

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: 2017-09-22
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SUBJECT COMPANY

Staffing 360 Solutions, Inc.

CIK: 1499717 | IRS No.: 680680859 | State of Incorp.: NY | Fiscal Year End: 1231
Type: SC 13D/A | Act: 34 | File No.: 005-86738 | Film No.: 171096596
SIC: 7363 Help supply services

Mailing Address
641 LEXINGTON AVENUE
27TH FLOOR
NEW YORK NY 10022

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FILED BY

Jackson Investment Group, LLC

CIK: 1571267 | IRS No.: 205783109 | State of Incorp.: GA
Type: SC 13D/A

Mailing Address
2655 NORTHWINDS
PARKWAY
ALPHARETTA GA 30009

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2655 NORTHWINDS
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ALPHARETTA GA 30009
770-643-5529

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 4)*

Staffing 360 Solutions, Inc.

(Name of Issuer)

Common Stock, \$0.00001 par value per share

(Title of Class of Securities)

095428108

(CUSIP Number)

Jackson Investment Group, LLC
2655 Northwinds Parkway
Alpharetta, GA 30009
Attention: Dennis J. Stockwell, General Counsel
770-643-5500

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

September 18, 2017

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1. NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Jackson Investment Group, LLC 20-5783109

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (see instructions)

WC

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

State of Georgia, United States of America

7. SOLE VOTING POWER

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8. SHARED VOTING POWER

9,411,019 ⁽¹⁾

9. SOLE DISPOSITIVE POWER

10. SHARED DISPOSITIVE POWER

9,411,019 ⁽¹⁾

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9,411,019 ⁽¹⁾

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
(see instructions)

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

42.2%⁽²⁾

14. TYPE OF REPORTING PERSON (see instructions)

OO

(1) Includes 4,527,537 shares which may be purchased upon exercise of that certain Warrant, dated January 26, 2017 between Jackson Investment Group, LLC and Staffing 360 Solutions, Inc., as amended by that certain Amendment 1 to Warrant Agreement, dated as of March 14, 2017 and that certain Amendment 2 to Warrant Agreement, dated as of April 5, 2017, which became exercisable on July 26, 2017 (“Amended Warrant”).

(2) Based on 15,503,820 shares of Common Stock outstanding as of August 14, 2017, as reported in the Issuer’s Form 10-Q filed on August 15, 2017.

1. NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Richard L. Jackson

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(see instructions)

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (see instructions)

AF⁽³⁾ PF⁽⁴⁾

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

7. SOLE VOTING POWER

721

8. SHARED VOTING POWER

9,411,019⁽¹⁾

9. SOLE DISPOSITIVE POWER

721

10. SHARED DISPOSITIVE POWER

9,411,019 ⁽¹⁾

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9,411,740⁽¹⁾

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

(see instructions)

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

42.2%⁽²⁾

14. TYPE OF REPORTING PERSON (see instructions)

IN; HC

- (1) Includes 4,527,537 shares which may be purchased upon exercise of the Amended Warrant, which became exercisable on July 26, 2017.
- (2) Based on 15,503,820 shares of Common Stock outstanding as of August 14, 2017, as reported in the Issuer's Form 10-Q filed on August 15, 2017.
- (3) With respect to all shares other than the 721 shares referenced in footnote 4 that are reported herein.
- (4) With respect to the 721 shares personally owned by Rick Jackson reported in lines 7 and 9 above.

EXPLANATORY NOTES

This Amendment No. 4 to Schedule 13D (this “Amendment No. 4”) is being filed jointly by Jackson Investment Group, LLC (“JIG LLC”) and Richard L. Jackson and amends the statement on the Schedule 13D that was originally filed jointly by JIG LLC and Richard L. Jackson with the Securities and Exchange Commission (the “Commission”) on February 7, 2017 and was amended on March 23, 2017, April 7, 2017 and August 8, 2017 (the “Statement”), with respect to the common stock, par value \$0.00001, of Staffing 360 Solutions, Inc. (the “Company”).

This Amendment No. 4 amends the Statement as specifically set forth herein. Unless otherwise indicated herein, each capitalized term used but not otherwise defined herein shall have the meaning assigned to such term in the Statement.

Item 3. Source or Amount of Funds or Other Consideration.

Item 3 of the Statement is hereby further amended to add the following paragraphs:

On September 1, 2017, JIG LLC acquired a \$515,000 subordinated secured note of the Company (the “September 1, 2017 Note”). On September 18, 2017, JIG LLC acquired 2,250,000 shares of Common Stock as a commitment fee in connection with the acquisition by JIG LLC of a \$40,000,000 senior secured note of the Company (the “Secured JIG Note”). A portion of the proceeds of the sale of the Secured JIG Note were used to repay the existing subordinated notes previously issued to JIG LLC pursuant to the existing note purchase agreement (including the September 1, 2017 Note) in the aggregate principal amount of \$11,165,000 (collectively, the “Prior JIG Notes”). The maturity date for the amounts due under the Secured JIG Note is September 15, 2020.

The forms of the September 1, 2017 Note and the Secured JIG Note are Exhibits 1 and 2 hereto, respectively, and are incorporated herein by reference.

The purchase of the September 1, 2017 Note and the Secured JIG Note was funded by JIG LLC through use of its working capital funds. The source of those funds was distributions or loans from its various subsidiaries.

Item 5. Interest in Securities of the Issuer.

The introduction of Item 5 of the Statement is hereby amended and restated in its entirety to read as follows:

The following disclosure assumes 15,503,820 shares of Common Stock outstanding as of August 14, 2017, as reported in the Company’s Form 10-Q filed with the Commission on August 15, 2017.

