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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from Not Applicable to

Commission file number 0-25890

CENTURY BUSINESS SERVICES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	22-2769024
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

6480 Rockside Woods Boulevard South, Suite 330, Cleveland, Ohio	44131
(Address of Principal Executive Offices)	(Zip Code)

(Registrant's Telephone Number, Including Area Code) 216-447-9000

Former Name, Former Address and Former Fiscal Year, if Changed since Last Report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the proceeding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class of Common Stock	Outstanding at October 31, 2000
Par value $.01 per share	95,479,629

Exhibit Index is on page 16 of this report.

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	SEPTEMBER 30, 2000 (Unaudited)	DECEMBER 31, 1999
ASSETS		
Cash and cash equivalents	$ 39,051	$ 48,906
Restricted cash	17,567	17,246
Receivables, net of allowance of $14,549 and $13,272	205,541	188,359
Notes receivable - current	2,850	3,209
Income taxes recoverable	6,506	14,835
Deferred income taxes	7,212	9,912
Other current assets	11,966	13,001
Net assets of discontinued operations	28,000	36,813
Total current assets	318,693	332,281
Goodwill, net of accumulated amortization of $32,506 and $18,527	366,692	379,922
Fixed assets, net of accumulated depreciation and amortization of $31,079 and $21,792	63,857	56,148
Notes receivable - non-current	5,946	4,856
Other assets	17,425	14,136
TOTAL ASSETS	$ 772,613	$ 787,343
LIABILITIES		
Accounts payable	$ 41,237	$ 41,228
Notes payable and capitalized leases - current	5,242	6,534
Accrued expenses	38,573	50,833
Total current liabilities	85,052	98,595
Bank debt	145,000	144,000
Notes payable and capitalized leases - long term	2,137	1,345
Deferred income taxes	11,085	11,968
Accrued expenses	16,238	18,303
TOTAL LIABILITIES	259,512	274,211
STOCKHOLDERS' EQUITY		
Common stock	936	933
Additional paid-in capital	439,339	443,052
Retained earnings	75,207	74,170
Unearned ESOP	(1,795)	(1,795)
Treasury stock	(754)	(754)
Accumulated other comprehensive income (loss)	168	(2,474)
TOTAL STOCKHOLDERS' EQUITY	513,101	513,132
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 772,613	$ 787,343

See the accompanying notes to the condensed consolidated financial statements.

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(In thousands, except per share data)

	THREE MONTHS ENDED SEPTEMBER 30, 2000	THREE MONTHS ENDED SEPTEMBER 30, 1999	NINE MONTHS ENDED SEPTEMBER 30, 2000	NINE MONTHS ENDED SEPTEMBER 30, 1999
Revenue	$ 139,434	138,119	$ 459,818	408,743
Expenses:				
Operating	120,166	106,414	375,331	312,460
Corporate general and administrative	4,512	3,101	18,099	8,841
Merger-related	-	2,595	-	5,280
Depreciation and amortization	11,201	4,857	32,431	13,487
Interest expense	3,102	1,691	9,294	4,460
Other income, net	(666)	(1,281)	(2,795)	(3,989)
Total expenses	138,315	117,377	432,360	340,539
Income from continuing operations before income tax expense	1,119	20,742	27,458	68,204
Income tax expense	2,538	7,661	17,024	25,460
Net income (loss) from continuing operations	(1,419)	13,081	10,434	42,744
Income (loss) from operations of discontinued business, net of tax	546	(1,417)	(1,214)	(548)
Gain (loss) on disposal of discontinued business, net of tax	238	-	(8,183)	-
Net income (loss)	$ (635)	$ 11,664	$ 1,037	$ 42,196
Earnings (loss) per share:				
Basic:				
Continuing operations	$ (0.02)	$ 0.15	$ 0.11	$ 0.51
Discontinued operations	0.01	(0.02)	(0.10)	(0.01)
Net income	$ (0.01)	$ 0.13	$ 0.01	$ 0.50
Diluted:				
Continuing operations	$ (0.02)	$ 0.14	$ 0.11	$ 0.47
Discontinued operations	0.01	(0.02)	(0.10)	(0.01)
Net income (loss)	$ (0.01)	$ 0.12	$ 0.01	$ 0.46
Pro forma income data (from continuing operations):				
Net income as reported	$ (1,419)	$ 13,081	$ 10,434	$ 42,744
Pro forma adjustment to provision for income taxes	-	389	-	1,762
Pro forma net income (loss)	$ (1,419)	$ 12,692	$ 10,434	$ 40,982
Pro forma earnings per share:				
Basic	$ (0.02)	$ 0.15	$ 0.11	$ 0.48
Diluted	$ (0.02)	$ 0.14	$ 0.11	$ 0.45
Basic weighted average shares outstanding	93,645	87,014	93,615	84,557
Diluted weighted average shares outstanding	94,345	94,011	94,577	91,249

See the accompanying notes to the condensed consolidated financial statements.

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	NINE MONTHS ENDED SEPTEMBER 30, 2000	1999
NET CASH PROVIDED BY (USED IN) CONTINUING OPERATING ACTIVITIES	$ 18,425	$ (4,047)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from (additions to) notes receivable	(731)	926
Business acquisitions, net of cash acquired	(5,090)	(31,009)
Purchases of property and equipment	(18,317)	(27,614)
Proceeds from dispositions of property and equipment	711	337
Net cash used in investing activities	(23,427)	(57,360)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank debt	87,500	197,000
Payment of bank debt	(86,500)	(126,000)
Proceeds from notes payable	3,349	12,933
Payment of notes payable and capitalized leases	(9,326)	(53,169)
Proceeds from stock issuances, net	17	24,572
Proceeds from exercise of stock options and warrants, net	107	9,479
Pre-merger equity transactions	-	(2,363)
Net cash provided by (used in) financing activities	(4,853)	62,452
Net increase (decrease) in cash and cash equivalents	(9,855)	1,045
Cash and cash equivalents at beginning of period	48,906	43,593
Cash and cash equivalents at end of period	$ 39,051	$ 44,638

See the accompanying notes to the condensed consolidated financial statements.

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the opinion of management, the accompanying unaudited condensed consolidated interim financial statements reflect all adjustments (consisting of only normal and recurring adjustments) necessary to present fairly the financial position of Century Business Services, Inc. and Subsidiaries (Century) as of September 30, 2000 and December 31, 1999, and the results of their operations for the three and nine-month periods ended September 30, 2000 and 1999, and cash flows for the nine-month periods ended September 30, 2000 and 1999. The results of operations for such interim periods are not necessarily indicative of the results for the full year. The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and with instructions to Form 10-Q, and accordingly do not include all disclosures required by generally accepted accounting principles. The 1999 condensed consolidated balance sheet was derived from Century's audited consolidated balance sheet included in the Company's annual report on Form 10-K for the year ended December 31, 1999.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Certain reclassifications have been made to the 1999 financial statements to conform to the 2000 presentation.

Operating revenues are seasonal in nature with peak revenues occurring in the months of January through April. Thus, the three-month results are not indicative of results to be expected for the year.

2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents consist of funds held on deposit and short-term highly liquid investments with a maturity of three months or less at the date of purchase. At various times during the year, Century had deposits with financial institutions in excess of the $100,000 federally insured limit.

Restricted cash represents funds on deposit from clients for which the Company is administering and settling claims. A related liability for these funds is recorded in accrued expenses in the balance sheet.

3. CONTINGENCIES

Century is involved in litigation, arising in the normal course of business. While it cannot be predicted with certainty, management believes that the outcome of such litigation will not have a material adverse effect on Century's financial condition, results of operations or cash flows. See "Part II - Other Information, Item 1. Legal Proceedings" for additional information.

