

SECURITIES AND EXCHANGE COMMISSION

FORM S-4/A

Registration of securities issued in business combination transactions [amend]

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FILER

OLSTEN CORP

CIK: **74386** | IRS No.: **132610512** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-01507** | Film No.: **96620405**
SIC: **7363** Help supply services

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MELVILLE NY 11747

Business Address
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As filed with the Securities and Exchange Commission on August 23, 1996.

Registration No. 333-7867

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Post-Effective Amendment No. 1 on
FORM S-3
to FORM S-4
REGISTRATION STATEMENT
Under
The Securities Act of 1933
OLSTEN CORPORATION
(Exact name of registrant as specified in its charter)
7363

Delaware
(State or other jurisdiction of
incorporation or organization)

13-2610512
(I.R.S. Employer
Identification Number)

175 Broad Hollow Road
Melville, New York 11747
(516) 844-7800
(Address, including zip code, and telephone number, including
area code, of Registrant's principal executive offices)

William P. Costantini, Esq.
Senior Vice President and General Counsel
175 Broad Hollow Road
Melville, New York 11747
(516) 844-7250
(Name, address, including zip code, and telephone number,
including area code, of agent for service)

COPIES TO:

Marjorie Sybul Adams, Esq.
Gordon Altman Butowsky
Weitzen Shalov & Wein
114 West 47th Street
New York, New York 10036
(212) 626-0800

Approximate date of commencement of proposed sale to the public:
As soon as possible after the effective date of this Post-
Effective Amendment.

If the only securities being registered on this Form are being
offered pursuant to dividend or interest reinvestment plans, please
check the following box.

If any of the securities being registered on this Form are to be
offered on a delayed or continuous basis pursuant to Rule 415 under
the Securities Act of 1933, other than securities offered only in
connection with dividend or interest reinvestment plans, check the
following box.

If this Form is filed to register additional securities for an
offering pursuant to Rule 462(b) under the Securities Act, please
check the following box and list the Securities Act registration
statement number of the earlier effective registration for the same
offering.

If this Form is a post-effective amendment filed pursuant to Rule
462(c) under the Securities Act, check the following box and list
the Securities Act registration statement number of the earlier
effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to
Rule 434, please check the following box.

The Registrant hereby amends this Registration Statement on such
date or dates as may be necessary to delay its effective date until
the Registrant shall file a further amendment which specifically
states that this Registration Statement shall thereafter become
effective in accordance with Section 8(a) of the Securities Act of
1933, as amended, or until this Registration Statement shall become
effective on such date as the Securities and Exchange Commission,
acting pursuant to said Section 8(a), may determine.

PROSPECTUS

OLSTEN CORPORATION

This Prospectus ("Prospectus") relates to up to 200,383 shares of Class B Common Stock, par value \$.10 per share ("Class B Stock"), of Olsten Corporation, a Delaware corporation ("Olsten") that may be issued upon the exercise of (a) outstanding stock options (the "Stock Options") and (b) outstanding redeemable common stock purchase warrants ("Warrants"), and the issuance of up to 200,383 shares of Olsten Common Stock, par value \$.10 per share ("Olsten Common Stock") issuable upon conversion of such shares of Class B Stock. The Stock Options and Warrants were originally issued by Co-Counsel, Inc., a Texas corporation ("Co-Counsel") prior to the merger (the "Merger") of Lawyers Acquisition Corp., a wholly-owned subsidiary of Olsten with and into Co-Counsel on August 9, 1996.

As a result of the Merger, Co-Counsel became a wholly-owned subsidiary of Olsten and (i) each outstanding share of Co-Counsel Common Stock, par value \$.01 per share ("Co-Counsel Common Stock"), was converted into the right to receive .1069 of one share (the "Conversion Number") of Class B Stock, and (ii) each outstanding Stock Option and Warrant was adjusted so that upon exercise thereof the holder will receive the number of shares of Class B Stock equal to the product obtained by multiplying (x) the number of shares of Co-Counsel Common Stock subject to the Stock Option or Warrant by (y) the Conversion Number. Each share of Class B Stock is convertible at all times, without cost to the holder thereof, into one share of Olsten Common Stock.

No person has been authorized to give any information or to make any representation other than those contained or incorporated by reference in this Prospectus in connection with the offering of securities described herein and, if given or made, such information or representation should not be relied upon as having been authorized by Olsten or any other person. This Prospectus does not constitute an offer to sell, or the solicitation of any offer to purchase, any securities in any jurisdiction in which, or to any person to whom, it is unlawful to make such offer or solicitation. Neither the delivery of this Prospectus nor any distribution of the securities described herein shall, under any circumstances, create any implication that there has been no change in the affairs of Olsten since the date hereof or that the information set forth or incorporated by reference herein is correct as of any time subsequent to its date.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is _____, 1996.

AVAILABLE INFORMATION

Olsten is and Co-Counsel was, prior to its acquisition by Olsten, subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and in accordance therewith, is required to file reports, proxy statements and other information with the Securities and Exchange Commission (the SEC). Copies of such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and at the following Regional Offices of the SEC: Midwest Regional Office, Citicorp Center, Suite 1400, 500 West Madison Street, Chicago Illinois 60661; and Northeastern Regional Office, 7 World Trade Center, 13th Floor, New York, New York 10048. Copies of such material can be obtained at prescribed rates from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Reports, proxy statements and other information concerning Olsten may be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

Olsten has filed with the SEC a Post-Effective Amendment No. 1 on Form S-3 to its Registration Statement (No. 333-7867) on Form S-4 (herein, together with all amendments and exhibits thereto, referred to as the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") with respect to the securities offered hereby. This Prospectus constitutes the prospectus of Olsten filed as part of the Registration Statement, certain portions of which are omitted as permitted by the rules and regulations of the SEC. For further information with respect to Olsten and the securities offered hereby, reference is made to the Registration Statement, including the exhibits thereto, which may be inspected at the SEC's offices, without charge, or copies of which may be obtained from the SEC upon payment of prescribed fees. Statements contained in this Prospectus as to the contents of any contract or other document filed as an exhibit to the Registration Statement are not necessarily complete, and in each instance reference is hereby made to the copy of such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

This Prospectus incorporates certain documents by reference which are not presented herein or delivered herewith. These

documents are available upon request from Laurin L. Laderoute, Jr., Secretary, Olsten Corporation, 175 Broad Hollow Road, Melville, New York 11747-8905, telephone number (516) 844-7800.

The following documents, which have been filed with the SEC pursuant to the Exchange Act, are hereby incorporated herein by reference:

- (a) Olsten's Annual Report on Form 10-K for the year ended December 31, 1995;
- (b) Olsten's Quarterly Reports on Form 10-Q for the periods ended March 31, 1996 and June 30, 1996;
- (c) Olsten's Current Reports on Form 8-K dated March 13, 1996, May 3, 1996, May 30, 1996, July 11, 1996 and August 8, 1996; and
- (d) The information contained under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Executive Compensation" in Olsten's definitive Proxy Statement dated April 2, 1996.

All documents filed by Olsten pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of Olsten Common Stock to

which this Prospectus relates, shall be deemed to be incorporated herein by reference and to be part hereof from the date of filing of such documents. All information appearing in this Prospectus or in any document incorporated herein by reference is not necessarily complete and is qualified in its entirety by the information and financial statements (including notes thereto) appearing in the documents incorporated herein by reference and should be read together with such information and documents.

Any statement contained in a document incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document that is deemed to be incorporated herein by reference modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

INFORMATION CONCERNING OLSTEN

Olsten is North America's largest provider of home health care and related services and one of the world's leading providers of staffing services to business, industry and government. Through Olsten Kimberly QualityCare, Olsten provides health care network management and caregivers for home health care and institutions. Olsten Kimberly QualityCare employs more than 150,000 caregivers and provides services to over 400,000 patients and clients, including managed care organizations, employers, government agencies, hospitals and individuals. Services include skilled nursing, home health aides, infusion therapy, home medical equipment, respiratory therapy, pediatrics, rehabilitation and disease management. Olsten Kimberly QualityCare is also North America's largest provider of management services to hospital-based home health agencies. Through Quantum Health Resources, Olsten is engaged in the provision of therapies and support services to individuals afflicted by certain chronic diseases. Primarily through Olsten Staffing Services, Olsten also operates 700 staffing and information technology offices in North America, South America and Europe, providing assignment employees to business, industry and government, as well as services for the design, development and maintenance of information systems.

Through Co-Counsel, Olsten provides temporary and permanent attorneys and paralegals to law firms and corporate law departments primarily located in Houston, Dallas, Chicago, New York City and Los Angeles. Co-Counsel's clients are typically corporate law departments and law firms which have a need for additional legal staffing. These clients have recognized that it is often more economical to utilize temporary legal personnel than full-time employees and, in the case of corporate law departments, engage outside counsel.