Subparts (a) and (b) of Item 5 of the Statement are hereby amended and restated in their entirety to read as follows:

(a) Pursuant to Rule 13d-3 of the Securities Exchange Act, the Reporting Persons may be deemed to beneficially own 9,411,019 shares of Common Stock, which constitutes approximately 42.2% of the outstanding shares of Common Stock (assuming the exercise in full of the Amended Warrant held by the Reporting Persons as contemplated in Rule 13d-3). Of the shares deemed to be beneficially owned 4,527,537 are not outstanding and consist of shares which may be acquired by JIG LLC pursuant to the Amended Warrant at any time prior to January 25, 2022. In addition to the 9,411,019 shares referenced above, Richard L. Jackson individually and beneficially owns 721 shares of Common Stock (which together with the 9,411,019 shares constitutes 42.2% of the outstanding shares of Common Stock of the Company). With the exception of the 721 shares personally owned, Richard L. Jackson disclaims beneficial ownership of all of the shares reported to be beneficially owned by him except to the extent of his pecuniary interest therein.

(b) The Reporting Persons share the power to vote and direct the disposition of 9,411,019 shares of Common Stock reported as being beneficially owned. Richard L. Jackson has the sole power to vote and direct the disposition of the 721 shares of Common Stock reported as being beneficially owned by him.

Subpart (c) of Item 5 is hereby further amended to add the following paragraph:

(c) On September 1, 2017, JIG LLC acquired the September 1, 2017 Note in the principal amount of \$515,000. No commitment shares were issued in connection with the acquisition of the September 1, 2017 Note.

On September 18, 2017, JIG LLC acquired from the Company in a private transaction a \$40,000,000 senior secured note of the Company. A portion of the proceeds of the sale of the Secured JIG Note were used to repay the Prior JIG Notes (which include the September 1, 2017 Note). The Secured JIG Note is more fully described in Items 3 and 6. For its commitment to acquire the Company's Secured JIG Note, JIG LLC received 2,250,000 shares of Common Stock at the closing on September 18, 2017.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 of the Statement is hereby further amended to add the following paragraphs:

The responses to Items 3 and 5 and Exhibits 1 through 2 are incorporated herein.

On September 1, 2017, JIG LLC entered into an additional financing transaction pursuant to a Third Omnibus Amendment and Reaffirmation Agreement, dated September 1, 2017 (the "Third Omnibus Agreement") by and among JIG LLC, the Company and certain of its subsidiaries as guarantors (the "Subsidiary Guarantors"). The form of the Third Omnibus Agreement is Exhibit 3 hereto and is incorporated herein by reference.

On September 1, 2017 in accordance with the terms of the Third Omnibus Agreement, the Company issued to JIG LLC for an aggregate purchase price of \$515,000, the September 1, 2017 Note in the aggregate principal amount of \$515,000 which accrues interest at a rate of twelve percent (12%) per annum and has a maturity date of October 2, 2017. The Subsidiary Guarantors guaranteed to JIG LLC the prompt payment of the obligations of the Company owed to JIG LLC under the Third Omnibus Agreement, including the repayment of the September 1, 2017 Note.

On September 15, 2017, the Company, as borrower, and certain domestic subsidiaries of the Company, as guarantors, entered into an Amended and Restated Note Purchase Agreement with JIG LLC, as lender (the "A&R Note Purchase Agreement"), pursuant to which JIG LLC made a senior debt investment of \$40 million in the Company in exchange for the Secured JIG Note in the principal amount of \$40 million. The proceeds of the sale of the Secured JIG Note were used to (1) repay the Prior JIG Notes (which include the September 1, 2017 Note) in the aggregate principal amount of \$11,165,000, (2) repay certain other outstanding indebtedness of the Company and (3) fund a portion of the purchase price consideration of two separate acquisitions by affiliates of the Company: (a) an acquisition of substantially all of the assets of Firstpro Inc. ("FPI"), Firstpro Georgia, LLC ("FPL", and together with FPI, the "Sellers") pursuant to that certain Asset Purchase Agreement, dated September 14, 2017, by and among Staffing 360 Georgia, LLC ("Staffing Georgia"), a wholly-owned subsidiary of the Company, the Sellers and certain individuals (the "Firstpro Transaction"); and (b) an acquisition of all of the outstanding stock and stock options of CBS Butler Holdings Limited ("CBS Butler") by Longbridge Recruitment 360 Limited ("Longbridge"), a wholly-owned subsidiary of the Company, pursuant to that certain Agreement to Buy the Shares in CBS Butler Holdings Limited (the "Share Purchase Agreement"), dated September 15, 2017, by and among Longbridge, the Company and the CBS Butler stockholders as well as those certain agreements (the "Option Purchase Agreements") with each holder of outstanding options of CBS Butler (the "CBS Butler Transaction").

The maturity date for the amounts due under the Secured JIG Note is September 15, 2020. The Secured JIG Note will accrue interest at 12% per annum, due quarterly on January 1, April 1, July 1 and October 1 in each year, with the first such payment due on January 1, 2018. Interest on any overdue payment of principal or interest due under the Secured JIG Note will accrue at a rate per annum that is 5% in excess of the rate of interest otherwise payable thereunder. Neither the principal amount nor the interest on the principal amount of the Secured JIG Note is convertible into shares of Common Stock.

The Company may prepay the amounts due on the Secured JIG Note in whole or in part from time to time, without penalty or premium, subject to the conditions set forth in the A&R Note Purchase Agreement, and such prepayments, depending on the timing of the prepayments, may result in a discount on the principal amount to be prepaid as set forth in the A&R Note Purchase Agreement.

The Company paid a closing fee of \$1,000,000 in connection with its entry into the A&R Note Purchase Agreement and agreed to issue 2,250,000 shares of the Company's common stock as a closing commitment fee (the "September 2017 Commitment Fee Shares"). The September 2017 Commitment Fee Shares are subject to registration rights in favor of JIG LLC and will be included in a resale registration statement which must be filed by the Company with the Commission no later than October 30, 2017.

The obligations of the Company under the Secured JIG Note are secured by liens on and security interests in substantially all of the personal property (other than accounts receivable) of the Company and certain domestic subsidiaries of the Company (the "Borrowers"), pursuant to the terms of the Intercreditor Agreement (as defined below).