4. COMPREHENSIVE INCOME

Items considered other comprehensive income are the adjustments made for unrealized holding gains and losses on available-for-sale securities (primarily held by the discontinued operations) and foreign currency translation adjustments. Comprehensive income (loss) for the three months ended September 30, 2000 and 1999, was ($0.6 million) and $11.3 million, respectively. Comprehensive income for the nine months ended September 30, 2000 and 1999, was $3.7 million and $40.2 million, respectively.

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) - (continued)

5. EARNINGS PER SHARE

For the periods presented, Century presents both basic and diluted earnings per share. The following data shows the amounts (in thousands) used in computing earnings per share and the effect on the weighted average number of dilutive potential common shares. Included in potential dilutive common shares are contingent shares, which represent shares issued and placed in escrow that will not be released until certain performance goals have been met or exceeded.

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2000	1999	2000	1999
Denominator				
Basic				
Weighted average common shares	93,645	87,014	93,615	84,557
Diluted				
Warrants	-	6,359	-	6,164
Options	43	397	305	287
Contingent shares	657	241	657	241
Total	94,345	94,011	94,577	91,249

6. CONSOLIDATION AND INTEGRATION CHARGES

Consolidation and integration reserve balances as of December 31, 1999, activity during the nine-month period ended September 30, 2000, and the remaining reserve balances as of September 30, 2000, were as follows (in thousands):

	Lease Consolidation (1)	Severance & Benefits (2)
Reserve balance at December 31, 1999	$ 9,400	4,150
Amounts adjusted	(5,901)	(2,445)
Amounts charged to income	7	3,579
Amounts utilized	(56)	(2,733)
Reserve balance at September 30, 2000	$ 3,450	2,551

(1) Amounts designated as "adjusted" and "charged to income" are included in operating expense in the accompanying condensed consolidated statement of operations for the nine-month period ended September 30, 2000.

(2) Amounts designated as "adjusted" of ($2.4 million) are included in corporate general and administrative expense in the accompanying condensed consolidated statement of operations for the nine-month period ended September 30, 2000. Included in the $3.6 million designated as "amounts charged to income" are $3.0 million and $0.6 million, which are reported in corporate general and administrative expense and operating expense, respectively, in the accompanying condensed consolidated statement of operations for the same period.

During the fourth quarter of fiscal 1999, Century's Board of Directors approved a plan to consolidate several operations in multi-office markets and integrate certain back-office functions into a shared-services center. The plan included the consolidation of at least 60 office locations, the elimination of more than 200 positions (including Corporate), and the divestiture of four small, non-core businesses. Pursuant to the plan, Century recorded a consolidation and integration pre-tax charge of $27.4 million, which included $4.8 million for severance and $9.4 million for obligations under various noncancellable leases that were committed to prior to plan approval, for which no economic benefit to Century would be subsequently realized.

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) - Continued

6. CONSOLIDATION AND INTEGRATION CHARGES (continued)

As a result of executive management changes (including the replacement of Century's President and Chief Operating Officer) and certain strategic changes in the first quarter of fiscal 2000, Century revisited the extent of its planned integration and consolidation initiatives and extended the timing of certain office consolidations beyond one year. Century's Board of Directors approved the revision to the plan on March 31, 2000. Accordingly, Century reduced approximately $4.4 million of accruals originally provided for in the plan related to the aforementioned noncancellable lease obligations.

During the third quarter of 2000, Century reduced the lease accrual by $1.5 million for the planned consolidation in the Philadelphia market place that has been postponed. The consolidation of offices in Atlanta, Dallas, and Orlando were completed during the third quarter, with the remaining planned consolidations in progress. Severance amounts of $1.1 million were reversed during the third quarter, representing several business managers originally accrued for in the plan, which were either not terminated or did not receive a severance package. At the same time, the Company incurred $1.1 million of expense for several employees that were not accrued for under the original plan.

For the three-months ended September 30, 2000, Century recorded on a pre-tax basis net severance expense of $0.1 million, net credits of $1.5 million related to lease expense, and $0.1 million for other consolidation related charges. For the nine-months ended September 30, 2000, Century recorded on a pre-tax basis net severance expense of $1.7 million, net credits of $5.7 million related to lease expense, $1.5 million for other consolidation related charges, and $1.0 million related to the write-down on the divestiture of four non-core businesses.

At September 30, 2000, Century had a $3.5 million reserve for lease consolidation obligations, and a $2.6 million reserve for severance and benefits, designated to cover 112 employees.

7. DISCONTINUED OPERATIONS

In April 1999, Century adopted a formal plan to divest its risk-bearing specialty insurance segment, which is no longer part of Century's strategic long-term growth objectives. The risk-bearing specialty insurance segment, which includes Century Surety Company, Evergreen National Indemnity Company, and Continental Heritage Insurance Company, is reported as a discontinued operation and its net assets and results of operations are reported separately in the unaudited condensed consolidated financial statements.

On June 26, 2000, Century entered into a binding agreement for the sale of its risk-bearing specialty insurance segment, as well as American Inspection and Audit Services, Inc. and CSC Insurance Agency, Inc. (collectively, the Divested Entities) with Avalon National Corporation (ANC), subject to regulatory approval. ANC assigned its rights under the purchase agreement to ProFinance Holdings Corporation (which is a consortium of financial entities) and certain members of the risk-bearing division's management. On October 5, 2000, Century completed the sale of the Divested Entities for $28.0 million.

Revenues from the discontinued operations for the three-month periods ended September 30, 2000 and 1999 were $12.0 million and $12.4 million, respectively, and $34.0 million and $37.1 million for the nine-month periods ended September 30, 2000 and 1999, respectively.

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) - (continued)

8. SEGMENT REPORTING

On July 3, 2000, Century approved a plan to operate under a regional structure rather than by service line. Regional Directors were appointed to the following regions: Northeast, Great Lakes, Southeast, Midwest, Rocky Mountain, and Western. In addition to the six regions, certain business units will report under the National Practices group, as these units have a national platform to provide services to customers. Century has decided to manage the business by region effective July 3, 2000, although that the financial reports will not be fully functional to report by location until January 1, 2001. Therefore, the segment disclosures below depict the business by service lines, as previously reported.

Century's business units have been aggregated into four reportable segments: business solutions; benefits and insurance; performance consulting and technology solutions services. Segment information for the three and nine-month periods ended September 30, 2000 and 1999 is as follows:

	For the Three Months Ended September 30, 2000					
	Business Solutions	Benefits & Insurance	Perform. Consult.	Technology Solutions	Corporate and Other	Total
Revenue	79,991	44,930	4,013	10,500	-	139,434
Operating income (1)	7,080	10,531	697	720	240	19,268
Corporate gen. and admin. (1)	-	-	-	-	4,512	4,512
Depreciation and amortization	1,679	960	45	138	8,379	11,201
Interest expense	47	48	-	6	3,001	3,102
Other expense (income), net	(263)	(1,249)	(7)	254	599	(666)
Pre-tax income (loss)	5,617	10,772	659	322	(16,251)	1,119

	For the Three Months Ended September 30, 1999					
	Business Solutions	Benefits & Insurance	Perform. Consult.	Technology Solutions	Corporate and Other	Total
Revenue	78,591	42,120	5,863	11,545	-	138,119
Operating income	16,224	11,245	2,551	1,559	126	31,705
Corporate gen. and admin.	-	-	-	-	3,101	3,101
Merger-related	-	-	-	-	2,595	2,595
Depreciation and amortization	1,443	813	31	101	2,469	4,857
Interest expense	75	103	-	37	1,476	1,691
Other expense (income), net	(1,058)	212	(20)	(57)	(358)	(1,281)
Pre-tax income (loss)	15,764	10,117	2,540	1,478	(9,157)	20,742