Additional information concerning Olsten and its subsidiaries is contained in Olsten's Annual Report on Form 10-K for the year ended December 31, 1995, its Quarterly Report on Form 10-Q for the periods ended March 31, 1996 and June 30, 1996 and its Current Reports on Form 8-K dated March 13, 1996, May 3, 1996, May 30, 1996, July 11, 1996, August 8, 1996 and its other public filings. See Available Information and Incorporation of Certain Documents by Reference.

USE OF PROCEEDS

The cash received by Olsten upon exercise of the Stock Options and the Warrants will be used for general working capital purposes.

PLAN OF DISTRIBUTION

The following is a description of the Stock Options and the Warrants.

STOCK OPTIONS. As of the effective time of the Merger (the "Effective Time"), Co-Counsel had an aggregate of 187,000 shares of Co-Counsel Common Stock reserved for issuance pursuant to options granted and then currently outstanding under Co-Counsel's Employee Stock Option Plan and Co-Counsel's Stock Option Plan for Non-Employee Directors. At the Effective Time, each Stock Option was automatically converted into an option to purchase the number of shares of Class B Stock equal to the product obtained by multiplying the number of shares of Co-Counsel Common Stock subject to the original option by the Conversion Number, at a price per share equal to the quotient obtained by dividing the exercise price for the shares of Co-Counsel Common Stock subject to such Stock Option by the Conversion Number.

In the case of any Stock Option to which Section 421 of the Internal Revenue Code of 1986, as amended (the "Code") applies by reason of its qualification under any of Sections 422-424 of the Code ("qualified stock options"), the option price, the number of shares purchasable pursuant to such option and the terms and conditions of exercise of such option shall be determined in order to comply with Section 424(a) of the Code.

The Company has reserved 19,990 shares of Class B Stock and 19,990 shares of Olsten Common Stock issuable upon conversion of such shares of Class B Stock, for issuance upon exercise of the Stock Options.

WARRANTS. The Warrants were issued (i) pursuant to a Warrant Agreement dated as of November 12, 1993, by and between Of Counsel Enterprises, Inc. (former name of Co-Counsel) and American Stock Transfer & Trust Company, as Warrant Agent (the "Warrant Agreement") and (ii) pursuant to warrants for units consisting of one Warrant and one share of Co-Counsel Common Stock, which were issued in connection with Co-Counsel's public offering to the representatives identified in Co-Counsel's Prospectus dated November 15, 1993. As of the Effective Time, Co-Counsel had outstanding warrants to purchase approximately 1,437,500 shares of Co-Counsel Common Stock at an exercise price of \$3.75 per share, subject to the terms and conditions of the Warrant Agreement. The Warrants expire on November 15, 1998. At the Effective Time, each Warrant was automatically deemed to constitute a warrant to acquire the number of shares of Class B Stock equal to the product obtained by multiplying the number of shares of Co-Counsel Common Stock subject to a Warrant by the

Conversion Number, at a price per share of Olsten Class B Stock equal to the quotient obtained by dividing the exercise price for the shares of Co-Counsel Common Stock subject to such Warrant by the Conversion Number.

For example, a holder of 10,000 Warrants would, after the Effective Time, and prior to November 15, 1998, be entitled to receive 1,069 (10,000 times .1069) shares of Class B Stock upon payment of the exercise price of \$35.08 per share (\$3.75 divided by .1069).

The Company has reserved 180,393 shares of Class B Stock and 180,393 shares of Olsten Common Stock issuable upon conversion of such shares of Class B Stock for issuance upon the exercise of the Co-Counsel Warrants.

The number of shares of Class B Stock that may be purchased upon exercise of a Stock Option, or Warrant shall not include any fractional share and, upon exercise of such Stock Option or Warrant, a cash payment shall be made for any fractional share in accordance with the requirements of such Stock Option or Warrant.

LEGAL MATTERS

The validity of the shares of Class B Stock and Olsten Common Stock issuable upon the exercise of the Stock Options and conversions of the Convertible Debentures has been passed upon by Gordon Altman Butowsky Weitzen Shalov & Wein. Andrew N. Heine, a director of the Company, is of counsel to Gordon Altman Butowsky Weitzen Shalov & Wein.

EXPERTS

The consolidated balance sheets as of December 31, 1995 and January 1, 1995 and the consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1995 of Olsten incorporated by reference in this Prospectus have been incorporated herein in reliance on the report of Coopers & Lybrand LLP, independent accountants, given on the authority of that firm as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The only fees incurred in connection with this transaction are legal fees and expenses, which are estimated to be approximately \$10,000.

ITEM 15. INEDMNIFICATION OF DIRECTORS AND OFFICERS

(a) Article Ninth of the Registrant's Restated Certificate of Incorporation provides for indemnification of Directors of the Registrant as follows:

NINTH: No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. This Article NINTH shall not eliminate or limit the liability of a director for any act or omission occurring prior to the effective date of its adoption. If the Delaware General Corporation Law is amended after approval by the stockholders of this article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

As authorized by Section 145 of the Delaware General Corporation Law, Article V of the Registrant's By-Laws provides as follows:

Section 1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the

basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director or officer and

shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding was authorized by the Board.

Section 2. Right to Advancement of Expenses. This right to indemnification conferred to in Section I of this Article V shall include the right to be paid by the Corporation the expenses incurred in defending any proceeding for which such right to indemnification is applicable in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Article V or otherwise.

Section 3. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Restated Certificate of Incorporation, By-Law,

agreement, vote of stockholders or disinterested directors or otherwise.

Section 4. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 5. Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation or, if serving at the request of the Corporation, as an employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, to the fullest extent of the provisions of this Article V with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

In addition, the Registrant maintains directors' and officers' liability insurance covering certain liabilities that may be incurred by the directors and officers of the Registrant in connection with the performance of their duties.

ITEM 16. EXHIBITS

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
4.1	Form of Co-Counsel's Stock Option Plan for Non-Employee Directors.
4.2	Form of Co-Counsel's Employee Stock Option Plan.
4.3	Form of Warrant Agreement.
*5.1	Opinion of Gordon Altman Butowsky Weitzen Shalov & Wein (incorporated by reference to Exhibit 5.1 to Olsten's Registration Statement on Form S-4, Registration Number 333-7867).
23.1	Consent of Gordon Altman Butowsky Weitzen

23.2 Consent of Coopers & Lybrand LLP.

*24.1 Power of Attorney (included on signature page to this Registration Statement).

* Previously filed.

ITEM 17. UNDERTAKINGS.

A. Undertaking Pursuant to Rule 415.

The undersigned registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply, if the registration statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the

initial bona fide offering thereof; and

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. Undertaking Regarding Documents Subsequently Filed Under the Exchange Act.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of any employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Undertaking Regarding Request For Acceleration of Effective Date.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to

believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Post-Effective Amendment No. 1 on Form S-3 to its Form S-4 Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Melville, State of New York on _____, 1996.

OLSTEN CORPORATION

By: _____
Frank N. Liguori,
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 1 on Form S-3 to the Form S-4 Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Title	Date
_____	_____	_____
/s/Frank N. Liguori	Chairman and Chief Executive Officer and Director (Principal Executive Officer)	_____, 1996
/s/Anthony J. Puglisi	Senior Vice President -Finance (Principal Financial and Accounting Officer)	_____, 1996
/s/Stuart Olsten	Director	_____, 1996
/s/Andrew N. Heine	Director	_____, 1996
/s/Stuart R. Levine	Director	_____, 1996
/s/John M. May	Director	_____, 1996
/s/Miriam Olsten	Director	_____, 1996
/s/Richard J. Sharoff	Director	_____, 1996
/s/Raymond S. Troubh	Director	_____, 1996
/s/Josh S. Weston	Director	_____, 1996

By: /s/ Laurin L. Laderoute, Jr.

Attorney-in-Fact

Exhibit Index

Exhibit No.	Description of Exhibit
4.1	Form of Co-Counsel's Stock Option Plan for Non-Employee Directors.
4.2	Form of Co-Counsel's Employee Stock Option Plan.
4.3	Form of Warrant Agreement.
*5.1	Opinion of Gordon Altman Butowsky Weitzen Shalov & Wein (incorporated by reference to Exhibit 5.1 to Olsten's Registration Statement on Form S-4, Registration Number 333-47430.)
23.1	Consent of Gordon Altman Butowsky Weitzen Shalov & Wein.
23.2	Consent of Coopers & Lybrand LLP.
*24.1	Power of Attorney (included on signature page to this Registration Statement).

* Previously filed.

EXHIBITS
TO
POST-EFFECTIVE AMENDMENT NO. 1
ON FORM S-3
TO FORM S-4
OF
REGISTRATION STATEMENT
OF
OLSTEN CORPORATION

WARRANT AGREEMENT

AGREEMENT, dated as of the 12th day of November, 1993, by and between OF COUNSEL ENTERPRISES, INC., a Texas corporation (the "Company"), and AMERICAN STOCK TRANSFER & TRUST COMPANY as Warrant Agent (the "Warrant Agent").

