State of Utah
DEPARTMENT OF COMMERCE
DIVISION OF SECURITIES
Protecting Investors; Promoting Commerce

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April 20, 1999

Mr. Floyd I. Wittlin
Richards & O'Neil, LLP
885 Third Avenue
New York NY 10022-4873

Re: Tender Loving Care Health Care Services, Inc. File #001-3829-24/B00122265

Dear Mr. Wittlin:

Pursuant to your letter dated April 14, 1999, the Utah Division of Securities ("Division") has reviewed your no-action request pursuant to § 61-1-25(5) of the Utah Uniform Securities Act ("Act") and § R164-25-5 of the Utah Administrative Code. Enclosed with your letter was Tender Loving Care Health Care Services, Inc.'s ("TLC") Form 10 as filed with the Securities and Exchange Commission. TLC is a wholly owned subsidiary of Staff Builders, Inc. (Staff Builders"). The transaction described therein is a tax-free distribution of all of TLC's common stock to holders Staff Builders.

Please be advised that based upon the facts presented, and in reliance upon your opinion as counsel, the Division will not recommend any enforcement or administrative action should transaction proceed as outlined in your request. To avoid unnecessary restatement or summarization the facts set forth in your request, a copy of your April 14, 1999 letter is attached.

This response does not purport to express any legal conclusions regarding the applicability of statutory or regulatory provisions of federal or state securities laws to the question presented. It merely expresses the Division's position on enforcement or other administrative actions.

Since this no-action letter is based upon the representations made to the Division, it should be noted that any different facts or conditions of a material nature might require a different conclusion. Furthermore, this no-action letter relates only to the applicant and their securities and shall have no value for future similar events. Nor does this letter absolve any party involved from complying with the anti-fraud provisions contained in § 61-1-1 of the Act.

Very truly yours,

UTAH DIVISION OF SECURITIES

Sharon A. Abbott

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April 14, 1999

VIA FEDERAL EXPRESS

David H.T. Wayment, Esq.
Senior Staff Attorney
Department of Commerce
Division of Securtiies
160 East 300 South, 2nd Floor
Salt Lake City, UT 84111

Re: Staff Builders, Inc.

Dear Mr. Wayment:

We represent Staff Builders, Inc., a Delaware corporation ("**Staff Builders**") and its wholly-owned subsidiary, Tender Loving Care Heath Care Services, Inc., a Delaware corporation ("**TLC**"), in connection with a proposed dividend by Staff Builders of all of the outstanding common stock, $.01 par value per share (the "**Common Stock**"), of TLC to Staff Builders' shareholders on a pro rata basis (the "**Distribution**"). On the effective date of the Distribution, one share of TLC's Common Stock will be distributed for every two shares of Staff Builders' common stock and each Staff Builders' shareholder will be provided with an information statement (the "**Information Statement**") which is substantially in compliance with the requirements of Schedule 14C pursuant to Section 14(c) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Enclosed herewith is a copy of the Registration Statement on Form 10 (which incorporates the Information Statement) which has been filed with the Securities and Exchange Commission ("**SEC**"). The Distribution has not yet occurred and there is no legal action, judicial or administrative, which relates, directly or indirectly, to the facts set forth in this letter.

We believe that TLC should not be required to register the Common Stock under the Utah Uniform Securities Act, as amended (the "**Utah Act**"), because no monetary value or other consideration will be received by Staff Builders or TLC in return for the Common Stock issued in the Distribution, and, therefore, the Distribution should not be considered a "sale" or a disposition "for value," as defined in the Utah Act. Accordingly, we respectfully request on behalf of Staff Builders that you confirm that no action will be taken by the Utah Division of Securities under the Utah Act or other applicable Utah laws if the Distribution is effected without TLC's Common Stock being registered under the Utah Act. In the alternative, we respectfully request on behalf of Staff Builders and TLC that the Utah Director of the Division of Securities not take enforcement action if the Distribution is effected without registration of the Common Stock under the Utah Act.