	For the Nine Months Ended September 30, 2000					
	Business Solutions	Benefits & Insurance	Perform. Consult.	Technology Solutions	Corporate and Other	Total
Revenue	274,837	139,041	13,750	32,190	-	459,818
Operating income (1)	52,833	29,087	3,226	202	(861)	84,487
Corporate gen. and admin. (1)	-	-	-	-	18,099	18,099
Depreciation and amortization	4,984	2,302	122	382	24,641	32,431
Interest expense	374	178	8	8	8,726	9,294
Other income, net	(780)	(2,232)	(21)	(271)	509	(2,795)
Pre-tax income (loss)	48,255	28,839	3,117	83	(52,836)	27,458

	For the Nine Months Ended September 30, 1999					
	Business Solutions	Benefits & Insurance	Perform. Consult.	Technology Solutions	Corporate and Other	Total
Revenue	240,920	121,462	14,708	31,653	-	408,743
Operating income	61,197	29,887	6,193	1,997	(2,991)	96,283
Corporate gen. and admin.	-	-	-	-	8,841	8,841
Merger-related	-	-	-	-	5,280	5,280
Depreciation and amortization	3,860	2,245	85	270	7,027	13,487
Interest expense	208	481	-	184	3,587	4,460
Other income, net	(1,750)	(901)	(23)	(213)	(1,102)	(3,989)
Pre-tax income (loss)	58,879	28,062	6,131	1,756	(26,624)	68,204

(1) Includes consolidation and integration charges (credits) as discussed in Footnote 6 to the condensed consolidated financial statements.

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) - (continued)

9. NEW ACCOUNTING PRONOUNCEMENTS

In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements." SAB No. 101 summarizes certain of the SEC's views in applying generally accepted accounting principles to revenue recognition in financial statements. In March 2000, the SEC issued SAB No. 101A that delayed the implementation date of SAB 101. In June 2000, the SEC issued SAB 101B that further delayed the implementation date of SAB No. 101. Century must adopt SAB 101 no later than the fourth quarter of 2000. Century is currently evaluating the impact of adopting these statements on its financial position and operating results. The effect of the change, if any, would be recognized as a cumulative effect of a change in accounting principle as of January 1, 2000. Prior year financial statements will not be restated.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 (SFAS 133), "Accounting for Derivative Instruments and Hedging Activities." This statement establishes accounting and reporting standards for derivative instruments, including some derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. The Company will adopt SFAS 133 in 2001, in accordance with SFAS 137, which deferred the effective date of SFAS 133. The adoption of this standard in 2001 is not expected to have a material impact on Century's consolidated financial statements.

10. SUBSEQUENT EVENTS

On October 5, 2000, Century completed the sale of its risk-bearing insurance segment. See Footnote 7, "Discontinued Operations", for additional information.

On November 1, 2000, the Company completed the asset sale of its franchise operation of Century Small Business Solutions, Inc, to Fiducial Triple Check Inc., for approximately $5.4 million in cash, resulting in an estimated pretax loss of approximately $3.4 million. The sale transaction does not include the eight CBIZ-owned franchisee offices. Net proceeds from the sale will be used for debt reduction.

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Century Business Services, Inc. (Century) is a diversified services company, which acting through its subsidiaires provides professional outsourced business services to small and medium-sized companies, as well as individuals, government entities, and not-for-profit enterprises predominantly throughout the United States. Century provides integrated services in the following areas: accounting and tax; employee benefits; wealth management; property and casualty insurance; payroll; information systems consulting and human resource consulting. Century also provides valuation; litigation advisory; performance consulting; government relations; commercial real estate; wholesale insurance; healthcare consulting; medical practice management; worksite marketing; and capital advisory services.

RESULTS OF OPERATIONS

Revenue

Revenue increased to $139.4 million for the three-month period ended September 30, 2000, from $138.1 million for the comparable period in 1999, an increase of $1.3 million, or 1.0%. Such increase was primarily attributable to Century's acquisitions completed subsequent to the second quarter of 1999 that were accounted for under the purchase method of accounting, offset by a decline in revenue on a same-store sales basis. Revenue increased to $459.8 million for the nine-month period ended September 30, 2000, from $408.7 million for the comparable period in 1999, an increase of $51.1 million, or 12.5%. Such increase was primarily attributable to Century's acquisitions completed subsequent to 1999 that were accounted for under the purchase method of accounting, which accounted for $33.3 million of such increase, and internal growth.

For the companies with a full period of operations for the three-month period ended September 30, 2000 and 1999, revenue declined 1.5%, primarily due to revenue shortfalls in certain business units, including the performance consulting, valuation, and capital management business lines. For the companies with a full period of operations for the nine-month period ended September 30, 2000 and 1999, Century achieved an internal growth rate of 4.7%. The internal growth rate calculation includes all acquisitions accounted for as pooling-of-interests.

Expenses

Total expenses increased to $138.3 million for the three-month period ended September 30 2000, from $117.4 million for the comparable period in 1999, an increase of $20.9 million, or 17.8%. As a percentage of revenue, total expenses were 99.2% for the three-month period ended September 30, 2000 compared to 85.0% for the comparable period in 1999. Total expenses increased to $432.4 million for the nine-month period ended September 30 2000, from $340.5 million for the comparable period in 1999, an increase of $91.8 million, or 27.0%. As a percentage of revenue, total expenses were 94.0% for the nine-month period ended September 30, 2000 compared to 83.3% for the comparable period in 1999. The increase in total expense is related to the increase in operating expense, the change in the goodwill amortization period from 40 years to 15 years adopted October 1, 1999, and increased interest expense associated with Century's bank debt.

Operating expense increased to $120.2 million for the three-month period September 30, 2000, from $106.4 million for the comparable period in 1999, an increase of $13.8 million, or 12.9%. Operating expense increased to $375.3 million for the nine-month period ended September 30, 2000, from $312.5 million for the comparable period in 1999, an increase of $62.8 million, or 20.1%. As a percentage of revenue, operating expense for the three and nine-month periods ended September 30, 2000 was 86.2% and 81.6%, respectively, compared to 77.0% and 76.0% for the comparable periods. The increase in operating expense during 2000 was primarily due to acquisitions completed in 1999 and 2000 that were accounted for under the purchase method of accounting, increased compensation costs as a percentage of revenue, increased bad debt expense, and higher health care costs due to unfavorable claims experience, offset by consolidation and integration credits of $1.5 million related to the reversal of the lease accrual for the consolidation of the Philadelphia market that has been postponed.

Corporate general and administrative expense increased to $4.5 million for the three-month period ended September 30, 2000, from $3.1 million for the comparable period in 1999, an increase of $1.4 million. Corporate general and administrative expense increased to $18.1 million for the nine-month period ended September 30, 2000, from $8.8 million for the comparable period in 1999, an increase of $9.3 million. Such changes over the three and nine-month periods ended September 30, 2000, were primarily due to a) costs incurred in connection with the start-up of the shared services center, support of the Oracle application and other LINCS initiatives, b) legal fees associated with ongoing litigation, and c) severance expense (credits) related to Century's consolidation and integration initiatives.

Century incurred merger-related expenses of $2.6 million and $5.3 million for the three and nine-month periods ended September 30, 1999. Merger-related expenses are comprised primarily of professional fees incurred in transactions accounted for as poolings-of-interests and the salaries of internal employees dedicated to merger and acquisition activities. There were no merger-related expenses in 2000 as a result of the significant reduction in Century's acquisition program, and there were no transactions recorded as poolings-of-interests in such period.