WITNESSETH

WHEREAS, the Company has determined to issue and deliver up to 1,437,500 Common Stock Purchase Warrants ("Warrants") evidencing the right of the holders thereof to purchase up to an aggregate of 1,437,500 shares of the Company's Common Stock, par value \$.01 per share ("Common Stock"), which Warrants are to be issued and delivered as part of units ("units"); and

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to act in connection with the issuance, registration, transfer and exchange of the Warrants, the issuance of certificates representing the Warrants, the exercise of the Warrants, and the rights of the holders thereof;

NOW, THEREFORE, in consideration of the premises and the mutual agreement hereinafter set forth and for the purpose of defining the terms and provisions of the Warrants and the certificates representing the Warrants and the respective rights and obligations thereunder of the Company, the holders of certificates representing the Warrant and the Warrant Agent, the parties hereto agree as follows:

SECTION 1. DEFINITIONS. As used herein, the following terms shall have the following meanings, unless the context shall otherwise require:

(a) "Corporate Office" shall mean the office of the Warrant Agent (or its successor) at which at any particular time its principal business shall be administered, which office is located at the date hereof at 40 Wall Street, New York, New York 10005.

(b) "Exercise Date" shall mean, as to any Warrant, the date on which the Warrant Agent shall have received at the Corporate Office both (a) the certificate (the "Warrant

Certificates") representing such Warrant, with the exercise form thereon duly executed by the Registered Holder thereof or his attorney duly authorized in writing, and (b) payment in cash, or by official bank or certified check made payable to the Company, of an amount in lawful money of the United States of America equal to the

applicable Stock Purchase Price; provided, however, that the Exercise Date shall not occur earlier than November 15, 1994.

(c) "Market Value" shall mean, on any date specified herein, the price obtained by taking the average, on each such trading day, of, of (A) the high and low sale price of a share of Common Stock or if no such sale takes place on any such trading day, the average of the closing bid and asked prices thereof on any such trading day, in each case as officially reported on all national securities exchanges on which the Common Stock is then listed or admitted to trading, or (B) if the Common Stock is not then listed or admitted to trading on any national securities exchange, the closing price of the Common Stock on such date or if no closing price is available on any such trading date, the average of the closing bid and asked prices thereof on any such trading date in the over-the-counter market as reported to NASDAQ, or, if the Common Stock is not then quoted in such system, the average of the highest and lowest bid and asked prices reported by the market makers and dealers for the Common Stock listed as such by the National Quotation Bureau, Incorporated or any similar successor organization.

(d) "Stock Purchase Price" shall mean the purchase price to be paid upon exercise of the Warrants in accordance with the terms hereof, which price shall be \$3.75 per share of Common Stock subject to modification and adjustment from time to time pursuant to the provisions of Section 8.

(e) "Redemption Date" shall mean the date, not prior to November 15, 1994, when the Company redeems the Warrants.

(f) "Redemption Price" shall mean \$.05 per Warrant.

(g) "Transfer Agent" shall mean American Stock Transfer & Trust Company as the Company's transfer agent, or its authorized successor such.

(h) "Warrant Expiration Date" shall mean 5:00 P.M. (New York time) on the earlier of (i) the Redemption Date or (ii) November 15, 1998.

SECTION 2. WARRANTS AND ISSUANCE OF WARRANT
CERTIFICATES: REGISTRATION

(a) A Warrant shall initially entitle the Registered Holder of the Warrant Certificate representing such Warrant to purchase one share of Common Stock upon the exercise thereof and payment of the Stock Purchase Price (subject to modification as herein provided), in accordance with the terms hereof.

(b) From time to time from November 15, 1994, to the earlier of the Redemption Date of the Warrant Expiration Date, the Transfer Agent shall deliver stock certificates in required

whole number denominations representing up to an aggregate of 1,437,500 shares of Common Stock, subject to adjustment as described herein, upon the exercise of the Warrants in accordance with this Agreement.

(c) From time to time, up to the earlier of the Redemption Date or the Warrant Expiration Date, the Warrant Agent shall deliver Warrant Certificates in required whole number denominations to the persons entitled thereto in connection with any transfer or exchange permitted under this Agreement; provided that no Warrant Certificates shall be issued except (i) those issued upon the exercise of fewer than all the Warrants represented by a Warrant Certificate, to evidence any unexercised Warrants held by the exercising Registered Holder; (ii) those issued upon any transfer or exchange pursuant to Section 6; (iii) those issued in replacement of lost, stolen, destroyed or mutilated Warrant Certificates pursuant to Section 7; and (iv) at the option of the Company, in such form as may be approved by its Board of Directors, to reflect any adjustment or change in the Stock Purchase Price or the number of shares of Common Stock purchasable upon exercise of the Warrants made pursuant to Section 8.

(d) The Warrant Agent shall maintain books (the "Warrant Register"), for the registration of original issuance and the registration of transfer of the Warrants. Upon the initial issuance of the Warrants, the Warrant Agent shall issue and register the Warrants in the names of the respective holders thereof in such denominations and otherwise in accordance with instructions delivered to the Warrant Agent by the Company.

(e) Prior to due presentment for registration of transfer of any Warrant, the Company and the Warrant Agent may deem and treat the person in whose name such Warrant shall be registered upon the Warrant Register (the "Registered Holder"), as the absolute owner of such Warrant and of each Warrant represented thereby (notwithstanding any notation of ownership or other writing on the Warrant Certificate made by anyone other than the Company or the Warrant Agent), for the purpose of any exercise thereof, and

for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

(f) The Warrant Agent understands that the Warrants are being issued as part of Units together with shares of the Company's Common Stock and that the shares of Common Stock and the Warrants are immediately detachable and may be traded separately.

SECTION 3. FORM AND EXECUTION OF WARRANT CERTIFICATE.

(a) Warrant Certificates shall be substantially in the form annexed hereto as Exhibit A (provisions of which Exhibit are hereby incorporated herein) and may have such letters, numbers or other marks of identification or designation and such legends,

summaries or endorsements printed, lithographed or engraved thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Warrants may be listed, or to conform to usage. The Warrant Certificates shall be dated the date of issuance thereof (whether upon initial issuance, transfer or exchange or in lieu of mutilated, lost, stolen, or destroyed Warrant Certificates) and issued in registered form. Warrants shall be numbered serially with the letter W on the Warrants of all denominations.

(b) Warrant Certificates shall be executed on behalf of the Company by its Chief Executive Officer and by its Secretary by manual signatures or by facsimile signatures printed thereon, and shall have imprinted thereon a facsimile of the Company's seal. In case any officer of the Company who shall have signed any of the Warrant Certificates shall cease to be such officer of the Company before, the date of issuance of the Warrant Certificates and before issue and delivery thereof, such Warrant Certificates may nevertheless be issued and delivered by the Warrant Agent to the Registered Holder without further action by the Company, except as otherwise provided by Section 4 hereof. No Warrant may be exercised until countersigned by the Warrant Agent as provided for in Section 3(c) hereof.

(c) The Warrant Agent shall countersign a Warrant only upon the occurrence of either of the following events:

(i) if the Warrant is to be issued in exchange or substitution for one or more previously countersigned Warrants, as hereinafter provided, or

(ii) if the Company instructs the Warrant Agent to do so.

SECTION 4. EXERCISE.

Each Warrant, when countersigned by the Warrant Agent, may be exercised by the Registered Holder thereof at the Corporate Office at any time from November 15, 1994 to the earlier of the Redemption Date or the Warrant Expiration Date, upon the payment of the Stock Purchase Price (subject to adjustment as herein provided) and upon the other terms and subject to the conditions set forth herein and in the applicable Warrant Certificate. A Warrant shall be deemed to have been exercised immediately prior to the close of business on the Exercise Date and the person entitled to receive the securities deliverable upon such exercise shall be treated for all purposes as the holder of such securities upon exercise thereof as of the close of business on the Exercise Date. As soon as practicable on or after the Exercise Date, the Warrant Agent shall deposit the proceeds received from the exercise of a Warrant and shall notify the Company in writing of such exercise. Promptly following, and in any event within five Business days after the

date of such notice from the Warrant Agent, the Warrant Agent, on behalf of the Company, shall cause to be issued and delivered by the Transfer Agent to the personal or persons entitled to receive the same a certificate or certificates for the securities deliverable upon such exercise (plus a Warrant Certificate for any remaining unexercised Warrants of the Registered Holder), unless prior to the date of issuance of such certificates the Company shall instruct the Warrant Agent to refrain from causing such issuance of certificates pending clearance of checks received in payment of the Stock Purchase Price pursuant to such Warrants. Upon the exercise of any Warrant and clearance of the funds received, the Warrant Agent shall promptly remit the payment received for the issuance of Common Stock issued upon exercise of the Warrant to the Company or as the Company may direct in writing.

SECTION 5. RESERVATION OF SHARES; LISTING; PAYMENT OF TAXES; ETC.

(a) The Company covenants that it will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issue upon exercise of the Warrants, such number of shares of Common Stock as shall then be issuable upon the exercise of all outstanding Warrants. The Company covenants that all shares of Common Stock which shall be issuable upon the Warrants shall, at the time of delivery, be duly and validly issued, fully paid, nonassessable and free from all taxes, liens and charges with respect to the issue thereof (other than those

which the Company shall promptly pay or discharge), and that upon issuance such shares shall be listed on each national securities exchange, if any, on which the other outstanding shares of Common Stock of the Company are then listed.

