock entitled thereto at the expiration of two years from the applicable redemption date shall be repaid, together with any interest or other earnings thereon, to the Corporation, and after any such repayment, the holders of the shares entitled to the funds so repaid to the Corporation shall look only to the Corporation for payment of the Redemption Price without interest or other earnings.

(6) Voting Rights. Holders of the Series A Preferred Stock will not have any voting rights, except that, so long as any shares of Series A Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote of the holders of at least 85% of the Series A Preferred Stock outstanding at the time voting as a separate class, (A) amend, alter or repeal the provisions of the Charter (by amendment, merger or otherwise) in such a way that would materially and adversely affect the powers, special rights, preferences, or privileges of the Series A Preferred Stock or the holders thereof, or (B) create or authorize the creation of (by amendment, merger, or otherwise) or issue or incur any obligation to issue any Series A Preferred Stock (other than as provided in Section 3(c)) or any Senior Stock or Parity Stock (or other securities, including notes, debentures or bonds, convertible into or exchangeable for Senior Stock or Parity Stock), which by their terms shall be redeemable at any time when any shares of Series A Preferred Stock are issued and outstanding.

(7) Adjustment for Stock Splits and Reverse Stock Splits. If outstanding shares of the Series A Preferred Stock shall be divided into a greater number of shares of Series A Preferred Stock or into other securities of the Corporation convertible into or exchangeable for shares of Series A Preferred Stock, then the Liquidation Price and Redemption Price, each as in effect immediately prior to such division, shall, simultaneously with the effectiveness of such division, be proportionately reduced. Conversely, if outstanding shares of the Series A Preferred Stock shall be combined into a smaller number of shares of Series A Preferred Stock or into other securities of the Corporation convertible into or exchangeable for shares of Series A Preferred Stock, then the Liquidation Preference and Redemption Price, each as in effect immediately prior to such combination, shall, simultaneously with the effectiveness of such combination be proportionately increased. Any adjustment to the Liquidation Preference or Redemption Price under this Section 7 shall become effective at the close of business on the date the subdivision or combination referred to herein becomes effective.

(8) Exclusion of Other Rights. The shares of Series A Preferred Stock are not convertible into or exchangeable for any other property or securities of the Corporation. The Series A Preferred Stock shall have no preemptive or subscription rights. The Series A Preferred Stock shall not have any preferences or other rights other than those specifically set forth herein.”

SECOND: The Series A Preferred Stock has been classified and designated by the Board under the authority contained in the Charter.

THIRD: These Articles Supplementary have been approved by the Board in the manner and by the vote required by law. No stockholder of the Corporation has any voting rights with respect to these Articles Supplementary.

FOURTH: The undersigned acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties of perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be signed in its name and on its behalf by its Chairman of the Board and attested to by its Secretary on this 27th day of March, 2012.

ATTEST:

BARRETT BUSINESS SERVICES, INC.

By: /s/ James D. Miller
Name: James D. Miller
Title: Secretary

By: /s/ Anthony Meeker
Name: Anthony Meeker
Title: Chairman of the Board



BBSI Closes Repurchase of Approximately 30% of Outstanding Common Shares

Acquired 2.5 Million Shares from the Estate of William W. Sherertz and 500,000 Shares from Nancy Sherertz

VANCOUVER, Washington, March 29, 2012 – Barrett Business Services, Inc. (BBSI) (NASDAQ: BBSI), a leading provider of business management solutions, has completed the repurchase of 2,485,929 shares of BBSI common stock from the Estate of William W. Sherertz, which represents all the shares held by the Estate, as well as 500,000 common shares from Nancy Sherertz.

The company used a combination of \$24.9 million in cash and nonconvertible, non-voting, redeemable preferred stock for an aggregate purchase price of approximately \$59.7 million, or \$20.00 per share. Following the repurchase, BBSI has approximately 7.0 million common shares outstanding and \$34.8 million in nonconvertible, non-voting, redeemable preferred stock based on liquidation preference, as well as \$56.9 million in cash and investments.

The initial dividend rate on the preferred shares will be 5% per annum, payable at the company's option in cash or additional shares of preferred stock. The dividend rate will increase by 2% annually beginning April 1, 2013 until all the preferred shares have been redeemed. The preferred shares may be redeemed at any time at the company's option and will be subject to mandatory redemption in five years.

Roth Capital Partners acted as financial advisor to BBSI and Miller Nash LLP acted as its legal counsel.

About BBSI

BBSI (NASDAQ: BBSI) is a leading provider of business management solutions, combining human resource outsourcing and professional management consulting to create a unique operational platform that differentiates it from competitors. The company's integrated platform is built upon expertise in payroll processing, employee benefits, workers' compensation coverage, risk management and workplace safety programs, and human resource administration. BBSI's partnerships help businesses of all sizes improve the efficiency of their operations. BBSI works with more than 3,000 clients across all lines of business in 23 states. For more information, please visit www.barrettbusiness.com.

Forward-Looking Statements

Statements in this release about future events or performance are forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause actual events or performance to be materially different from any future events or results expressed or implied by such forward-looking statements. Factors that could affect future events or results include the effects of changes in economic or other market conditions nationally or in the Company's service areas, the Company's ability to retain current customers and attract new customers, future workers' compensation claims experience, the effect of changes in the workers' compensation regulatory environment in one or more of the Company's primary markets, and the effect of any changes in conditions in the global capital markets, among others. Other important factors that may affect events or the Company's future prospects are described in the Company's 2011 Annual Report on Form 10-K. Although forward-looking statements help to provide complete information about the Company, readers should keep in mind that forward-looking statements are 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.

Company Contact:

Michael L. Elich
President and Chief Executive Officer
Tel 1-360-828-0700

Investor Relations:

Liolios Group, Inc.
Scott Liolios or Cody Slach
Tel 1-949-574-3860
BBSI@liolios.com