Depreciation and amortization expense increased to $11.2 million for the three-month period ended September 30, 2000, from $4.9 million for the comparable period in 1999, an increase of $6.3 million, or 130.6%. Depreciation and amortization expense increased to $32.4 million for the nine-month period ended September 30, 2000, from $13.5 million for the comparable period in 1999, an increase of $18.9 million, or 140.5%. The increase in depreciation and amortization expense in 2000 is a result of a) goodwill associated with acquisitions completed in 1999 and 2000, b) the change in the goodwill amortization period from 40 years to 15 years beginning October 1, 1999, and c) increased depreciation expense related to the Oracle application placed into service on January 1, 2000, and other capital expenditures. The change in the goodwill amortization period resulted in an additional $3.6 million and $10.5 million of goodwill amortization expense for the three and nine-month periods ended September 30, 2000, respectively.

Interest expense increased to $3.1 million for the three-month period ended September 30, 2000, from $1.7 million for the comparable periods in 1999, an increase of $1.4 million, or 82.4%. Interest expense increased to $9.3 million for the nine-month period ended September 30, 2000, from $4.5 million for the comparable periods in 1999, an increase of $4.8 million, or 106.7%. The increase in interest expense is attributable to both the increase in the average bank debt outstanding for the period, as well as an increase in the interest rate from the prior year. The average bank debt balance and weighted-average interest rate for the three-month period ended September 30, 2000, was $147.1 million and 8.7%, respectively, compared to $93.8 million and 6.3% for the corresponding period in 1999.

Century recorded income taxes from continuing operations of $2.5 million and $17.0 million for the three and nine-month periods ended September 30, 2000, and $8.1 million and $27.2 million (including pro forma adjustments) for the three and nine-month periods ended September 30, 1999. Including pro forma adjustments, the effective tax rate increased to 226.8% from 38.8% for the three-month period ended September 30, 2000 and 1999, respectively, and to 62.0% from 39.9% (including pro forma adjustments) for the nine-month period ended September 30, 2000 and 1999, respectively. The increase in the effective tax rate is primarily attributable to increased goodwill amortization, as a result of the change in our goodwill amortization period from 40 years to 15 years effective October 1, 1999, the majority of which is not deductible for tax purposes. Income taxes are provided based on Century's anticipated annual effective rate.

The discontinued operation generated net operating income of $0.5 million compared to a net operating loss of $1.4 million for the three-month period ended September 30, 2000 and 1999, respectively, and a net operating loss of $1.2 million compared to a net operating loss of $0.5 million for the nine-month period ended September 30, 2000 and 1999, respectively. The $0.5 million net income from operations of the discontinued operations represents the recovery of the business, after incurring general operating losses and a write-off of deferred acquisition costs related to its the exit of the transportation line of business during the second quarter of 2000.

OTHER
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Total assets decreased to $772.6 million at September 30, 2000, from $787.3 million at December 31, 1999, which is primarily attributable to the write-down of the net assets of the discontinued operation from $36.8 at December 31, 1999, to $28.0 million at September 30, 2000. See Note 7, "Discontinued Operations", to the Condensed Consolidated Financial Statements. Total liabilities decreased to $259.5 million at September 30, 2000, from $274.2 million at December 31, 1999, which is primarily attributable to a decrease in accrued expenses of $14.3 million. Total stockholders' equity remained at $513.1 at September 30, 2000, and is attributable to net income for the first nine months of 2000 of $1.0 million, the adjustment of $2.5 million for unrealized losses on available-for-sale securities that were realized as the loss on sale of the discontinued operation, and a decrease in additional paid-in-capital of $3.7 million. The decrease in paid-in-capital is comprised of an increases of approximately $1.4 million related to stock released for additional purchase price, offset by a decrease of $5.1 million in the first quarter of 2000 related to a change in the purchase price composition (i.e. cash and common stock) of an acquisition that was completed near the end of 1999.

LIQUIDITY AND CAPITAL RESOURCES
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Century has two primary sources of liquidity: cash provided by operations and funds available from the bank credit facility. We may also generate liquidity from the sale of assets. During the quarter ended September 30, 2000, cash provided by operations was sufficient to fund our working capital requirements. As a result, we paid down borrowings under our credit agreement. Our principal uses of cash are to provide working capital for operations, service our obligations to pay interest and principal on our debt, and to provide funds for capital expenditures.

During the nine-month period ended September 30, 2000, cash and cash equivalents decreased $9.9 million to $39.1 million, from $48.9 million at December 31, 1999, as cash used in investing activities of $23.4 million and cash used in financing activities of $4.9 million exceeded cash provided by operating activities of $18.4 million.

Cash used in investing activities during the nine-month period ended September 30, 2000 were $23.4 million and consisted primarily of cash used in business acquisitions (related to the release of contingent purchase price for previously acquired businesses) and purchases of property and equipment. Significant purchases of property and equipment in the first nine months of 2000 are primarily attributable to the purchase of software from Oracle and related capital costs incurred to implement the enterprise-wide solution to integrate back office operations.

Cash used in financing activities during the nine-month period ended September 30, 2000 was $4.9 million and consisted primarily of proceeds of $90.8 million from the revolving credit facility and notes payable, less repayments of bank debt, notes payable and capitalized leases of $95.8 million. As acquisition activity has slowed, Century is currently focusing on growing the core business, controlling costs, and paying down the bank debt with excess cash from operations, as well as cash received from divestitures.

During the third quarter of 2000, Century completed an amendment to its existing credit facility with the banking group. Century is now in compliance with all debt covenants under the amended credit facility. A copy of the amendment is filed as an exhibit to this report. In the amendment Century agreed to use 75% of the net proceeds received from the disposition of the risk-bearing insurance company to pay down debt and permanently reduce the facility commitment amount. Covenants relating to the leverage ratio for permitted acquisitions, specified dispositions and permitted investment were changed, and a new covenant ties the level of borrowings to the level of accounts receivable. Interest rates were increased by 37.5 basis points.

FORWARD-LOOKING STATEMENTS

Statements included in the Form 10-Q, which are not historical in nature, are forward-looking statements made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward looking statements are commonly identified by the use of such terms as "intends", "estimates", "expects", "projects", "anticipates", "foreseeable future," "seeks", "believes", and words and phrases of similar import. Such statements are subject to certain risks, uncertainties or assumptions. Should one or more of these risks or assumptions materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Although the Company believes that the assumptions upon which such forward-looking statements are based are reasonable, it can give no assurance that such assumptions will prove to be correct. Factors that could cause actual results to differ materially from the Century's expectations ("Cautionary Statements") include: (i) Century's ability to acquire and finance additional businesses; (ii) Century's ability to adequately manage growth; (iii) Century's dependence on the current trend of outsourcing business services; (iv) Century's dependence on the services of key employees; (v) Century's ability to realize the full value of goodwill; (vi) the risk of professional errors and omissions; (vii) the nature of the competitive and fragmented outsourcing industry; (viii) market fluctuations in the values or returns on assets in Century's investment portfolios; (ix) government regulations and interpretations are subject to changes; (x) Century's principal shareholders have substantial control over its operations; (xi) shares eligible for future sale could adversely affect the price of Century's common stock; (xii) Century may not pay dividends; and (xiii) Century's ability to manage risks associated with its discontinued specialty insurance business, such as risk of inadequate insurance premiums, underestimating reserves, and the risk that reinsurers may fail. All forward-looking statements in this Form 10-Q are expressly qualified by the Cautionary Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE INFORMATION ABOUT MARKET RISK