Staff Builders is engaged, through its subsidiaries, in the home health care and supplemental staffing business. The Distribution will result in a spin-off of the home health care business conducted by subsidiaries of TLC. Staff Builders is now, and will remain after the Distribution, a company reporting under the Exchange Act, with its common stock quoted on the OTC Bulletin Board. After the Distribution, TLC will be an independent public company, also subject to the reporting requirements under the Exchange Act. Staff Builders anticipates that the Common Stock of TLC will also be quoted on the OTC Bulletin Board.

Staff Builders has several reasons for the Distribution. The Distribution, among other things, will permit Staff Builders and TLC to focus their respective managerial and financial resources on the growth and development of their core businesses without regard to the corporate objectives and policies of the other. It will also create a separate and distinct identity for Staff Builders and TLC thus allowing financial analysts and institutional investors to better understand the merits of the two businesses and enhance the ability of TLC to raise capital and Staff Builders to raise capital outside the environment of tighter government regulation of the home health care industry and reduced government reimbursement for the provision of home health care services. Further, the Distribution will enable TLC to establish equity-based incentive compensation arrangements which will more effectively attract, retain and motivate employees by offering benefits that are more directly associated with the employees' efforts to improve the long-term performance of TLC.

TLC is not required to register the Distribution under the Securities Act of 1933, as amended (the "**Securities Act**") because the Distribution is not a "sale" or other "disposition for value" within the meaning of the Securities Act. Under the SEC's Staff Legal Bulletin No. 4, dated September 16, 1997, a distribution will not be deemed a "sale" or other "disposition for value" if: (i) the parent shareholders do not provide consideration for the distributed shares, (ii) the distribution is pro rata to the parent shareholders, (iii) the parent provides adequate information about the distribution and the spun off company to its shareholders and the trading markets, (iv) the parent has a valid business purpose for the spin-off and (v) in the event that the parent distributes "restricted securities," it has held such securities for at least two years. We believe that Staff Builders meets the five criteria and that the Distribution is not required to be registered under the Securities Act.

Although the Distribution does not need to be registered under the Securities Act, there is no related exemption under the Utah Act that exactly fits the Distribution. Therefore, Staff Builders is concerned that, although the Distribution is exempt from the registration requirements of the Securities Act, TLC may nonetheless be required to register the Common Stock under the Utah Act.

We believe that, although the Distribution is not specifically exempted from registration under the Utah Act, the Common Stock is not required to be registered under the Utah Act. Neither Staff Builders nor TLC will receive any consideration in return for the Common Stock issued in the Distribution, and consequently the Distribution is not a disposition "for value" as would normally require registration under the Utah Act. Because the Distribution is not "for value," it should not be considered a "sale" under the Utah Act. Thus, TLC should not be required to register the Common Stock as a result of the Distribution. Therefore, we respectfully request a no-action or interpretive opinion confirming that the Common Stock is not required to be registered under the Utah Act.

In the alternative, Staff Builders requests confirmation that the Utah Director of the Division of Securities will not take any enforcement action if the Distribution is effected without registration of the Common Stock under the Utah Act. In addition to the Distribution being different from a typical disposition of securities "for value" as would require registration of such securities under the Utah Act, we believe that registration of the Common Stock under the Utah Act is not necessary because, among other things set forth in this letter, the Information Statement will be given to each of the shareholders of Staff Builders before the effective time of the Distribution. Furthermore, the shareholders of Staff Builders will receive a pro rata distribution and, immediately after the Distribution, they will retain the same percentage ownership of both Staff Builders and TLC as their percentage ownership of Staff Builders immediately prior to the Distribution. Therefore, we respectfully request that if you are unable to concur with our conclusion that the Distribution is not a "sale" under the Utah Act, that the Utah Director of the Division of Securities not take any enforcement action if the Distribution is effected without registration of the Common Stock under the Utah Act.

We anticipate receiving comments from the SEC in the next few weeks; accordingly, your prompt attention is appreciated. Enclosed herewith is a check for $120.00 representing the filing fee. Also enclosed are two duplicate copies of this letter, one of which we request acknowledged receipt of by signing that copy and returning it to the undersigned in the self-addressed stamped envelope enclosed.

If you have any question regarding this transaction, please call the undersigned at (212) 207-1766 or Franziska Klebe of this office at (212) 207-1294.

Very truly yours,

Floyd I. Wittlin

cc: Renee J. Silver, Esq., General Counsel of TLC
Franziska Klebe, Esq.
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