The A&R Note Purchase Agreement also contains restrictions against incurrence of additional debt, payment of dividends or other distributions (whether in cash, securities or other property) on any equity interest of the Company, repayment of debt, consolidations, mergers, sales of assets or a change in control, and contains financial covenants.

The foregoing description of the A&R Note Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the A&R Note Purchase Agreement, a copy of which is attached hereto as Exhibit 4 and incorporated herein by reference.

In connection with JIG LLC's entry into the A&R Note Purchase Agreement, on September 15, 2017, JIG LLC, MidCap Funding X Trust, as successor-by-assignment to Midcap Financial Trust ("Midcap"), the Company and certain subsidiaries of the Company entered into an Intercreditor Agreement (the "Intercreditor Agreement"), setting forth the relative rights and priorities of (a) the lenders under an existing revolving loan facility with Midcap pursuant to that certain Credit and Security Agreement, dated as of April 8, 2015, as amended between Midcap and Borrowers (the "Credit Agreement") and (b) JIG LLC, in the common collateral securing the obligations under the Credit Agreement and the Secured JIG Note. Pursuant to the Intercreditor Agreement, the lien that secures the Borrowers' obligations under the Credit Agreement has priority in certain collateral, including all accounts, cash, certain deposit accounts, and proceeds from such collateral, and the lien that secures the obligations under the Secured JIG Note has priority in certain deposit accounts and all equity interests of any subsidiaries of the Company and all intercompany notes issued or payable to the Company or its subsidiaries party to the Credit Agreement or the A&R Note Purchase Agreement pledged as security to secure the obligations under the Secured JIG Note.

The foregoing description of the Intercreditor Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Intercreditor Agreement, a copy of which is attached hereto as Exhibit 5 and incorporated herein by reference.

Item 7. Material to Be Filed as Exhibits.

Item 7 of the Statement is hereby further amended to add the following exhibits:

- | | |
|-----------|--|
| Exhibit 1 | 12% Subordinated Secured Note, dated September 1, 2017, by and between the Company and JIG LLC |
| Exhibit 2 | 12% Senior Secured Note Due September 15, 2020, dated September 15, 2017, by and between the Company and JIG LLC |
| Exhibit 3 | Third Omnibus Amendment and Reaffirmation Agreement, dated September 1, 2017 by and among JIG LLC, the Company and the Subsidiary Guarantors |
| Exhibit 4 | Amended and Restated Note Purchase Agreement, dated September 15, 2017, by and among the Company, certain subsidiaries of the Company and JIG LLC, incorporated herein by reference to Exhibit 10.3 to the Issuer's Current Report on Form 8-K for September 15, 2017 (File No. 001-37575) filed on September 19, 2017 |
| Exhibit 5 | Intercreditor Agreement, dated September 15, 2017, by and among Company, certain subsidiaries of Company, MidCap and JIG LLC, incorporated herein by reference to Exhibit 10.4 to the Issuer's Current Report on Form 8-K for September 15, 2017 (File No. 001-37575) filed on September 19, 2017 |
| Exhibit 6 | Joint Filing Agreement dated February 6, 2017 (attached as Exhibit 99.6 to the Schedule 13D filed by the Reporting Persons (File No. 005-86738) with the Commission on February 6, 2017 and incorporated herein by reference) |

SIGNATURES

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: September 21, 2017

JACKSON INVESTMENT GROUP, LLC

By: /s/ Jackson Investment Group, LLC, by Richard L. Jackson, CEO
Richard L. Jackson, Chief Executive Officer

Date: September 21, 2017

RICHARD L. JACKSON

/s/ Richard L. Jackson

September 1, 2017 Note

(See attached)

THIS NOTE HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT. THIS NOTE MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

THE INDEBTEDNESS AND SECURITIES EVIDENCED HEREBY ARE SUBORDINATED IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THAT CERTAIN SUBORDINATION AGREEMENT (AS AMENDED, RESTATED, SUPPLEMENTED OR MODIFIED FROM TIME TO TIME, THE "SUBORDINATION AGREEMENT"), DATED AS OF JANUARY 25, 2017, BY AND AMONG JACKSON INVESTMENT GROUP, LLC, A GEORGIA LIMITED LIABILITY COMPANY, ("SUBORDINATED LENDER"), STAFFING 360 SOLUTIONS, INC., A DELAWARE CORPORATION ("PARENT"), CERTAIN OF THE PARENT'S SUBSIDIARIES PARTY THERETO AND MIDCAP FUNDING X TRUST, IN ITS CAPACITY AS AGENT (TOGETHER WITH ITS AFFILIATES AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, "SENIOR AGENT") FOR THE SENIOR LENDERS (AS DEFINED IN THE SUBORDINATION AGREEMENT), AND EACH HOLDER AND TRANSFEREE OF THIS INSTRUMENT OR AGREEMENT, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

12% SUBORDINATED SECURED NOTE

\$515,000.00

September 1, 2017

FOR VALUE RECEIVED, the undersigned, STAFFING 360 SOLUTIONS, INC., a Delaware corporation (the "Company"), hereby promises to pay to JACKSON INVESTMENT GROUP, LLC (together with its successors and assigns, the "Purchaser"), the principal sum of FIVE HUNDRED FIFTEEN THOUSAND DOLLARS (\$515,000.00) on October 2, 2017 (or such earlier date upon any acceleration of this Note as provided for herein, the "Maturity Date"), together with interest (computed on the basis of a 360-day year of twelve 30 day months) (a) on the unpaid balance hereof at the rate of twelve percent (12%) per annum, accruing from and after the date hereof and until the entire principal balance of this 12% Subordinated Secured Note (this "Note") shall have been repaid in full, and (b) to the extent permitted by law, on any overdue payment of principal or interest, at a rate per annum from time to time equal to five percent (5%) in excess of the rate of interest otherwise payable hereunder.