The Company's exposure to market risk, including interest rate risk, is immaterial. If market interest rates were to increase or decrease immediately and uniformly by 100 basis points from the levels at June 30, 2000, in each case the impact on the Company's financial condition and results of operations would be immaterial. The Company does not engage in trading market risk sensitive instruments and does not purchase hedging instruments or "other than trading" instruments that are likely to expose the Company to market risk, whether interest rate, foreign currency exchange, commodity price or equity price risk. The Company has not issued debt instruments, entered into forward or futures contracts, purchased options or entered into swaps. The Company's primary market risk exposure is that of interest rate risk. A change in the Federal Funds Rate, or the Reference Rate set by the Bank of America (San Francisco), would affect the rate at which the Company could borrow funds under its Credit Facility.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

During the third quarter ended September 30, 2000, there were no material developments in previously reported legal proceedings other than as follows:

On July 31, 2000, Century moved to dismiss the action pending against it in the United States District Court for the Northern District of Ohio, which was filed by certain former owners of a business Century acquired in 1999. The court's ruling on Century's motion to dismiss is pending. During the pendency of this motion, discovery has been stayed. Discovery is also currently stayed in the parallel state court action pending in the Circuit Court for St. Louis County, Missouri. Century intends to continue vigorously defending against the allegations against it.

On October 10, 2000, the Court of Common Pleas, Cuyahoga County, Ohio denied Century's motion to dismiss the complaint filed against it by certain former owners of a business acquired by Century. On October 24, 2000, Century sought reconsideration of this order, which is pending. Discovery in this action has commenced, and Century intends to continue vigorously defending against the allegations against it.

On April 11, 2000, Century and a wholly-owned subsidiary initiated a lawsuit in Toronto, Canada against former owners of a business acquired by Century, claiming (1) that the former shareholders breached representations and warranties in the purchase agreement and (2) that a company owned by one of the shareholders owed Century payment for services rendered. In addition, Century asked the Ontario Court to declare that Century justifiably terminated the employment contract of one of the former shareholders. On August 1, 2000 the former shareholders and the company owned by a former shareholder filed counterclaims against Century in the Ontario action, seeking damages from Century for breach of contract, wrongful termination of employment, and defamation. The case is in its early stages and discovery has just commenced. Century intends to vigorously pursue its complaint and defend the counterclaims.

In addition to the above-described items, Century is from time to time subject to claims and suits arising in the ordinary course of business. Although the ultimate disposition of such proceedings is not presently determinable, management does not believe that the ultimate resolution of these matters will have a material adverse effect on the financial condition, results of operations or cash flows of Century.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27.1 Financial Data Schedule

99.6 The Third Amendment to Amended and Restated Credit Agreement, dated as of September 22, 2000, by and among Century Business Services, Inc., the Lenders party to the Credit agreement, Bank of America, N.A. as Agent, and Fleet National Bank, Bank One, Michigan, Lasalle Bank National Association and PNC Bank, National Association, each as Co-Agent.

(b) Reports on Form 8-K

The following Current Reports on Form 8-K filed during the three months ended September 30, 2000:

(i) On July 11, 2000, the Company filed a Current Report on Form 8-K, announcing that on June 26, 2000, Avalon National Corporation and a consortium of financial entities entered into an agreement to purchase the risk-bearing insurance operations for $31 million in cash, contingent upon regulatory approval.

(ii) On July 12, 2000, the Company filed a Current Report on Form 8-K/A, to amend the Form 8-K filed on July 11, 2000, to include the text of the Exhibit, Stock Purchase Agreement by and among Century Business Services, Inc., CBSI Management Co. and Avalon National Corporation dated June 26, 2000.

SIGNATURE

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

Century Business Services, Inc.
(Registrant)

Date: November 14, 2000

By: /s/ Chris Spurio
Chris Spurio
Vice President, Acting Chief Financial Officer

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
EXHIBIT INDEX

Exhibit Number:

5
1,000

9-MOS
DEC-31-2000
JAN-01-2000
SEP-30-2000
56,618
0
220,090
14,549
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318,693
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772,613
85,052
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936
512,165
772,613
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459,818
0
375,331
47,735
0
9,294
27,458
17,024
10,434
(9,397)
0
0
1,037
0.01
0.01

Exhibit 99.6

THIRD AMENDMENT TO AMENDED
AND RESTATED CREDIT AGREEMENT

THIS THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT, dated as of September 22, 2000 (this "AGREEMENT"), is by and among CENTURY BUSINESS SERVICES, INC., a Delaware corporation (the "COMPANY"), the Lenders party to the Credit Agreement referred to below (the "LENDERS"), BANK OF AMERICA, N.A. as agent (the "AGENT"), and FLEET NATIONAL BANK, BANK ONE, MICHIGAN, LASALLE BANK NATIONAL ASSOCIATION AND PNC BANK, NATIONAL ASSOCIATION, each as Co-Agent (the "CO-AGENTS").

RECITALS:

WHEREAS, the Company, Agent, Co-Agents and the Lenders are parties to that certain Amended and Restated Credit Agreement dated as of October 3, 1997, as amended and restated as of August 10, 1998, as amended and restated as of August 24, 1999 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "CREDIT AGREEMENT"); and

WHEREAS, the Company, Agent, Co-Agents and the Lenders wish to amend the Credit Agreement in certain respects as set forth herein, subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. DEFINED TERMS. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings given them in the Credit Agreement.

SECTION 2. AMENDMENTS TO CREDIT AGREEMENT. The Credit Agreement is, as of the Effective Date (as defined below), hereby amended as follows:

(a) THE DEFINITIONS OF "APPLICABLE MARGIN," "CHANGE OF CONTROL," "EBIT," "EBITDA" AND "INTEREST COVERAGE RATIO" IN ARTICLE I OF THE CREDIT AGREEMENT ARE HEREBY AMENDED BY DELETING SAID DEFINITIONS IN THEIR ENTIRETY AND INSERTING THE FOLLOWING IN LIEU THEREOF:

"APPLICABLE MARGIN" shall mean on any date the applicable percentage set forth below based upon the Level as shown in the Compliance Certificate then most recently delivered to the Lenders:

	Revolving Loans		Letters of Credit		
Level	Base Rate	Offshore Rate	Non-financial	Financial	Commitment Fee
I	1.125%	2.375%	1.1875%	2.375%	.45%
II	1.000%	2.125%	1.0625%	2.125%	.40%
III	.875%	1.875%	.9375%	1.875%	.35%
IV	.625%	1.625%	.8125%	1.625%	.30%

; PROVIDED HOWEVER that, (i) for the period from the date of the Third Amendment to and including the date of the delivery of the Compliance Certificate for the period ending December 31, 2000, the Applicable Margin shall be deemed to be Level I and (ii) if the Company shall have failed to deliver to the Lenders by the date required hereunder any Compliance Certificate pursuant to SECTION 7.02(b), then from the date such Compliance Certificate was required to be delivered until the date of such delivery the Applicable Margin shall be deemed to be Level I. Each change in the Applicable Margin shall take effect with respect to all outstanding Loans on the third Business Day immediately succeeding the day on which such Compliance Certificate is received by the Agent. Notwithstanding the foregoing, no reduction in the Applicable Margin shall be effected if a Default or an Event of Default shall have occurred and be continuing on the date when such change would otherwise occur, it being understood that on the third Business Day immediately succeeding the day on which such Default or Event of Default is either waived or cured (assuming no other Default or Event of Default shall be then pending), the Applicable Margin shall be reduced (on a prospective basis) in accordance with the then most recently delivered Compliance Certificate.