(b) The Company has filed with the Securities and Exchange Commission a Registration Statement No. 33-68480-FW (the "Registration Statement") on Form SB-2 for the registration, under the Securities Act of 1933, as amended, of, among others, the Warrants and the Common Stock issuable upon exercise of the Warrants. The Company agrees that, if necessary, it shall file with the Securities and Exchange Commission a post-effective amendment to the Registration Statement, or a new registration statement, for the registration, under the Securities Act of 1933, as amended, of the Common Stock issuable upon exercise of the Warrants. In either case, the Company will use its best efforts to cause the same to become effective and to maintain the effectiveness of such registration statement until the expiration of the Warrants in accordance with the provisions of this Agreement.

(c) The Company shall pay all documentary, stamp or similar taxes and other governmental charges that may be imposed with respect to the issuance of the Warrants, or the issuance, or delivery of any shares of Common Stock upon exercise of the Warrants; provided, however, that if the shares of Common Stock are to be delivered in a name other than the name of the Registered

Holder of the Warrant Certificate representing any Warrant being exercised, then no delivery shall be made unless the person requesting the same has paid to the Warrant Agent the amount of transfer taxes or charges incident thereto, if any. The Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any Warrant Certificate in a name other than that of the then Registered Holder of the Warrant being exercised.

(d) The Warrant Agent is hereby irrevocably authorized to requisition the Company's Transfer Agent from time to time for certificates representing shares of Common Stock required upon exercise of the Warrants, and the Company will authorize the Transfer Agent to comply with all proper requisitions. The Company will file with the Warrant Agent a statement setting forth the name and address of the Transfer Agent of the Company for shares of Common Stock issuable upon the exercise of the Warrants.

SECTION 6. EXCHANGE AND REGISTRATION OF TRANSFER.

(a) Warrant Certificates may be exchanged for other

Warrant Certificates representing an equal aggregate number of Warrants of the same class or may be transferred in whole or in part. Warrant Certificates to be exchanged shall be surrendered to the Warrant Agent at its Corporate Office, and upon satisfaction of the terms and provision hereof, the Company shall execute and the Warrant Agent shall countersign, issue and deliver in exchange therefor the Warrant Certificates which Registered Holder making the exchange shall be entitled to receive.

(b) Upon due presentment for registration of transfer of any Warrant Certificate at such office, the Company shall execute and the Warrant Agent shall issue and deliver to the transferee transferees a new Warrant Certificate or Certificates representing an equal aggregate number of Warrants of the same class.

(c) With respect to all Warrant Certificates presented for registration or transfer, or for exchange or exercise, the subscription form on the reverse thereof shall be duly endorsed, or be accompanied by a written instrument or instruments of transfer and subscription, in form satisfactory to the Company and the Warrant Agent, duly executed by the Registered Holder or his attorney-in-fact duly authorized in writing.

(d) A service charge may be imposed by the Warrant Agent for any exchange or registration of transfer of Warrant Certificates. In addition, the Company may require payment by the Registration Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

(e) All Warrant Certificates surrendered for exercise or for exchange in case of mutilated Warrant Certificates shall be promptly canceled by the Warrant Agent and thereafter retained by the Warrant Agent until termination of this Agreement

or resignation as Warrant Agent, disposed of or destroyed, at the direction of the Company. The Warrant Agent will record all such exercises or exchanges on the Warrant Register.

(f) Prior to due presentment for registration of transfer thereof, the Company and the Warrant Agent may deem and treat the Registered Holder of any Warrant Certificate as the absolute owner thereof and of each Warrant represented thereby (notwithstanding any notations of ownership or writing thereon made by anyone other than a duly authorized officer of the Company or the Warrant Agent) for all purposes and shall not be affected by any notice to the contrary.

SECTION 7. LOSS OR MUTILATION.

Upon receipt by the Company and the Warrant Agent of evidence satisfactory to them of the ownership of and loss, theft, destruction or mutilation of any Warrant Certificate and (in case of loss, theft, destruction or mutilation of any Warrant Certificate and (in case of loss, theft or destruction) or indemnity satisfactory to them, and in case of mutilation) upon surrender and cancellation thereof, the Company shall execute and the Warrant Agent shall (in the absence of notice to the Company and/or the Warrant Agent that the Warrant Certificate has been acquired by a bona fide purchaser) countersign and deliver to the Registered Holder in lieu thereof a new Warrant Certificate of like tenor representing an equal aggregate number o of the Warrants. Applicants for substitute Warrant Certificates shall comply with such other reasonable regulations and pay such other reasonable charges as the Warrant Agent may prescribe.

SECTION 8. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF COMMON STOCK OR WARRANTS.

The Stock Purchase Price and the number of shares purchasable upon the exercise of the Warrants shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 8.

8.1 SUBDIVISION OR COMBINATION OF COMMON STOCK. In case the Company shall at any time (a) subdivide its outstanding shares of Common Stock into a greater number of shares, (b) combine its outstanding Common Stock into a smaller number of shares, or (c) issue any securities in reclassification of its outstanding Common Stock, then and in each such event, the Stock Purchase Price in effect immediately prior to such action by the Company shall be adjusted by multiplying it by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such subdivision, combination or reclassification and the denominator of which shall the number of shares of Common Stock outstanding immediately after such subdivision, combination or reclassification.

8.2 STOCK DIVIDED. In case the Company shall at any time declare a dividend upon its Common Stock payable solely in shares of Common Stock, the Stock Purchase in effect immediately prior to such dividend shall be proportionately reduced.

8.3 NOTICE OF ADJUSTMENT. Upon any adjustment of the Stock Purchase Price or any increase or decrease in the number of shares purchasable upon the exercise of the Warrants, the Company shall give written notice thereof, by first class mail, postage prepaid, addressed to the Warrant Agent and to each

Registered Holder of the Warrants at the address of such holder as shown on the Warrant Register. The notice shall be signed by the Company's chief financial officer and shall state the Stock Purchase price resulting from such adjustment and the increase or decrease, if any, in the number of shares purchasable at such price upon the exercise of the Warrants, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

8.4 OTHER NOTICES. If at any time:

(a) the Company shall declare any cash dividend upon its Common Stock;

(b) the Company shall declare any dividend upon its Common Stock payable in stock (other than a dividend payable solely in shares of Common Stock) or make any special dividend or other distribution to the holders of its Common Stock;

(c) there shall be any consolidation or merger of the Company with another corporation, or a sale of all or substantially all of the Company's assets to another corporation; or

(d) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Company; then, in any one or more of said cases, the Company shall give, by certified or registered mail, postage prepaid, addressed to the Registered Holder of each Warrant at the address of such Registered Holder as shown on the Warrant Register, (i) at least 30 days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, at least 30 days' written notice of the date when the same shall take place. Any notice given in accordance with clause (i) above shall also specify, in the case of any such dividend, distribution or option rights, the date on which the holders of Common Stock shall be entitled thereto. Any notice given in accordance with clause (ii) above shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, as the case may be. In the event that the Registered Holder of a Warrant does not exercise the Warrant prior to the occurrence of an event described

above, the Registered Holder shall not be entitled to receive the benefits accruing to existing holders of the Common Stock in such event, and upon the occurrence of an event described in this

subsection (d) the Warrant shall terminate.

8.5. CHANGES IN COMMON STOCK. In case at any time the Company shall be party to any transaction (including, without limitation, a merger, consolidation, sale of all or substantially all of the Company's assets or recapitalization of the Common Stock) in which the previously outstanding Common Stock shall be changed into or exchanged for different securities of the Company or common stock or other securities of another corporation or interests in a non-corporate entity or other property (including cash) or any combination of any of the foregoing (each such transaction being herein called the "Consummation Date," the Company shall make, as a condition of the consummation of the Transaction, lawful and adequate provisions so that each Registered Holder, upon the exercise of its Warrants at any time on after the Consummation Date, shall be entitled to receive, and the Warrant shall thereafter represent the right to receive, in lieu of the Common Stock issuable upon such exercise prior to the Consummation Date, the highest amount of securities or other property to which such holder would actually have been entitled as a stockholder upon the consummation of the Transaction if such Register Holder had exercised its Warrants immediately prior thereto (subject to adjustments from and after the Consummation Date as nearly equivalent as possible to the adjustments provided for in this paragraph 8). The provisions of this Section 8.5 shall similarly apply to successive Transactions.

SECTION 9. FRACTIONAL WARRANTS AND FRACTIONAL SHARES.

No fractional shares shall be issued upon the exercise of the Warrants. The Company shall, in lieu of issuing any fractional shares, pay the holder entitled to such fraction a sum equal to such fraction multiplied by the Market Value.

SECTION 10. WARRANT HOLDERS NOT DEEMED STOCKHOLDERS.