Payments of principal, interest and any other amount due with respect to this Note are to be made in lawful money of the United States of America at the address of the Purchaser as specified in Section 10.1 of the Purchase Agreement (defined below) or at such other place as shall have been designated by the Purchaser by written notice from the Purchaser to the Company.

This Note has been issued pursuant to that certain Note and Warrant Purchase Agreement, dated as of January 25, 2017, among the Company, the Subsidiary Guarantors party thereto and the Purchaser, as amended by that certain Omnibus Amendment and Reaffirmation Agreement dated as of April 5, 2017, among Company, the Subsidiary Guarantors and the Purchaser and that certain Second Omnibus Amendment and Reaffirmation Agreement dated as of the date hereof, among Company, the Subsidiary Guarantors and the Purchaser (as so amended, and as the same may be further amended, restated supplemented or modified from time to time, the "Purchase Agreement"), and is entitled to the benefits thereof and is secured by and entitled to the benefits of the Security Documents and is guaranteed by each of the Subsidiary Guarantors pursuant to the guaranty provided for in Article 4 of the Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Purchase Agreement.

This Note evidences an advance made by Purchaser to the Company on the date hereof in the principal amount of \$515,000, (a) \$500,000 of which is to be used by the Company as specified in Exhibit A to the Pay Proceeds Letter executed and delivered by the Company to Purchaser in connection with such advance, and (b) \$15,000 of which is to be retained by the Purchaser and applied by the Purchaser to (i) the payment in advance of \$5,000 in accrued interest (calculated at the non-default rate) due to Purchaser under this Note for the period from the date of this Note through October 1, 2017, and (ii) the payment of \$10,000 due to the Purchaser, representing fees and expenses of Purchaser incurred in connection with the negotiation and closing of this Note, and a commitment fee due to the Purchaser in connection with the making of such advance. The Company acknowledges that the payment amounts described in the immediately preceding clause (b) shall be fully earned and non-refundable when paid on the date of this Note.

This Note is a registered Note and, as provided in the Purchase Agreement, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount (less any principal amount repaid prior to such transfer in accordance with the Purchase Agreement) will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary. The transfer or assignment of this Note by the Purchaser is subject to the provisions of Section 10.5 of the Purchase Agreement, and so long as no Default or Event of Default exists, the consent of the Company (which consent shall not be unreasonably withheld, delayed or conditioned).

This Note is subject to optional prepayment, in whole or from time to time in part, without penalty or premium, subject to the notice and other requirements as provided in Section 2.4(b) of the Purchase Agreement.

All accrued and unpaid interest on the outstanding principal balance of the Subordinated Note shall be due and payable in full on the Maturity Date.

If an Event of Default occurs and is continuing, the principal of this Note and accrued interest on this Note may be accelerated and declared or otherwise become due and payable in the manner and with the effect provided in the Purchase Agreement.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICTS OF LAWS). THE TERMS OF SECTIONS 10.12 AND 10.13 OF THE PURCHASE AGREEMENT WITH RESPECT TO SUBMISSION TO JURISDICTION, CONSENT TO SERVICE OF PROCESS, VENUE AND WAIVER OF JURY TRIAL ARE INCORPORATED HEREIN BY REFERENCE, MUTATIS MUTANDIS, AND THE COMPANY AGREES TO SUCH TERMS.

In no event shall the amount or rate of interest due and payable under this Note exceed the maximum amount or rate of interest allowed by Applicable Law and, in the event any such excess payment is made by the Company or received by Purchaser, such excess sum shall be credited as a payment of principal or, if no principal shall remain outstanding, shall be refunded to the Company. It is the express intent hereof that Company shall not pay and Purchaser not receive, directly or indirectly or in any manner, interest in excess of that which may be lawfully paid under Applicable Law.

The Company hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

STAFFING 360 SOLUTIONS, INC.

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Executive Chairman

Secured JIG Note

(See attached)

THIS NOTE HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT. THIS NOTE MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

12% SENIOR SECURED NOTE DUE SEPTEMBER 15, 2020

\$40,000,000.00

September 15, 2017

FOR VALUE RECEIVED, the undersigned, STAFFING 360 SOLUTIONS, INC., a Delaware corporation (the "Company"), hereby promises to pay to JACKSON INVESTMENT GROUP, LLC (together with its successors and assigns, the "Purchaser"), the principal sum of FORTY MILLION DOLLARS (\$40,000,000.00) on September 15, 2020 (or such earlier date upon any acceleration of this Note as provided for herein, the "Maturity Date"), together with interest (computed on the basis of a 360-day year of twelve 30 day months) (a) on the unpaid balance hereof at the rate of twelve percent (12.00%) per annum, accruing from and after September 18, 2017 and until the entire principal balance of this 12% Senior Secured Note (this "Note") shall have been repaid in full, and (b) to the extent permitted by law, on any overdue payment of principal or interest, at a rate per annum from time to time equal to five percent (5%) in excess of the rate of interest otherwise payable hereunder.

Payments of principal, interest and any other amount due with respect to this Note are to be made in lawful money of the United States of America at the address of the Purchaser as specified in Section 10.1 of the Purchase Agreement (defined below) or at such other place as shall have been designated by the Purchaser by written notice from the Purchaser to the Company.

This Note has been issued pursuant to that certain Amended and Restated Note Purchase Agreement, dated as of the date hereof (as amended, restated supplemented or modified from time to time, the "Purchase Agreement"), among the Company, the Subsidiary Guarantors party thereto and the Purchaser, and is entitled to the benefits thereof and is secured by and entitled to the benefits of the Security Documents and is guaranteed by each of the Subsidiary Guarantors pursuant to the guaranty provided for in Article 4 of the Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Purchase Agreement.