"CHANGE OF CONTROL" means (a) any Person or any two or more Persons (in each case other than a Person that is a stockholder of the Company as of the date of this Agreement) acting in concert acquiring beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Exchange Act), directly or indirectly, of capital stock of the Company (or other securities convertible into such capital stock) representing 25% or more of the combined voting power of all capital stock of the Company entitled to vote in the election of directors, other than capital stock having such power only by reason of the happening of a contingency, or (b) during any period of twelve consecutive calendar months, individuals who at the beginning of such period constituted the Company's board of directors (together with any new directors whose election by the Company's board of directors or whose nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reasons other than death or disability to constitute a majority of the directors then in office, or (c) during any period of twelve consecutive calendar months (other than pursuant to a disposition permitted pursuant to SECTION 8.02), the ceasing of more than 25% of the individuals who hold an office possessing the title Regional Directors or Local Directors Senior Vice President, Executive Vice President or such title that ranks senior thereto of the Company and the Company's direct Subsidiaries (collectively, "KEY MANAGEMENT"), on the first day of each such period to be part of the Key Management of the Company and its Subsidiaries taken as a whole.

"EBIT" means, for any period, for the Company and its Subsidiaries on a consolidated basis, determined in accordance with GAAP, the sum of (a) Net Income (or net loss) for such period PLUS (b) all amounts treated as expenses for interest to the extent included in the determination of such Net Income (or loss), PLUS (c) all accrued taxes on or measured by income to the extent included in the determination of such Net Income (or loss); PROVIDED, HOWEVER, that Net Income (or loss) shall be computed for these purposes without giving effect to extraordinary losses or extraordinary gains; and PROVIDED FURTHER, that for purposes of determining compliance with SECTION 8.17, (x) for any period which includes the fourth fiscal quarter of the Company's 1999 fiscal year, there shall be excluded in determining EBIT any non-recurring restructuring expense recorded in such fiscal quarter to the extent excluded from the determination of Net Income, PROVIDED, that such restructuring expenses shall not be in excess of $36,400,000, (y) for any period which includes the fourth fiscal quarter of the Company's 1999 fiscal year or the first, second or third fiscal quarter of the Company's 2000 fiscal year, there shall be excluded in determining EBIT any charges recorded in such fiscal quarter relating to the loss on the sale or transfer of any Insurance Subsidiary to the extent excluded from the determination of Net Income, PROVIDED, that the aggregate amount of such charges shall not exceed $10,321,556 and (z) EBIT for any periods occurring after January 1, 2000 through March 31, 2001 shall be determined as above, PLUS all amounts treated as expenses for the amortization of intangibles of any kind to the extent included in the determination of Net Income based on a fifteen (15) year amortization schedule.

"EBITDA" means, for any period, for the Company and its Subsidiaries on a consolidated basis, determined in accordance with GAAP, the sum of (a) the Net Income (or net loss) for such period PLUS (b) all amounts treated as expenses for depreciation and interest and the amortization of intangibles of any kind to the extent included in the determination of such Net Income (or loss), PLUS (c) all accrued taxes on or measured by income to the extent included in the determination of such net income (or loss); PROVIDED, HOWEVER, that net income (or loss) shall be computed for these purposes without giving effect to extraordinary losses or extraordinary gains; and PROVIDED FURTHER, that for purposes of determining compliance with SECTION 8.16, (x) for any period which includes the fourth fiscal quarter of the Company's 1999 fiscal year, there shall be excluded in determining EBITDA any non-recurring restructuring expense recorded in such fiscal quarter to the extent excluded from the determination of Net Income, PROVIDED, that such restructuring expenses shall not be in excess of $36,400,000 and (y) for any period which includes the fourth fiscal quarter of the Company's 1999 fiscal year or the first, second or third fiscal quarter of the Company's 2000 fiscal year, there shall be excluded in determining EBITDA any charges recorded in such fiscal quarter relating to the loss on the sale or other transfer of any Insurance Subsidiary to the extent excluded from the determination of Net Income, PROVIDED, that the aggregate amount of such charges shall not exceed $10,321,556.

(b) ARTICLE I OF THE CREDIT AGREEMENT IS AMENDED BY INSERTING THE FOLLOWING DEFINITIONS IN ALPHABETICAL ORDER:

"ELIGIBLE RECEIVABLES" means (i) at any time on or prior to March 31, 2001, (x) WIP of each such Person less than or equal to 120 days plus (y) the total face of the trade receivables less than or equal to 120 days (related to the sale of goods and services other than to affiliates of the Company) of the Company and its Wholly Owned Subsidiaries which are a party to a Security Agreement, calculated in accordance with GAAP, consistently applied, and (ii) at any time thereafter, (x) work-in-progress of each such Person less than or equal to 90 days plus (y) the total face of the trade receivables less than or equal to 90 days (related to the sale of goods and services other than to affiliates of the Company) of the Company and its Wholly Owned Subsidiaries which are a party to a Security Agreement, calculated in accordance with GAAP, consistently applied.

"ELIGIBLE RECEIVABLES RATIO" means, as of the last Business Day of each calendar month, the ratio of (a) Eligible Receivables as of such date to (b) the outstanding principal amount of Loans as of such date.

"NET PROCEEDS" means the sum of cash or readily marketable cash equivalents received (including by way of a cash generating note or discounting of a note or receivable when received in cash, but excluding any other consideration received in the form of assumption by the acquiring Person of debt or other obligations relating to the properties or assets so disposed of or received in any other non-cash form) therefrom, whether at the time of such disposition or subsequent thereto (but, in the case of amounts received subsequent thereto, excluding interest on such amounts), net all federal, state, local and other taxes required to be accrued as a liability as a consequence of such transaction.

"SPECIFIED ASSET SALE" means each Asset disposition described in Schedule A to the Third Amendment.

"SPECIFIED JOINT VENTURE" means each Joint Venture described on Schedule B to the Third Amendment.

"THIRD AMENDMENT" means the Third Amendment to the Amended and Restated Credit Agreement, dated as of September 22, 2000.

(c) ARTICLE II OF THE CREDIT AGREEMENT IS HEREBY AMENDED BY (i) REDESIGNATING SECTION 2.05 AS "VOLUNTARY TERMINATION OR REDUCTION OF COMMITMENTS; MANDATORY REDUCTION OF COMMITMENTS", (ii) REDESIGNATING SECTION 2.05 AS CLAUSE (a) OF SECTION 2.05 AND (iii) ADDING THE FOLLOWING NEW CLAUSE (b) TO SECTION 2.05:

"(b) On the date of receipt thereof by the Company or any of its Subsidiaries, the Company shall permanently reduce the Revolving Loan Commitment by an amount equal to (x) 100% of the Net Proceeds received by any such Person from the sale or other disposition of an Insurance Subsidiary (including any sale of any asset of an Insurance Subsidiary) and (y) 75% of the Net Proceeds from any Specified Asset Sale or any other Disposition".

(d) ARTICLE VII OF THE CREDIT AGREEMENT IS HEREBY AMENDED BY DELETING CLAUSE (f) OF SECTION 7.02 IN ITS ENTIRETY AND INSERTING THE FOLLOWING NEW CLAUSE (f):

"(f) ACCOUNT RECEIVABLE AGING REPORT. Within thirty (30) days after the end of each calendar month (commencing with the calendar month ended August 31, 2000), an account receivable aging report (the "Account Receivable Aging Report") of the Company by business region. Each Account Receivable Aging Report shall include such detail as the Agent may reasonably require (including, without limitation, information relating to compliance with Section 8.18) and shall be signed by the president or the chief financial officer or treasurer of the Company; and".