No holder of a Warrant shall, as such, be entitled to vote or to consent or to receive notice as a stockholder in respect of meetings of stockholders for the election of directors of the Company or any other matters or any rights whatsoever as a stockholder of the Company. Except for the adjustment to the Stock Purchase Price pursuant to Section 8.2 in the event of a dividend on the Common Stock payable in shares of Common Stock, no dividends or interest shall be payable or accrued in respect of this Warrant or the interest represented hereby or the shares purchasable hereunder until, and only to the extent that, the Warrant shall have been exercised. No provisions hereof, in the absence of affirmative action by the holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges

of the Registered Holder of the Warrant, shall give rise to any

liability of such Registered Holder for the Stock Purchase Price or as a stockholder of the Company whether such liability is asserted by the Company or by its creditors.

SECTION 11. RIGHTS OF ACTION. All rights of action with respect to the Agreement are vested in the respective Registered Holders of the Warrants, and any Registered Holder of a Warrant, without consent of the Warrant Agent or of the holder of any other Warrant, may, in this own behalf and for his own benefit, enforce against the Company his right to exercise his Warrants for the purchase of Common Stock in the manner provided in the Warrant Certificate and this Agreement.

SECTION 12. AGREEMENT OF WARRANT HOLDERS. Every holder of a Warrant, by his acceptance thereof, consents and agrees with the Company, the Warrant Agent and every other holder of a Warrant that:

(a) The Warrants are transferable only on the Warrant Register by the Registered Holder thereof in person or by his attorney duly authorized in writing and only if the Warrant Certificates representing such warrants are surrendered at the office of the Warrant Agent, duly endorsed or accompanied by a proper instrument of transfer satisfactory to the Warrant Agent and the Company in their sole discretion, together with payment of any applicable transfer taxes; and

(b) The Company and the Warrant Agent may deem and treat the person in whose name the Warrant Certificate is registered as the holder and as the absolute, true and lawful owner of the Warrants represented thereby for all purposes, and neither the Company nor the Warrant Agent shall be affected by any notice of knowledge to the contrary, except as otherwise expressly provided in Section 7.

SECTION 13. REDEMPTION; CANCELLATION OF WARRANT CERTIFICATE.

13.1. REDEMPTION. All, but not less than all of the outstanding Warrants may be redeemed at the Redemption Price, at the option of the Company, at any time, commencing on the Redemption Date and prior to the Warrant Expiration Date, at the Corporate Office, upon not less than 30 days prior written notice, given in accordance with Section 13.2, if the closing bid price of the Common Stock equals or exceeds \$7.00 per share on at least 20 days during a 30 consecutive trading day period ending not more than 10 days prior to the date of such notice.

13.2. DATE FIXED FOR, AND NOTICE OF, REDEMPTION. In the event the Company shall elect to redeem all outstanding Warrants, the Company shall fix a date for the redemption. Notice of redemption, including the date fixed for redemption shall be mailed by first class mail, postage prepaid, by the Company to the registered holders of the Warrants to be redeemed at their last address as they shall appear on the Warrant Register. Any notice

mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Registered Holder received such notice.

13.3. EXERCISE AFTER NOTICE OF REDEMPTION. The Warrants may be exercised in accordance with Section 4 of this Agreement at any time after notice of redemption shall have been given by the Company pursuant to Section 13.2 hereof and prior to the time and date fixed for redemption.

SECTION 13.4. CANCELLATION. If the Company shall purchase or acquire any Warrants, the Warrant Certificate(s) evidencing the same shall thereupon be delivered to the Warrant Agent and canceled by it and retired. The Warrant Agent shall also cancel shares of Common Stock following exercise of any or all of the Warrants represented thereby or delivered to it for transfer, split-up, combination or exchange.

SECTION 14. CONCERNING THE WARRANT AGENT. The Warrant Agent acts hereunder as agent and in a ministerial capacity for the Company, and its duties shall be determined solely by the provisions hereof. The Warrant Agent shall not, by issuing and delivering Warrant Certificates or by any other act hereunder be deemed to make any representations as to the validity, value or authorization of the Warrant Certificates or the Warrants represented thereby or of any securities or other property delivered upon exercise of any Warrant or whether any stock issued upon exercise of any Warrant is fully paid and nonassessable.

The Warrant Agent shall not at any time be under any duty or responsibility to any holder of Warrant Certificates to make or cause to be made any adjustment of the Stock Purchase Price provided in this Agreement, or to determine whether any fact exists which may require any such adjustment, or with respect to the nature or extent of any such adjustment, when made, or with respect to the method employed in making the same. It shall not (i) be liable for any recital or statement of facts contained herein or for any action taken, suffered or omitted by it in reliance on any Warrant Certificate or other document or instrument believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties, (ii) be responsible for any failure on

the part of the Company to comply with any of its covenants and obligations contained in this Agreement or in any Warrant Certificate, or (iii) be liable for any act or omission in connection with this Agreement except for its own negligence or wilful misconduct.

The Warrant Agent may at any time consult with counsel satisfactory to it (who may be counsel for the Company) and shall incur no liability or responsibility for any action taken, suffered or omitted by it in good faith in accordance with the opinion or advice of such counsel.

Any notice, statement, instruction, request, direction,

order or demand of the Company shall be sufficiently evidenced by an instrument signed by the Chief Executive Officer or its Secretary (unless other evidence in respect thereof is herein specifically prescribed). The Warrant Agent shall not be liable for any action taken, suffered or omitted by it in accordance with such notice, statement, instruction, request, direction, order or demand reasonably believed by it to be genuine.

The Company agrees to pay the Warrant Agent reasonable compensation for its services hereunder and to reimburse it for its reasonable expenses hereunder; it further agrees to indemnify the Warrant Agent and save it harmless against any and all losses, expenses and Liabilities, including judgements, costs and counsel fees for anything done or omitted by the Warrant Agent in the execution of its duties and powers hereunder except losses, expenses and liabilities arising as a result of the Warrant Agent's negligence or wilful misconduct.

The Warrant Agent may resign its duties and be discharged from all further duties and liabilities hereunder (except liabilities arising as a result of the Warrant Agent's own negligence or wilful misconduct), after 30 days' prior written notice to the Company. At least 15 days prior to the date such resignation is to become effective, the Warrant Agent shall cause a copy of such notice of resignation to be mailed to the Registered Holder of each Warrant Certificate at the Company's expense. Upon such resignation, or any inability of the Warrant Agent to act as such hereunder, the Company shall appoint a new warrant agent in writing. If the Company shall fail to make such appointment within a period of 15 days after it has been notified in writing of such resignation by the resigning Warrant Agent, the Registered Holders of any Warrant Certificate may apply to any court of competent jurisdiction for the appointment of a new warrant agent. Any new warrant agent, whether appointed by the Company or by such a court, shall be a bank or trust company having a capital and surplus, as

shown by its last published report to its stockholders, of not less than \$10,000,000 or stock transfer company. After acceptance in writing of such appointment by the new warrant agent is received by the Company, such new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if had been originally named herein as the Warrant Agent, without any further assurance, conveyance, act or deed; but if for any reason it shall be necessary or expedient to execute and deliver any further assurance, conveyance, act or deed, the same shall be done at the expense of the Company and shall be legally and validly executed and delivered by the resigning Warrant Agent. Not later than the effective date of any such appointment the Company shall file notice thereof with the resigning Warrant Agent and shall forthwith cause a copy of such notice to be mailed to the Registered Holder of each Warrant Certificate.

Any corporation into which the Warrant Agent or any new warrant agent may be converted or merged or any corporation resulting from any consolidation to which the Warrant Agent or any

new warrant agent shall be a party or any corporation succeeding to the trust business of the Warrant Agent shall be a successor warrant agent under this Agreement without any further act, provided that such corporation is eligible for appointment as successor to the Warrant Agent under the provisions of the preceding paragraph. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed to the Company and to the Registered Holder of each Warrant Certificate at the Company's expense.

The Warrant Agent, its subsidiaries and affiliates, and any of its or their officers or directors, may buy and hold or sell Warrants or other securities of the Company and otherwise deal with the Company in the same manner and to the same extent and with like effects as though it were not the Warrant Agent. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

SECTION 15. MODIFICATION OF AGREEMENT. The Warrant Agent and the Company may by supplemental agreement make any changes or corrections in the Agreement 1. That they shall deem appropriate to cure any ambiguity or to correct any defective or inconsistent provision or manifest mistake or error herein contained; or 2. that they may deem necessary or desirable and which shall not adversely affect the interests of the holders of Warrant Certificates; provided, however, that this Agreement shall not otherwise be modified, supplemented or altered in any respect except with the consent in writing of the Registered Holders of Warrant Certificate representing not less than 50% of the Warrants

then outstanding; and provided, further, that no change in the number or nature of the securities purchasable upon the exercise of any Warrant, of the Purchase Price therefor, or the acceleration of the Warrant Expiration Date, shall be made without the consent in writing of the Register Holder of the Warrant Certificate representing such Warrant, other than such changes as are specifically prescribed by this Agreement as originally executed or are made in compliance with applicable law.