This Note is a registered Note and, as provided in the Purchase Agreement, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount (less any principal amount repaid prior to such transfer in accordance with the Purchase Agreement) will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary. The transfer or assignment of this Note by the Purchaser is subject to the provisions of Section 10.5 of the Purchase Agreement, and so long as no Default or Event of Default exists, the consent of the Company (which consent shall not be unreasonably withheld, delayed or conditioned).

This Note is subject to optional prepayment, in whole or from time to time in part, without penalty or premium, subject to the notice and other requirements as provided in Section 2.3(b) of the Purchase Agreement. Subject to certain conditions and limitations as set forth in Section 2.3(c) of the Purchase Agreement, under certain circumstances a portion of the principal balance of this Note may be forgiven by the Purchaser in an amount and to the extent provided for in Section 2.3(c) of the Purchase Agreement.

All accrued and unpaid interest on the outstanding principal balance of this Note shall be due and payable quarterly on January 1, April 1, July 1 and October 1 in each year on and after the date hereof (with the first such quarterly payment due on January 1, 2018 to include interest accruing from the Closing Date) and on the Maturity Date, provided that upon any prepayment of this Note or any portion thereof, accrued and unpaid interest shall be payable with respect to the principal amount of this Note so prepaid on such date of prepayment. Any overdue or default interest on this Note shall be due and payable on demand.

If an Event of Default occurs and is continuing, the principal of this Note and accrued interest on this Note may be accelerated and declared or otherwise become due and payable in the manner and with the effect provided in the Purchase Agreement.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICTS OF LAWS). THE TERMS OF SECTIONS 10.12 AND 10.13 OF THE PURCHASE AGREEMENT WITH RESPECT TO SUBMISSION TO JURISDICTION, CONSENT TO SERVICE OF PROCESS, VENUE AND WAIVER OF JURY TRIAL ARE INCORPORATED HEREIN BY REFERENCE, MUTATIS MUTANDIS, AND THE COMPANY AGREES TO SUCH TERMS.

In no event shall the amount or rate of interest due and payable under this Note exceed the maximum amount or rate of interest allowed by Applicable Law and, in the event any such excess payment is made by the Company or received by Purchaser, such excess sum shall be credited as a payment of principal or, if no principal shall remain outstanding, shall be refunded to the Company. It is the express intent hereof that Company shall not pay and Purchaser not receive, directly or indirectly or in any manner, interest in excess of that which may be lawfully paid under Applicable Law.

The Company hereby waives presentment, demand, protest or notice of any kind in connection with this Note. Time is of the essence of this Note.

STAFFING 360 SOLUTIONS, INC.

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Executive Chairman

Third Omnibus Agreement

(See attached)

THIRD OMNIBUS AMENDMENT AND REAFFIRMATION AGREEMENT

THIS THIRD OMNIBUS AMENDMENT AND REAFFIRMATION AGREEMENT (this “**Agreement**”), dated as of September 1, 2017, is by and among Staffing 360 Solutions, Inc. (the “**Company**”), Faro Recruitment America, Inc. (“**Faro**”), Monroe Staffing Services, LLC (“**Monroe**”), Longbridge Recruitment 360 Limited (“**Longbridge**”), The JM Group (IT Recruitment) Limited (“**JM**”), PeopleServe, Inc. (“**PSI**”), PeopleServe PRS, Inc. (“**PRS**”), and Lighthouse Placement Services, Inc. (“**Lighthouse**” and together with each of the Company, Faro, Monroe, Longbridge, JM, PSI and PRS, collectively, the “**Obligors**”) and Jackson Investment Group, LLC (the “**Purchaser**”).

WHEREAS, the Obligors and the Purchaser are parties to that certain Note and Warrant Purchase Agreement, dated as of January 25, 2017, as amended by that certain (i) Omnibus Amendment and Reaffirmation Agreement dated as of April 5, 2017 among Obligors and the Purchaser and (ii) Second Omnibus Amendment and Reaffirmation Agreement dated as of August 2, 2017 among Obligors and the Purchaser (as so amended and as the same may further be amended, restated, supplemented or otherwise modified from time to time, the “**Purchase Agreement**”; capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Purchase Agreement) pursuant to which the Company issued (i) that certain Subordinated Secured Promissory Note, dated January 25, 2017, in the principal amount of \$7,400,000 (as amended, restated, supplemented or otherwise modified from time to time, the “**Original Subordinated Note**”), (ii) that certain Subordinated Secured Promissory Note, dated April 5, 2017 in the principal amount of \$1,650,000 (as amended, supplemented, restated or otherwise modified from time to time, the “**Second Subordinated Note**”), and (iii) that certain 10% Subordinated Secured Promissory Note, dated August 2, 2017 in the principal amount of \$1,600,000 (as amended, supplemented, restated or otherwise modified from time to time, the “**Third Subordinated Note**”; together with the Original Subordinated Note referred to herein as the “**Prior Notes**”) to the Purchaser in exchange for the purchase price therefore;

WHEREAS, simultaneously with the execution and delivery of this Agreement, the Company desires to issue a new 12% Subordinated Secured Promissory Note dated the date hereof in the principal amount of \$515,000 (as amended, supplemented, restated or otherwise modified from time to time, the “**Fourth Subordinated Note**”) pursuant to the terms of the Purchase Agreement;

WHEREAS, the obligations of the Company and the other Obligors under the Fourth Subordinated Note, the Prior Notes and the Purchase Agreement are and shall be secured by (i) that certain Security Agreement, dated as of January 25, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “**Security Agreement**”), by and among the Obligors and the Purchaser and (ii) that certain Pledge Agreement, dated as of January 25, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “**Pledge Agreement**”); and

WHEREAS, it is a condition precedent to the issuance of the Fourth Subordinated Note and the payment of the purchase price by the Purchaser for such note, that the parties enter into this Agreement to, among other things, (i) provide that the obligations of the Company in respect of the Fourth Subordinated Note, together with the Prior Notes and all other “Obligations” as such term is defined in the Purchase Agreement, are and at all times hereafter shall continue to be guaranteed by the Subsidiary Guarantors pursuant to Article 4 of the Purchase Agreement and secured by the liens and security interests granted by the Obligors pursuant to the Security Agreement and the Pledge Agreement and (ii) amend certain provisions of the Purchase Agreement.