(e) ARTICLE VIII OF THE CREDIT AGREEMENT IS HEREBY AMENDED BY:

(i) DELETING SECTION 8.02 IN ITS ENTIRETY AND INSERTING THE FOLLOWING IN LIEU THEREOF:

"8.02 DISPOSITION OF ASSETS. The Company shall not, and shall not suffer or permit any Subsidiary to, directly or indirectly, sell, assign, lease, convey, transfer or otherwise dispose of (whether in one or a series of transactions) any property (including accounts and notes receivable, with or without recourse) or enter into any agreement to do any of the foregoing, except:

(a) dispositions of inventory, or used, worn-out or surplus equipment (including, without limitation, demonstration or pilot plants), all in the ordinary course of business;

(b) the sale of equipment to the extent that such equipment is exchanged for credit against the purchase price of similar replacement equipment, or the proceeds of such sale are reasonably promptly applied to the purchase price of such replacement equipment; and

(c) dispositions of Investments and insurance contracts by any Insurance Subsidiary in the ordinary course of business;

(d) the sale of the capital stock of, or any asset of, an Insurance Subsidiary;

(e) each Specified Asset Sale; PROVIDED that such specified Asset Sale is completed on or prior to June 30, 2001, PROVIDED however, that in the case of a Specified Asset Sale of an Insurance Subsidiary, such Sale is completed on or prior to October 31, 2000; and

(f) dispositions not otherwise permitted hereunder which are made for fair market value; PROVIDED that (i) at the time of any disposition, no Event of Default shall exist or shall result from such disposition, (ii) not less than 80% of the aggregate sales price from such disposition shall be paid in cash, and (iii) the aggregate value of all assets so sold by the

Company and its Subsidiaries, together, shall not exceed (x) 5% of the net tangible assets of the Company and its Subsidiaries on a consolidated basis during any twelve month period with net tangible assets to be measured as of the beginning of such period, and (y) 15% of the net tangible assets of the Company and its Subsidiaries on a consolidated basis during the term of this Agreement, with net tangible assets to be measured as of the Closing Date";

(ii) DELETING CLAUSE (d) OF SECTION 8.04 IN ITS ENTIRETY AND INSERTING THE FOLLOWING IN LIEU THEREOF:

"(d) Investments, subject to SECTION 8.09, incurred in order to consummate Acquisitions otherwise permitted herein, PROVIDED that in the event that the Leverage Ratio, both before and after giving effect to such Acquisition, is at any time more than 1:25:1.0, any such Acquisition shall not be permitted without the prior written approval of the Majority Lenders;";

(iii) INSERTING THE FOLLOWING TO THE END OF SECTION 8.09:

"; and PROVIDED FURTHER, that each Specified Joint Venture shall be permitted"; and

(iv) deleting Section 8.15 in its entirety and inserting the following in lieu thereof:

"8.15 MINIMUM NET WORTH. The Company shall not permit its Consolidated Net Worth at any time (a) for the period from and including the Closing Date to but excluding the last day of the fiscal quarter ended on June 30, 2000, to be less than $512,000,000, and (b) for the period from and including the last day of the fiscal quarter ended on June 30, 2000 and thereafter, to be less than an amount equal to the sum of (x) $512,000,000 PLUS (y) 70% of the Company's positive Net Income, if any, for each such fiscal quarter PLUS (2) an amount equal to 100% of the net cash and non-cash proceeds of any equity securities issued by the Company after the date of the Third Amendment."; and

(iv) INSERTING THE FOLLOWING AS A NEW SECTION 8.18:

"8.18 ELIGIBLE RECEIVABLES RATIO. The Company shall not permit, at any time, its Eligible Receivables Ratio as of the end of any calendar month to be less than (i) for each calendar month ended on or prior to September 30, 2000, .85:1.0, PROVIDED, that in the event that all of the Insurance Subsidiaries and/or all of each Insurance Subsidiary's assets are sold on or prior to September 30, 2000, then such ratio shall be determined pursuant to clause (ii) of the definition of Eligible Receivables contained herein, and (ii) for each calendar month thereafter, 1.0:1.0."

(f) EXHIBIT C OF THE CREDIT AGREEMENT IS HEREBY AMENDED IN ITS ENTIRETY TO READ AS SET FORTH ON EXHIBIT A HERETO.

SECTION 3. CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT. This Agreement shall become effective upon the date (the "EFFECTIVE DATE") each of the following conditions have been satisfied:

(a) EXECUTION AND DELIVERY. The Company and the Majority Lenders shall have executed and delivered this Agreement.

(b) NO DEFAULTS. No Default or Event of Default under the Credit Agreement (as amended hereby) shall have occurred and be continuing.

(c) REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Company contained in this Agreement, the Credit Agreement (as amended hereby) and the other Loan Documents shall be true and correct in all material respects as of the Effective Date, with the same effect as though made on such date, except to the extent that any such representation or warranty expressly refers to an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date.

(d) AMENDMENT FEE. The receipt by the Agent, for distribution to the relevant Lender, from the Company of an amendment fee payable to each Lender executing this Amendment in an amount equal to .15% of such Lender's Revolving Loan Commitment.

SECTION 4. REPRESENTATIONS AND WARRANTIES.

(a) The Company represents and warrants (i) that it has full power and authority to enter into this Agreement and perform its obligations hereunder in accordance with the provisions hereof, (ii) that this Agreement has been duly authorized, executed and delivered by such party and (iii) that this Agreement constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally and by general principles of equity.

(b) The Company represents and warrants that the following statements are true and correct:

(i) The representations and warranties contained in the Credit Agreement and each of the other Loan Documents are and will be true and correct in all material respects on and as of the Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties expressly refer to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

(ii) No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Agreement that would constitute an Event of Default.

(iii) The execution, delivery and performance of this Agreement by the Company do not and will not violate its respective certificate or articles of incorporation or by-laws, any law, rule, regulation, order, writ, judgment, decree or award applicable to it or any contractual provision to which it is a party or to which it or any of its property is subject.

(iv) No authorization or approval or other action by, and no notice to or filing or registration with, any governmental authority or regulatory body is required in connection with its execution, delivery and performance of this Agreement and all agreements, documents and instruments executed and delivered pursuant to this Agreement.

SECTION 5. REFERENCES TO AND EFFECT ON THE CREDIT AGREEMENT.

(a) On and after the Effective Date each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference to the Credit Agreement in the Loan Documents and all other documents (the "ANCILLARY DOCUMENTS") delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Except as specifically amended above, the Credit Agreement, the Loan Documents and all other Ancillary Documents shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver (except as specifically waived above) of any right, power or remedy of the Lenders or the Agent under the Credit Agreement, the Loan Documents or the Ancillary Documents.

SECTION 6. EXECUTION IN COUNTERPARTS. This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 7. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO THE INTERNAL CONFLICTS OF LAWS PROVISIONS THEREOF.

SECTION 8. HEADINGS. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purposes.

[signature pages to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the date above first written.

CENTURY BUSINESS SERVICES, INC.

By /s/ Jerome P. Grisko, Jr.