SECTION 16. NOTICES. All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been made when delivered or mailed first class registered or certified mail, postage prepaid as follows: if to the Registered Holder of a Warrant Certificate, at the address of such Registered Holder as shown in the Warrant Register maintained by the Warrant Agent; if to the Company, at 5251 Westheimer, Suite 320, Houston, Texas 77056, attention: Chief Executive Officer, or at such other address as may have been furnished to the Warrant Agent in writing by the Company; if to the Warrant Agent, at its Corporate Office.

SECTION 17. REPRESENTATIVES' WARRANTS. Upon exercise of the "Representatives' Warrants" (as defined in the prospectus forming part of the Registration Statement), the Representatives, or the subsequent holders of the Representatives' Warrants

("Holders") shall receive units of the Company's securities described in the Representatives' Warrants shall be identical in all respects to the Warrants, except that such stock purchase warrants shall not be redeemable by the Company. Notwithstanding the foregoing at any time prior to a. the Warrant Expiration Date or b. the redemption of the Warrants in accordance with Section 13 hereof, each of the Holders shall have the right, but not the obligation, to convert the stock purchase warrants received on exercise of such Holder's Representatives' Warrants into Warrants on identical terms as are contained in the Agreement, in which case the stock purchase warrants received upon exercise of such Holder's Representatives' Warrants shall become covered by this agreement. Any such conversion must be requested in a writing to the Company and the Warrant Agent.

SECTION 18. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to principles of conflict of laws.

SECTION 19. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the Company and the Warrant Agent and their respective successors and assigns, and the holders from time to time of Warrant Certificates. Nothing in this

Agreement is intended or shall be construed to cover upon any other person any right, remedy or claim, in equity or at law, or to impose upon any other person any duty, liability or obligation.

SECTION 20. TERMINATION. This Agreement shall terminate at the close of business on the earlier of the earlier of the Redemption Date, if all of the Warrants are redeemed, or the Warrant Expiration Date, except that the Warrant Agent shall account to the Company for cash held by it and the provisions of Section 15 hereof shall survive such termination.

SECTION 21. COUNTERPARTS. This Agreement may be executed in several counterparts, which taken together shall constitute a single document.

IN WITNESS WHEREOF, the parties hereto have caused the Agreement to be duly executed as of the date first above writing.

OF COUNSEL ENTERPRISES, INC.

By: _____

AMERICAN STOCK TRANSFER &
TRUST COMPANY

By: _____

OF COUNSEL ENTERPRISES, INC.
1933 EMPLOYEE STOCK OPTION PLAN

1. PURPOSE. The purpose of the Of Counsel Enterprises, Inc. 1993 Employee Stock Option Plan (the "Plan") is to enable Of Counsel Enterprises, Inc. (the "Company") and its stockholders to secure the benefits of common stock ownership by employees of the Company. The Board of Directors of the Company (the "Board") believes that the granting of options under the Plan will foster the Company's ability to attract, retain and motivate those individuals who will be largely responsible for the profitability and long-term future growth of the Company.

2. STOCK SUBJECT TO THE PLAN. The Company may issue and sell a total of 600,000 shares [300,000 shares (after giving effect to the 299 for 1 stock dividend to be declared by the Company)] of its common stock, \$.01 par value (the "Common Stock"), pursuant to the Plan. Such shares may be either authorized and unissued or held by the Company in its treasury. New options may be granted under the Plan with respect to shares of Common Stock which are covered by the unexercised portion of an option which has terminated or expired by its terms, by cancellation or otherwise.

3. ADMINISTRATION. The Plan will be administered by a committee (the "Committee") consisting of at least two directors appointed by and serving at the pleasure of the Board. After the Company's Common Stock is registered under Section 12 of the Securities Exchange Act of 1934, the members of the Committee shall be "disinterested directors" within the meaning and for the purposes of Rule 16(b)-3 under the Securities Exchange Act of 1934. Subject to the provisions of the Plan, the Committee, acting in its sole and absolute discretion, will have full power and authority to grant options under the Plan, to interpret the provisions of the Plan, to fix and interpret the provisions of option agreements made under the Plan, to supervise the administration of the Plan, and to take such other action as may be necessary or desirable in order to carry out the provisions of the Plan. A majority of the members of the Committee will constitute a quorum. The Committee may act by the vote of a majority of its members present at a meeting at which there is a quorum or by unanimous written consent. The decision of the Committee as to any disputed question, including questions of construction, interpretation and administration, will be final and conclusive on all persons. The Committee will keep a record of its proceedings and acts and will keep or cause to be kept such books and records as may be necessary in connection with the proper administration of the Plan.

4. ELIGIBILITY. Options may be granted under the Plan to present or future Officers and employees of the Company or a subsidiary of the Company (a "Subsidiary") within the meaning of Section 424(f) of the Internal Revenue Code of 1986 (the "Code"), and to consultants to the Company or a Subsidiary. Subject to the provisions of the Plan, the Committee may from time to time select the persons to whom options will be granted, and will fix the number of shares covered by each such option and establish the terms and conditions thereof, including,

without limitation, the exercise price, restrictions on exercisability of the option and/or on the disposition of the shares of Common Stock issued upon exercise thereof and whether or not the option is to be treated as an incentive stock option within the meaning of Section 422 of the Code (an "Incentive Stock Option").

5. TERMS AND CONDITIONS OF OPTIONS. Each option granted under the Plan will be evidenced by a written agreement in a form approved by the Committee. Each such option will be subject to the terms and conditions set forth in this paragraph and such additional terms and conditions not inconsistent with the Plan (and, in the case of an Incentive Stock Option, not inconsistent with the provisions of the Code applicable thereto) as the Committee deems appropriate.

(a) OPTION EXERCISE PRICE. In the case of an option which is not treated as an Incentive Stock Option, the exercise price per share may not be less than the par value of a share of Common Stock on the date the option is granted; and, in the case of an Incentive Stock Option, the exercise price per share may not be less than 100% of the fair market value of a share of Common Stock on the date the option is granted (110% in the case of an optionee who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or a Subsidiary (a "ten percent shareholder")). For purposes hereof, the fair market value of a share of Common Stock on any date will be equal to the closing sale price per share as published by a national securities exchange on which shares of the Common Stock are traded on such date or, if there is no sale of Common Stock on such date, the average of the bid and asked prices on such exchange at the closing of trading on such date or, if shares of the Common Stock are not listed on a national securities exchange on such date, the closing price or, if none, the average of the bid and asked prices in the over the counter market at the close of trading on such date, or if the Common Stock is not traded on a national securities exchange or the over the counter market, the fair market value of a share of the Common Stock on such date as determined in good faith by the Committee.

(b) OPTION PERIOD. The period during which an option may be exercised will be fixed by the Committee and will not exceed 10 years from the date the option is granted (5 years in the case of an Incentive Stock Option granted to a "ten percent shareholder").

(c) EXERCISE OF OPTIONS.

(1) GENERAL. No option will become exercisable unless the person to whom the option was granted remains in the continuous employ or service of the Company or a Subsidiary for at least six months (or for such longer period as the Committee may designate) from the date the option is granted. The Committee may determine and set forth in the option agreement any additional vesting or other restrictions on the exercisability of an option, subject to earlier termination of the Option as provided herein. All or part of the exercisable portion of an option may be exercised at any time during the option period. An option may be exercised

by transmitting to the Company (a) a written notice specifying the number of shares to be purchased, and (b) payment of the exercise price (or, if applicable, delivery of a secured obligation therefor), together with the amount, if any, deemed necessary by the F Committee to enable the Company to satisfy its income tax withholding obligations with respect to such exercise (unless other arrangements acceptable to the Company are made with respect to the satisfaction of such withholding obligations).

(2) STOCK REGISTRATION REQUIRED.

Notwithstanding anything in the Plan to the contrary, no option may be exercised, except by persons who may qualify under applicable securities laws, unless and until a registration statement covering the shares of Common Stock issuable upon exercise of options granted [hereunder has been filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

(d) PAYMENT OF EXERCISE PRICE. The purchase price of shares of Common Stock acquired pursuant to the exercise of an option granted under the Plan may be paid in cash and/or such other form of payment as may be permitted under the option agreement and applicable law, including, without limitation, previously-owned shares of Common Stock. The Committee may permit the payment of all or a portion of the purchase price in installments (together with interest) over a period of not more than five years.

(e) RIGHTS AS A STOCKHOLDER. No shares of Common

Stock will be issued in respect of the exercise of an option granted under the Plan until full payment therefor has been made. The holder of an option will have no rights as a stockholder with respect to any shares covered by an option until the date a stock certificate for such shares is issued to him or her. Except as otherwise provided herein, no adjustments shall be made for dividends or distributions of other rights for which the record date is prior to the date such stock certificate is issued.

(f) NONTRANSFERABILITY OF OPTIONS. No option shall be assignable or transferrable except upon the optionee's death to a beneficiary designated by the Optionee in accordance with procedures established by the Committee or, if no designated beneficiary shall survive the optionee, pursuant to the optionee's will or by the laws of descent and distribution. During an optionee's lifetime, options may be exercised only by the optionee or the optionee's guardian or legal representative.