NOW THEREFORE, in order to induce the Purchaser to purchase the Fourth Subordinated Note and make available to the Borrower the proceeds thereof in accordance with the terms thereof and of the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to the Purchase Agreement.

A. Section 1.1 is hereby amended by amending and restating the following defined terms in their entirety with the applicable definitions set forth below:

“Closing” means, collectively or individually, as context may require, the Original Closing, the Second Closing, the Third Closing and the Fourth Closing.

“Closing Date” means, collectively or individually, as context may require, the Original Closing Date, the Second Closing Date, the Third Closing Date and the Fourth Closing Date.

“Maturity Date” means (i) in respect of the Original Subordinated Note, July 25, 2018, or such earlier date upon the acceleration thereof pursuant to Section 9.2 hereof, (ii) in respect of the Second Subordinated Note, June 8, 2019, or such earlier date upon the acceleration thereof pursuant to Section 9.2 hereof; provided, that in the event that the Obligors’ Debt under the MidCap Credit Agreement is at any time hereafter discharged by payment in full in cash or if otherwise consented to in writing by MidCap Senior Agent, the “Maturity Date” in respect of the Second Subordinated Note shall be July 25, 2018, or such earlier date upon the acceleration thereof pursuant to Section 9.2 hereof, (iii) in respect of the Third Subordinated Note, October 2, 2017, or such earlier date upon the acceleration thereof pursuant to Section 9.2 hereof, and (iv) in respect of the Fourth Subordinated Note, October 2, 2017, or such earlier date upon the acceleration thereof pursuant to Section 9.2 hereof.

“Obligations” shall mean all present and future debt, liabilities and obligations of the Company owing to the Purchaser, or any Person entitled to indemnification hereunder, or any of their respective successors, permitted transferees or permitted assigns, arising under or in connection with this Agreement, the Original Subordinated Note, the Second Subordinated Note, the Third Subordinated Note, the Fourth Subordinated Note or any other Note Document.

“Pay Proceeds Letter” means (i) in respect of the Original Subordinated Note, that certain Pay Proceeds Letter, dated the Original Closing Date, executed by the Company and addressed to the Purchaser, (ii) in respect of the Second Subordinated Note, that certain Second Pay Proceeds Letter, dated the Second Closing Date, executed by the Company and addressed to the Purchaser, (iii) in respect of the Third Subordinated Note, that certain Pay Proceeds Letter, dated as of the Third Closing Date, executed by the Company and addressed to the Purchaser, and (iv) in respect of the Fourth Subordinated Note, that certain Pay Proceeds Letter, dated as of the Fourth Closing Date, executed by the Company and addressed to the Purchaser.

“Subordinated Note” means, collectively or individually, as the context may require, the Original Subordinated Note, the Second Subordinated Note, the Third Subordinated Note and the Fourth Subordinated Note.

“Transaction Documents” means collectively, this Agreement, the Original Subordinated Note, the Second Subordinated Note, the Third Subordinated Note, the Fourth Subordinated Note, the Security Documents, the Warrant Documents, the Post-Closing Letter Agreement, the MidCap Intercreditor Agreement, the Acknowledgment and Reaffirmation Agreement, the Pay Proceeds Letter, together with any other guaranty now or hereafter executed by any Obligor in favor of the Purchaser, and all consents, notices, documents, certificates and instruments heretofore, now or hereafter executed by or on behalf of any Obligor, and delivered to the Purchaser in connection with this Agreement, the Security Documents, the Warrant or the transactions contemplated thereby, each as amended, restated, supplemented or otherwise modified from time to time.

B. Section 1.1 of the Purchase Agreement is hereby further amended by adding the following new definitions in appropriate alphabetical order:

“Fourth Closing” shall mean the closing of the purchase and sale of the Fourth Subordinated Note, and the payment of the Fourth Purchase Price therefor, as contemplated by this Agreement and the other Transaction Documents.

“Fourth Closing Date” shall mean the date upon which all conditions in Section 4 of the Third Omnibus Agreement have been satisfied (or waived in writing by Purchaser in its sole discretion) and the Fourth Closing has occurred.

“Fourth Subordinated Note” shall mean, collectively, the 12% Subordinated Secured Promissory Note, dated the Fourth Closing Date, in the principal amount of Five Hundred Fifteen Thousand Dollars (\$515,000) issued by the Company to the Purchaser on the Fourth Closing Date pursuant to Section 2.1(c), and each other subordinated promissory note now or hereafter delivered to the Purchaser in substitution, replacement or exchange thereof, in each case as amended, restated, supplemented or modified from time to time pursuant to the provisions of this Agreement.

“Third Omnibus Agreement” means that certain Third Omnibus and Reaffirmation Agreement, dated as of September 1, 2017, by and among the Obligor and the Purchaser as may be amended, restated, supplemented or otherwise modified from time to time.