Name: Jerome P. Grisko, Jr.
Title: President & Chief Operating Officer

BANK OF AMERICA, N.A., as Agent

By /s/ Kristine D. Hyde

Name: Kristine D. Hyde
Title: Vice President

BANK OF AMERICA, N.A., Individually as a Lender and as the Issuing Bank

By /s/ Jennifer L Gerdes

Name: Jennifer L. Gerdes
Title: Vice President

FLEET NATIONAL BANK, as a Co-Agent and
individually as a Lender

By /s/ Walter J. Marillo

Name: Walter J. Marillo
Title: Director

BANK ONE, MICHIGAN, as a Co-Agent and
individually as a Lender

By /s/ William J. McCaffrey

Name: William J. McCaffrey
Title: First Vice President

LASALLE BANK NATIONAL ASSOCIATION, as
a Co-Agent and individually as a Lender

By /s/ David A. Chaika

Name: David A. Chaika
Title: Assistant Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Co-
Agent and individually as a Lender

By /s/ Bryon A. Pike

Name: Bryon A. Pike
Title: Vice President

COMERICA BANK

By /s/ Jeffrey J. Judge

Name: Jeffrey J. Judge
Title: Vice President

FIFTH THIRD BANK, NORTHEASTERN OHIO

By /s/ David J. Williams

Name: David J. Williams
Title: Vice President

HUNTINGTON NATIONAL BANK

By /s/ Laura Conway

Name: Laura Conway
Title: Vice President

FIRSTAR BANK, N.A.

By /s/ David J. Dannemiller

Name: David J. Dannemiller
Title: Vice President

FIRSTMERIT BANK, N.A.

By /s/ Keith J. Comtois

Name: Keith J. Comtois
Title: Vice President

FIRST UNION NATIONAL BANK

By /s/ Mark B. Felker

Name: Mark B. Felker
Title: Senior Vice President

U.S. BANK, N.A.

By /s/ Carol A. Morse

Name: Carol A. Morse
Title: Senior Vice President

EXHIBIT A TO THIRD AMENDMENT

EXHIBIT C

TO CREDIT AGREEMENT

FORM OF COMPLIANCE CERTIFICATE

Bank of America, N.A.,
as Agent for the Lenders party to the Credit
Agreement referred to below
231 South LaSalle Street
Chicago, Illinois 60697

Attn:

Ladies and Gentlemen:

This certificate is furnished to you by Century Business Services, Inc. (the "Company"), pursuant to Section 7.02(b) of that certain Amended and Restated Credit Agreement, dated as of October 3, 1997, as amended and restated as of August 10, 1998 and as amended and restated as of August 24, 1999, among the Company, the financial institutions party thereto (the "Lenders"), and Bank of America, N.A., as agent for such Lenders (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), concurrently with the delivery of the financial statements required pursuant to SECTION 7.01 [(a)][(b)] of the Credit Agreement. Terms not otherwise defined herein are used herein as defined in the Credit Agreement.

The undersigned, on behalf of the Company, hereby certifies that:

(A) no Default or Event of Default has occurred and is continuing, except as described in ATTACHMENT 1 hereto;

(B) the financial data and computations set forth in Schedule 1 below, evidencing compliance with the covenants set forth in [SECTIONS 8.01(i), (j) and (m), 8.02, 8.05(d), 8.15, 8.16, 8.17, and 8.18](1) of the Credit Agreement, are true and correct as of ________________, ____(2) (the "Computation Date");

(C) if the financial statements of the Company being concurrently delivered were not prepared in accordance with GAAP, ATTACHMENT 2 hereto sets forth any derivations required to conform the relevant data in such financial statements to the computations set forth below; and

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(1) Insert Section numbers as appropriate. Section 8.18 is computed on a monthly basis.

(2) The last day of the accounting period for which financial statements are being concurrently delivered.

(D) during the preceding 12 month period there has been a ___% turnover in Key Management.

The foregoing certifications, together with the computations set forth in SCHEDULE 1 hereto and the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered as of this _____ day of ___________, ____.

CENTURY BUSINESS SERVICES, INC.

By: --

Name: --

Its: (3) --

- ----------

(3) To be executed by a Responsible Officer of the Company.

SCHEDULE 1

COMPUTATIONS

I. SECTION 8.01 LIENS

A. Clauses (a), (i) and (j)

1.	Aggregate amount of Indebtedness permitted to be secured:	$_________(4)
2.	Actual amount of Indebtedness secured as of the date of determination:	
	- Attributable to 8.01(a):	$_________
	- Attributable to 8.01(i):	$_________
	- Attributable to 8.01(j):	$_________
		$_________

B. CLAUSE (m)

1.	Aggregate amount of obligations permitted to be secured:	$1,000,000
2.	Actual amount of obligations secured as of the date of determination:	$_________

II. SECTION 8.02 DISPOSITION OF ASSETS

A.	Aggregate amount permitted during the immediately preceding twelve month period:	$_________(5)
B.	Actual amount during the immediately preceding twelve month period:	$_________
C.	Aggregate amount permitted from August 24, 1999:	$_________(6)
D.	Actual amount from August 24, 1999:	$_________

III. SECTION 8.05 INDEBTEDNESS

A. CLAUSE (d)

1.	Aggregate principal amount of Indebtedness permitted:	$_________

- ----------

(4) Insert amount equal to 3% of total tangible assets as of the end of the most recent fiscal quarter.

(5) Insert amount equal to 5% of net tangible assets as of the end of the most recent fiscal quarter.

(6) Insert amount equal to 15% of net tangible assets as of the Closing Date.

2. Actual amount of Indebtedness as of the date of determination:

- Attributable to 8.01(a):	$_________
- Attributable to 8.01(i):	$_________
- Attributable to 8.01(j):	$_________
- Attributable to Section 8.05(d):	$_________
	$_________

IV. SECTION 8.15 MINIMUM NET WORTH

1. Required Net Worth:

(a)	Base Amount:	$512,000,000
(b)	70% of the Company's Positive Net Income for each fiscal quarter ending after June 30, 2000:	$_________
(c)	100% of the net cash and non-cash proceeds of any equity securities issued by the Company after September 22, 2000;	$_________
(d)	The sum of (a) PLUS (b) PLUS (c):	$_________

V. SECTION 8.16 LEVERAGE RATIO

Period: Twelve months ended ____________ ___, ______.

1.	Required:	2.5:1.0
2.	Actual:	______:__
(a)	Consolidated Indebtedness as of the end of the period referred to above:	$_________
	- Attributable to the fiscal quarter ended:	
	- _____________:	$_________
	- _____________:	$_________
	- _____________:	$_________
	- _____________:	$_________
(b)	EBITDA for the period referred to above:	$_________
	- Attributable to Insurance Subsidiaries:	$_________
	- Attributable to the fiscal quarter ended:	
	- _____________:	$_________
	- _____________:	$_________
	- _____________:	$_________
	- _____________:	$_________
(c)	Ratio of (a) TO (b):	______:1.0

VI. SECTION 8.17 INTEREST COVERAGE RATIO

Period: Twelve months ended ____________ ___, _____.

1.	Required:	______:1.0
2.	Actual:	

	(a)	EBIT for the period referred to above:	$_________
		- Attributable to Insurance Subsidiaries	$_________
	(b)	Consolidated Interest Expense for the period referred to above:	$_________

VII. SECTION 8.18 ELIGIBLE RECEIVABLES RATIO

Period: Month ended ____________ ___, _____.

1.	Required:		______:1.0
2.	Actual:		
	(a)	Trade Receivables (less than or equal to 90 or 120 days, as provided in the definition "ELIGIBLE RECEIVABLES")	$_________
	(b)	Work-in-progress (less than or equal to 90 or 120 days, as provided in the definition "ELIGIBLE RECEIVABLES")	$_________
	(c)	The sum of (a) plus (b)	$_________
	(d)	Outstanding Principal of Loans	$_________
	(e)	Ratio of (c) to (d)	______:1.0

ATTACHMENT 1

DESCRIPTION OF ANY DEFAULTS OR EVENTS OF DEFAULT

ATTACHMENT 2

DERIVATIONS REQUIRED TO CONFORM RELEVANT DATA IF FINANCIAL STATEMENTS WERE NOT PREPARED IN ACCORDANCE WITH GAAP