(g) TERMINATION OF EMPLOYMENT OR OTHER SERVICE. UNLESS EXTENDED by the Committee, if an optionee ceases to be employed by or to perform services for any Subsidiary for any reason other than death or disability (defined below), then each outstanding option granted to him or her under the Plan will terminate on the date three months after the date of such termination of employment or service, or, if earlier, the date specified in the option agreement. If an optionee's employment or service is terminated by reason of the optionee's death or disability (or if the optionee's employment or service is terminated by reason of his or her disability and the optionee dies within one year after such termination of employment or

service), then, unless extended by the Committee, each outstanding option granted to the optionee under the Plan will terminate on the date one year after the date of such termination of employment or service (or one year after the later death of a disabled optionee) or, if earlier, the date specified in the option agreement. For purposes hereof, the term "disability" means the inability of an optionee to perform the customary duties of his or her employment or other service for the Company or a Subsidiary by reason of a physical or mental incapacity which is expected to result in death or be of indefinite duration.

(h) OTHER PROVISIONS. The Committee may impose such other conditions with respect to the exercise of options, including, without limitation, any conditions relating to the application of federal or state securities laws, as it may deem necessary or advisable.

(i) MAXIMUM OPTION GRANT. The maximum option grant which may be made in any calendar year to any officer or employee

of the Company or a Subsidiary shall not cover more than 100,000 shares.

6.CHANGE IN CONTROL; CAPITAL CHANGES.

(a) If any event constituting a "Change- in Control of the Company" shall occur, all Options granted under the Plan which are outstanding at the time a Change in Control of the Company shall occur shall immediately become exercisable. A "Change in Control of the Company" shall be deemed to occur if (i) there shall be consummated (x) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's Common Stock would be converted into cash, securities or other property other than a merger of the Company in which the holders of the Company's Common Stock immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger, or (y) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company, or (ii) the stockholders of the Company shall approve any plan or proposal for liquidation or dissolution of the Company, or (iii) any person (as such term is used in Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), shall become the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of 40% or more of the Company's outstanding Common Stock other than pursuant to a plan or arrangement entered into by such person and the Company, or (iv) during any period of two consecutive years, individuals who at the beginning of such period constitute the entire Board of Directors shall cease for any reason to constitute a majority thereof unless the election, or the nomination for election by the Company's stockholders, of each new director was approved by a vote of at least two thirds of the directors then still in office who were directors at the beginning of the period.

(b) In the event of any stock split, stock dividend or similar transaction which increases or decreases the number of outstanding shares of Common Stock, appropriate adjustment shall be made by the Board of Directors to the number and option exercise price per share of Common Stock which may be purchased under any outstanding Options. In the case of a merger, consolidation or similar transaction which results in a replacement of the Company's Common Stock and stock of another corporation but does not constitute Change in Control of the Company, the Company will make a reasonable effort, but shall not be required, to replace any outstanding Options granted under the Plan with comparable options to purchase the stock of such other corporation, or will provide for immediate maturity of all outstanding Options, with all Options

not being exercised within the time period specified by the Board of Directors being terminated.

(c) In the event of any adjustment in the number of shares covered by any option pursuant to the provisions hereof, any fractional shares resulting from such adjustment will be disregarded and each such option will cover only the number of full shares resulting from the adjustment.

(d) All adjustments under this paragraph 6 shall be made by the Board, and its determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

7. AMENDMENT AND TERMINATION OF THE PLAN. The Board may amend or terminate the Plan. Except as otherwise provided in the Plan with respect to equity changes, any amendment which would increase the aggregate number of shares of Common Stock as to which options may be granted under the Plan, materially increase the benefits under the Plan, or modify the class of persons eligible to receive options under the Plan shall be subject to the approval of the Company's stockholders. No amendment or termination may affect adversely any outstanding option without the written consent of the optionee.

8. NO RIGHTS CONFERRED. Nothing contained herein will be deemed to give any individual any right to receive an option under the Plan or to be retained in the employ or service of the Company or any Subsidiary.

9. GOVERNING LAW. The Plan and each option agreement shall be governed by the laws of the State of Texas.

10. DECISIONS AND DETERMINATIONS OF COMMITTEE TO BE FINAL. Except to the extent rights or powers under this Plan are reserved specifically to the discretion of the Board~ all decisions and determinations of the Committee are final and binding.

11. TERM OF THE PLAN. The Plan shall be effective as of the date on which it is adopted by the Board, subject to the approval of the stockholders of the Company within one year from the date of adoption by the Board. The Plan will terminate on the date ten years after

the date of adoption by the Board, unless sooner terminated by the Board. The rights of optionees under options outstanding at the time of the termination of the Plan shall not be affected solely by reason of the termination and shall continue in accordance with the terms of the option (as then in effect or thereafter amended).

OF COUNSEL ENTERPRISES, INC.
STOCK OPTION PLAN FOR NON-EMPLOYEE DIRECTORS

1. PURPOSE.

The purpose of this Stock Option Plan for Non-Employee Directors (the "Plan") of Of Counsel Enterprises, Inc. (the "Corporation") is to strengthen the Corporation's ability to attract and retain the services of knowledgeable and experienced persons who, through their efforts and expertise, can make a significant contribution to the success of the Corporation's business by serving as members of the Corporation's Board of Directors and to provide additional incentive for such directors to continue to work for the best interests of the Corporation and its stockholders through ownership of its Common Stock, \$.01 par value (the "Common Stock"). Accordingly, the Corporation will grant to each non-employee director options to purchase shares of the Corporation's Common Stock on the terms and conditions hereafter established.

2. STOCK SUBJECT TO PLAN.

The Corporation may issue and sell a total of 125,000 shares of its Common Stock pursuant to the Plan. Such shares may be either authorized and unissued or held by the Corporation in its treasury. New options may be granted under the Plan with respect to shares of Common Stock which are covered by the unexercised portion of an option which has terminated or expired by its terms, by cancellation or otherwise.

3. ADMINISTRATION OF THE PLAN.

The Plan shall be administered by the Board of Directors of the Corporation (the "Board") or a committee designated by the Board. The interpretation and construction by the Board of any provisions of the Plan or of any other matters related to the Plan shall be final. The Board may from time to time adopt such rules and regulations for carrying out the Plan as it may deem advisable. No member of the Board shall be liable for any action or determination made in good faith with respect to the Plan.

The Board of Directors may at any time amend, alter, suspend or terminate the Plan; provided, however, that any such action would not impair any option to purchase Common Stock theretofore granted under the Plan; and provided further that without the approval of the Corporation's stockholders, no amendments or alterations would be made which would (i) increase the number of shares of Common Stock that may be purchased by each non-employee director under the Plan (except as

permitted by Paragraph 10), (ii) increase the aggregate number of shares of Common Stock as to which options may be granted under the Plan (except as permitted by Paragraph 10), (iii) decrease the option exercise price (except as permitted by Paragraph 10), or (iv) extend the period during which outstanding options granted under the Plan may be exercised; and provided further that Paragraph 5 of the Plan shall not be amended more than once every six months other than to comply with changes in the Internal Revenue Code of 1986, as amended, or the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder.

4. ELIGIBILITY.

All non-employee directors of the Corporation shall be eligible to receive options under the Plan. Receipt of stock options under any other stock option plan maintained by the Corporation or any subsidiary shall not, for that reason, preclude a director from receiving options under the Plan.

5. GRANTS.

(i) Except as set forth in Paragraph 5(iii) below, each non-employee director shall be issued an option to purchase 5,000 shares of the Corporation's Common Stock (the "Initial Option") on the date of his initial election or appointment to the Board of Directors (the "Initial Grant Date") at the following price for the following term and otherwise in accordance with the terms of the Plan:

(a) The option exercise price per share of Common Stock shall be the Fair Market Value (as defined below) of the Common Stock covered by such Initial Option on the Initial Grant Date.

(b) Except as provided herein, the term of an Initial Option shall be for a period of ten (10) years from the Initial Grant Date.

(ii) In addition, each non-employee director shall, on each anniversary of the Initial Grant Date (the "Additional Grant Date"), if he is still a non-employee director on such date, be granted an option to purchase 7,500 shares of the Corporation's Common Stock (the "Additional Option") at the following price for the following term and otherwise in accordance with the terms of the Plan:

(a) The option exercise price per share of Common Stock shall be the Fair Market Value (as defined below) of the Common Stock covered by such Additional Option on the Additional Grant Date.

(b) Except as provided herein, the term of an Additional Option shall be for a period of ten (10) years from the Additional Grant Date.

(iii) In the case of Mr. William Lerner, who was elected a director in December 1993, an Initial Option to purchase 5,000 shares of the Corporation's Common

Stock shall be granted under the Plan as of February 1, 1994, the date of the Plan's adoption by the Board of Directors, which date shall be the Initial Grant Date for Mr. Lerner. Such Options may not be exercised unless and until the stockholders of the Corporation approve the Plan. Mr. James B. Fleming, who was elected a director prior to the adoption of this Plan by the Board of Directors, shall not receive an Initial Option but shall receive, as of the date the stockholders of the Corporation approve the Plan (which date, in the case of Mr. Fleming, shall be deemed the Additional Grant Date), an Additional Option and, so long as Mr. Fleming is a director, he shall receive an Additional Option on each anniversary of the date that the Plan is approved by the stockholders of the Corporation.