C. Section 2 of the Purchase Agreement is hereby amended by adding a new Section 2.1(d) immediately following Section 2.1(c) to read in its entirety as follows:

2.1(d) Purchase and Sale of Fourth Subordinated Note. The Company hereby agrees to sell to the Purchaser and, subject to the terms and conditions set forth herein and in reliance upon the representations and warranties of the Company contained herein, Purchaser agrees to purchase from the Company the Fourth Subordinated Note for an aggregate total purchase price of Five Hundred Fifteen Thousand Dollars (\$515,000) (the “Fourth Purchase Price”), subject to the conditions as provided below in this Section and to the satisfaction of each of the conditions precedent set forth in Section 4 of the Second Omnibus Agreement, to be paid in a single advance of Five Hundred Fifteen Thousand Dollars (\$515,000) (the “Fourth Advance”) on the Fourth Closing Date, as provided in the immediately succeeding sentence. Upon satisfaction of all conditions to the Fourth Closing set forth in Section 4 of the Second Omnibus Agreement, at the Fourth Closing the Purchaser shall pay the Fourth Advance to the Company by wire transfer pursuant to the instructions of the Company as set forth in the Fourth Pay Proceeds Letter; provided that \$15,000 of the Fourth Advance shall be retained by the Purchaser and applied by the Purchaser to (i) the payment in advance of \$5,000 in accrued interest (calculated at the non-default rate) due to Purchaser under the Fourth Subordinated Note for the period from September 1, 2017 through October 1, 2017, and (ii) the payment of \$10,000 due to the Purchaser, representing fees and expenses (including attorney fees) incurred by the Purchaser, and a commitment fee due to the Purchaser, in connection with the making of the Fourth Advance. The Company acknowledges that the payment amounts described in the immediately preceding proviso shall be fully earned and non-refundable when paid on the Fourth Closing. For the avoidance of doubt, if the conditions precedent set forth in Section 4 of the Second Omnibus Agreement are not satisfied (or waived in writing by Purchaser in its sole discretion), then Purchaser shall be under no obligation to purchase the Fourth Subordinated Note and pay the Fourth Purchase Price and, in such case, Purchaser shall return to the Company the Fourth Subordinated Note, which shall not be considered issued and outstanding unless and until the Fourth Closing has occurred (as evidenced by payment of \$500,000 of the Fourth Advance to the Company as provided above in this Section 2.1(d) on the Fourth Closing Date).

D. Section 2 of the Purchase Agreement is hereby further amended by deleting the first sentence of Section 2.3(b) in the entirety and replacing it with the following:

2.3(b) Notwithstanding anything to the contrary contained in Original Subordinated Note or any other Subordinated Note or Transaction Document, the Purchaser shall have the sole option (exercised in its sole discretion) to receive, in lieu of any cash interest payment otherwise due and payable under any Subordinated Note (other than the Third Subordinated Note and the Fourth Subordinated Note, which shall be cash pay interest only), up to one-half (50%) of such cash interest payment in the form of duly authorized, validly issued, fully paid and non-assessable shares of Common Stock of the Company, at the conversion rate of \$1.50 per share of Common Stock and on the terms as further specified in the Original Subordinated Note and the Second Subordinated Note.

E. Amendments to Security Documents.

(i) The Security Agreement is hereby amended as follows: (i) the term “Secured Obligations” as defined in the Security Agreement shall be deemed to include, without limitation, the following additional obligations (a) all obligations, covenants, agreements and liabilities, of the Company and the other Obligors under the Transaction Documents (including, without limitation, the Fourth Subordinated Note), and (b) the obligation of the Company to pay all amounts when due under the Fourth Subordinated Note and the other Transactions Documents including, without limitation, all principal, accrued interest, fees and other amounts, (ii) all references in the Security Agreement to the “Note” shall be deemed to also refer to the Fourth Subordinated Note and (ii) all references in the Security Agreement to the “Note Documents” shall be deemed to refer to the Transaction Documents as defined in the Purchase Agreement as amended hereby.

(ii) The Pledge Agreement is hereby amended as follows: (i) the term “Secured Obligations” as defined in the Pledge Agreement shall be deemed to include, without limitation, the following additional obligations (a) all obligations, covenants, agreements and liabilities, of the Company and the other Obligors under the Transaction Documents (including, without limitation, the Fourth Subordinated Note and (b) the obligation of the Company to pay all amounts when due under the Fourth Subordinated Note and the other Transactions Documents including, without limitation, all principal, accrued interest, fees and other amounts, (ii) all references in the Pledge Agreement to the “Note” shall be deemed to also refer to the Fourth Subordinated Note and (ii) all references in the Pledge Agreement to the “Note Documents” shall be deemed to refer to the Transaction Documents as defined in the Purchase Agreement as amended hereby.

3. Reaffirmation. Each of the Obligors hereby reaffirms (a) all of its obligations under the Transaction Documents, and agrees that this Agreement and all documents, agreements and instruments executed in connection herewith do not operate to reduce or discharge any Obligor’s obligations under the Transaction Documents, and (b) the continuing security interests in its respective assets granted in favor of the Purchaser pursuant to the Security Documents. Each of the Obligors hereby (i) acknowledges and consents to the execution, delivery and performance of this Agreement and the Fourth Subordinated Note, (ii) acknowledges and agrees that its guarantee of the Obligations includes, without limitation, all principal, interest, fees and other amounts now or hereafter due by the Company under the Fourth Subordinated Note, and the other Transaction Documents, (iii) ratifies all the provisions of, and reaffirms its obligations under, the guarantee set forth in Article 4 of the Purchase Agreement and any other Transaction Document to which it is a party and confirms that all provisions of each such document are and shall remain in full force and effect in accordance with its terms, and (iv) reaffirms the continuing security interests in its assets granted in favor of the Purchaser pursuant to the Security Documents.

4. Conditions Precedent: This Agreement shall not become effective until and the obligations of the Purchaser to purchase the Fourth Subordinated Note and pay the Fourth Purchase Price therefore are subject to satisfaction (or waiver by the Purchaser in its sole discretion, which such waiver must be in writing signed by Purchaser and specifically reference this Section 4) of each of the following conditions:

A. No Injunction, etc. No action, proceeding, investigation, regulation or legislation shall have been instituted, threatened or proposed before any court, governmental agency or legislative body to enjoin, restrain, or prohibit, or to obtain substantial damages in respect of, or which is related to or arises out of, this Agreement or the Fourth Subordinated Note or the consummation of the transactions contemplated hereby or thereby, or which, in Purchaser's sole discretion, would make it inadvisable to consummate the transactions contemplated by this Agreement or the Fourth Subordinated Note.