(iv) "Fair Market Value" shall mean, for each Grant Date, (A) if the Common Stock is listed or admitted to trading on the New York Stock Exchange (the "NYSE") or the American Stock Exchange (the "ASE"), the average of the high and low sale price of the Common Stock on such date or, if no sale takes place on such date, the average of the highest closing bid and lowest closing asked prices of the Common Stock on such exchange, in each case as officially reported on the NYSE or the ASE, or (B) if no shares of Common Stock are then listed or admitted to trading on the NYSE or the ASE, the average of the high and low sale prices of the Common Stock on such date on the NASDAQ National Market or, if no shares of Common Stock are then quoted on the NASDAQ National Market, the average of the closing bid and highest asked prices of the Common Stock on such date on NASDAQ or, if no shares of Common Stock are then quoted on NASDAQ, the average of the highest bid and lowest asked prices of the Common Stock on such date as reported in the over-the-counter system. If no closing bid and highest asked prices thereof are then so quoted or published in the over-the-counter market, "Fair Market Value" shall mean the fair value per share of Common Stock (assuming for the purposes of this calculation the economic equivalence of all shares of classes of capital stock), as determined on a fully diluted basis in good faith by the Board, as of a date which is 15 days preceding such Grant Date.

(v) Options granted hereunder shall not be "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

6. REGULATORY COMPLIANCE AND LISTING.

The issuance or delivery of any Option may be postponed by the Corporation for such period as may be required to comply with the Federal securities laws, any applicable listing requirements of any applicable securities exchange and any other law or regulation applicable to the issuance or delivery of such Options, and the Corporation shall not be obligated to issue or deliver any Options if the issuance or delivery of such

options would constitute a violation of any law or any regulation of any governmental authority or applicable securities exchange.

7. RESTRICTIONS ON EXERCISABILITY AND SALE.

(i) Subject to Paragraph 7(ii) below, each Option granted under the Plan shall become exercisable as to 100% of the number of shares issuable under such Option on the date which is one year after the Grant Date of such Option.

(ii) Notwithstanding anything herein to the contrary, if the shares of Common Stock issuable upon exercise of Options granted under the Plan have not been registered under the Securities Act of 1933, as amended, the Board may condition the exercisability of Options upon compliance with applicable federal and state securities laws.

8. CESSATION AS DIRECTOR.

In the event that the holder of an Option granted pursuant to the Plan shall cease to be a director of the Corporation for any reason such holder may exercise any portion of the Option that is exercisable by him at the time he ceases to be a director of the Corporation, but only to the extent such Option is exercisable as of such date, within six months after the date he ceases to be a director of the Corporation.

9. DEATH.

In the event that a holder of an Option granted pursuant to the Plan shall die, his estate, personal representative or beneficiary may exercise any portion of the Option that was exercisable by the deceased Optionee at the time of his death, but only to the extent such Option is exercisable as of such date, within twelve months after the date of his death.

10. STOCK SPLITS, MERGERS, ETC.

In the event of any stock split, stock dividend or similar transaction which increases or decreases the number of outstanding shares of Common Stock, appropriate adjustment shall be made by the Board of Directors, whose determination shall be final, to the number and option exercise price per share of Common Stock which may be purchased under any outstanding Options. In the case of a merger, consolidation or similar transaction which results in a replacement of the Corporation's Common Stock with stock of another corporation, the Corporation will make a reasonable effort, but shall not be required, to replace any outstanding Options granted under the Plan with comparable options to purchase the stock of such other corporation, or will provide for immediate maturity of all outstanding Options, with all Options not being exercised within the time period specified by the Board of

Directors being terminated.

11. TRANSFERABILITY.

Options are not assignable or transferable, except upon the optionholder's death to a beneficiary designated by the optionee in accordance with procedures established by the Board or, if no designated beneficiary shall survive the optionholder, pursuant to the optionholder's will or by the laws of descent and distribution, to the extent set forth in Paragraph 9, and during the optionholder's lifetime, may be exercised only by him.

12. EXERCISE OF OPTIONS.

An optionholder electing to exercise an Option shall give written notice to the Corporation of such election and of the number of shares of Common Stock that he has elected to acquire. An optionholder shall have no rights of a stockholder with respect to shares of Common Stock covered by his Option until after the date of issuance of a stock certificate to him upon partial or complete exercise of his option.

13. PAYMENT.

The Option exercise price shall be payable in cash, check or in shares of Common Stock upon the exercise of the Option. If the shares of Common Stock are tendered as payment of the Option exercise price, the value of such shares shall be the Fair Market Value as of the date of exercise. If such tender would result in the issuance of fractional shares of Common Stock, the Corporation shall instead return the difference in cash or by check to the optionholder.

14. OBLIGATION TO EXERCISE OPTION.

The granting of an Option shall impose no obligation on the director to exercise such option.

15. CONTINUANCE AS DIRECTOR.

Nothing in the Plan shall be deemed to create any obligation on the part of the Board to nominate any director for reelection by the Corporation's stockholders.

16. TERM OF PLAN.

The Plan shall be effective as of the date on which it is adopted

by the Board, subject to the approval of the stockholders of the Corporation within one year from the date of adoption by the Board. The Plan will terminate on the date ten years after the date of adoption by the Board, unless sooner terminated by the Board. The rights of optionees under options outstanding at the time of the termination of the Plan shall not be affected solely by reason of the termination and shall continue in accordance with the terms of the option (as then in effect or thereafter amended).

Dated _____, 1996

Supplement to Prospectus dated April 18, 1996

ELFUN FUNDS

Each of the Funds is now authorized to invest in GEI Short-Term Investment Fund (the "Investment Fund"), an investment fund advised by General Electric Investment Management Incorporated ("GEIM") created specifically to serve as a vehicle for the collective investment of cash balances of the Funds (other than the Money Market Fund) and other accounts advised by either GEIM or General Electric Investment Corporation ("GEIC").

To reflect the foregoing and in connection therewith to clarify the types of money market instruments in which the Funds are authorized to invest directly, the first paragraph on page 12 of the prospectus under "Additional Investments - - Money Market Instruments" has been deleted in its entirety and now reads as follows:

Money Market Instruments. Each Fund, other than the Money Market Fund, may invest only in the following types of money market instruments: (i) securities issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities, (ii) debt obligations of banks, savings and loan institutions, insurance companies and mortgage bankers, (iii) commercial paper and notes, including those with variable and floating rates of interest, (iv) debt obligations of foreign branches of U.S. banks, U.S. branches of foreign banks and foreign branches of foreign banks, (v) debt obligations issued or guaranteed by one or more foreign governments or any of their political subdivisions, agencies or instrumentalities, including obligations of supranational entities, (vi) debt securities issued by foreign issuers and (vii) repurchase agreements.

Each Fund, other than the Money Market Fund, may also

invest up to 25% of its assets in the Investment Fund, a fund created specifically to serve as a vehicle for the collective investment of cash balances of the Funds (other than the Money Market Fund) and other accounts advised by General Electric Investment Management Incorporated ("GEIM")<F1> or GEIC. The Investment Fund invests exclusively in the money market instruments described in (1) through (vii) above. The Investment Fund is advised by GEIM. No advisory fee is charged by GEIM to the Investment Fund, nor will the Funds incur any sales charge, redemption fee, distribution fee or service fee in connection with its investments in the Investment Fund.

[FN]

<F1>

GEIM will have to be defined for the first time here rather than in the "General" section under "Risk Factors and Special Considerations."

[Letterhead of Gordon Altman Butowsky Weitzen Shalov & Wein]

August 23, 1996

Olsten Corporation
175 Broad Hollow Road
Melville, NY 11747-8905

Re: Olsten Corporation -- Post-Effective Amendment

Ladies and Gentlemen::

In connection with the Post Effective Amendment No. 1 on Form S-3 to the Registration Statement on Form S-4 ("Registration Statement") filed under the Securities Act of 1933, as amended ("1933 Act"), we hereby consent to the reference to us under the caption "Legal Matters" in the Prospectus forming a part of the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the 1933 Act or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ GORDON, ALTMAN, BUTOWSKY, WEITZEN
SHALOV & WEIN

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the Post-Effective Amendment No. 1 on Form S-3 to the Registration Statement on Form S-4 (File No. 333-7867) of our report dated February 7, 1996, on our audits of the consolidated financial statements of Olsten Corporation and Subsidiaries as of December 31, 1995 and January 1, 1995, and for each of the three years in the period ended December 31, 1995, which report is included in the Company's Annual Report on Form 10-K. We also consent to the reference to our Firm under the caption "Experts."

/s/ COOPERS & LYBRAND L.L.P.

New York, New York
August 22, 1996