B. Documentation. The Purchaser shall have received, on or prior to the Fourth Closing Date, the following, each in form and substance satisfactory to the Purchaser and its counsel:

(i) duly executed counterparts of this Agreement;

(ii) the Fourth Subordinated Note in the principal amount of Five Hundred Fifteen Thousand Dollars (\$515,000) duly executed and issued by the Company to the Purchaser;

(iii) the Pay Proceeds Letter, dated the date hereof (the "**Fourth Pay Proceeds Letter**") duly executed by the Company, directing application of the proceeds of the funded Fourth Purchase Price to (A) the payment in advance of accrued interest (calculated at the non-default rate) in the amount of \$5,000 on the Fourth Subordinated Note during the period from the date hereof through October 1, 2017, (B) the payment of fees and expenses of the Purchaser incurred in connection with the negotiation and closing of the Fourth Subordinated Note, and a commitment fee in respect of the advance evidenced by the Fourth Subordinated Note, in the aggregate \$10,000, (C) the remaining \$500,000 balance of the Fourth Advance as specified in the Fourth Pay Proceeds Letter; and

(v) delivery to Purchaser of a copy of resolutions adopted by the governing board of the Company and each Subsidiary Guarantor, authorizing the execution, delivery and performance of this Agreement, the Fourth Subordinated Note (in the case of the Company) and other related transaction documents;

C. MidCap Approval. Purchaser shall have received evidence satisfactory to it of the consent of MidCap Funding X Trust to the incurrence of Debt under the Fourth Subordinated Note pursuant to the terms and conditions of an amendment to the MidCap Intercreditor Agreement in a form and substance satisfactory to the Purchaser in its sole discretion.

D. No Material Adverse Effect. No Material Adverse Effect has occurred since December 31, 2016.

E. No Default, Etc. No Default or Event of Default shall exist.

F. Representations Accurate. All representations and warranties made by the Obligor contained herein or in any other Transaction Document shall be true and correct in all material respects on and as of the Fourth Closing Date. In addition to the foregoing, the Obligor hereby represent and warrant to the Purchaser that (i) since the Original Closing Date, no default, breach or other violation has occurred under or with respect to any Material Contract (including, without limitation, the Existing Senior Secured Debt Documents), (ii) no default, breach or other violation shall arise under any Material Contract (including, without limitation, the Existing Senior Secured Debt Documents) as a result of the Obligor's execution, delivery and performance of the Fourth Subordinated Note, this Agreement and the other Transaction Documents, including, without limitation, the incurrence of indebtedness under the Existing Senior Debt Documents and (iii) since the Original Closing, there have been no amendments, modifications, waivers, extensions, forbearances or other alterations of any Material Contract (including, without limitation, the Existing Senior Debt Documents).

G. Authorization to Disburse Proceeds of Fourth Purchase Price. The Company hereby authorizes the Purchaser to (i) deduct from the proceeds of the Fourth Purchase Price to be paid for the Fourth Subordinated Note pursuant to Section 2.1(d) of the Purchase Agreement, such fees and expenses, together with the accrued interest payable in advance, each as specified in Section 4(B)(iii) above of this Agreement, and (ii) disburse the balance of the Fourth Advance as per the instructions set forth in the Fourth Pay Proceeds Letter.

5. Release. The Obligor hereby remise, release, acquit, satisfy and forever discharge the Purchaser and its respective agents, employees, officers, directors, predecessors, attorneys and all others acting or purporting to act on behalf of or at the direction of the Purchaser of and from any and all manner of actions, causes of action, suit, debts, accounts, covenants, contracts, controversies, agreements, variances, damages, judgments, claims and demands whatsoever, in law or in equity, which any of such parties ever had or now has against the Purchaser and its respective agents, employees, officers, directors, attorneys and all persons acting or purporting to act on behalf of or at the direction of the Purchaser ("**Releasees**"), for, upon or by reason of any matter, cause or thing whatsoever arising from, in connection with or in relation to any of the Transaction Documents (including this Agreement) through the date hereof; provided, that the foregoing clause shall not apply to a Releasee in the event of fraud or willful misconduct of the such Releasee. Without limiting the generality of the foregoing, the Obligor waive and affirmatively agree not to allege or otherwise pursue any defenses, affirmative defenses, counterclaims, claims, causes of action, setoffs or other rights they do, shall or may have as of the date hereof, including, but not limited to, the rights to contest any conduct of the Purchaser or other Releasees on or prior to the date hereof; provided, that the foregoing clause shall not apply to a Releasee in the event of fraud or willful misconduct of such Releasee.

6. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy or other electronic transmissions, e.g. .pdf), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

7. This Agreement shall be deemed and shall constitute a "Note Document" and "Transaction Document" as such terms are defined in the Purchase Agreement. Except as modified and amended herein, the Purchase Agreement, the Security Agreement and Pledge Agreement remain in full force and effect.

8. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICTS OF LAWS).

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused this Third Omnibus Amendment and Reaffirmation Agreement to be duly executed by its authorized officers, and the Purchaser, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

COMPANY:

STAFFING 360 SOLUTIONS, INC.

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Executive Chairman

SUBSIDIARY GUARANTORS:

FARO RECRUITMENT AMERICA, INC.

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Executive Chairman

MONROE STAFFING SERVICES, LLC

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Executive Chairman

STAFFING 360 SOLUTIONS LIMITED

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Executive Chairman

LONGBRIDGE RECRUITMENT 360 LIMITED

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Executive Chairman

THE JM GROUP (IT RECRUITMENT) LIMITED

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Executive Chairman

PEOPLESERVE, INC.

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Executive Chairman

PEOPLESERVE PRS, INC.

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Executive Chairman

LIGHTHOUSE PLACEMENT SERVICES, INC.

By: /s/ David Faiman

Name: David Faiman

Title: Secretary and Treasurer

PURCHASER:

JACKSON INVESTMENT GROUP, LLC

By: /s/ Richard L. Jackson

Name: Richard L. Jackson

Title: Chief Executive Officer