

EXHIBIT "1"

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**EMPLOYMENT AGREEMENT
(National)**

This is an employment agreement between **PHYSICIAN SALES & SERVICE, INC.**, a Florida corporation with its principal place of business located in Jacksonville, Florida, (hereinafter referred to as "PSS") and SVM D. ILVENTO, an individual (hereinafter referred to as "Employee").

RECITALS

1. PSS is a company engaged in the sale, marketing and distribution of medical and pharmaceutical supplies and equipment to office-based physicians (hereinafter "PSS' Business").
2. PSS desires to employ Employee, and Employee desires to work for PSS under the terms of this Agreement.
3. PSS has developed, at significant cost, training programs and methods, and Employee shall receive extraordinary and/or specialized training, particularly those in sales or management positions, which may include PSS' comprehensive training program to instruct Employee as to his/her job and PSS' Business.
4. PSS, at great expense, has solicited and secured customers and potential customers through its advertising and marketing efforts, and has created substantial goodwill with customers, potential customers, vendors and others throughout the country, including in the vicinity of the office and in the territories in which Employee will be employed and have responsibilities; PSS and Employee anticipate, moreover, that PSS will provide Employee the opportunity, with PSS' support and at its expense, to benefit from and contribute to the building and maintenance of that goodwill, and that Employee will be given responsibilities involving marketing, training, customer and vendor contact and/or exposure to marketing and/or customer and vendor information.
5. With the exception of its employees, PSS considers its most valuable assets to be its confidential information and trade secrets, including but not limited to, its customer lists, vendor lists, its pricing information, samples, lists of contacts, strategic and marketing plans, and its technical, training, financial and marketing books, reports, manuals and information. The parties to this Agreement recognize that PSS has invested, and continues to invest, considerable amounts of time and money in obtaining and developing all the information described above (hereinafter collectively referred to as "PSS' Confidential Information"), as well as the goodwill of its customers, and any misappropriation or unauthorized disclosure of PSS' Confidential Information in any form would irreparably harm PSS.
6. The parties recognize that Employee may take part in attaining and developing, and/or otherwise will have access to, PSS' Confidential Information in the course of his/her employment for which PSS will compensate Employee.
7. The parties acknowledge that PSS has legitimate business interests in protecting its valuable confidential business and trade secret information, its substantial relationships with specific prospective and existing customers, and its customer goodwill associated with a specific geographic area, a specific marketing area, and/or extraordinary or specialized training. Employee acknowledges these legitimate business interests and agrees that they shall be protected by the restrictive covenants herein and governing law.

TERMS OF AGREEMENT

In consideration of mutual promises set forth in this Agreement, the parties to this Agreement hereby agree to the following:

Nature of Employment

8. PSS shall employ Employee in such capacities as PSS deems appropriate, the parties acknowledging that the title and duties assigned to Employee may change as PSS determines is in its best interest.

Compensation

9. PSS shall pay to Employee compensation in an amount to be determined by PSS, which PSS may adjust at its discretion based on periodic review.

Other Simultaneous Employment

10. Employee will at all times perform the duties required of him/her under this Agreement and devote his/her best efforts and exclusive business time, energy and skill to performing his/her duties for PSS.

11. While in PSS' employ, Employee will refrain from engaging in any other business activity, including, without limitation, providing consulting services, without PSS' prior written consent, and Employee will promptly notify PSS' Branch Manager or Regional Vice President of any information Employee learns about any current or former employee engaging in any business activity similar or related to PSS' business.

PSS' Information to be Kept Confidential

12. Employee shall refrain from directly or indirectly disclosing to any third party, or using for any purpose other than for the direct benefit of PSS, any of PSS' Confidential Information during his/her employ and for 10 years thereafter, whatever the reason for his/her leaving PSS' employ.

Confidentiality of PSS' Property

13. Employee recognizes that all of the documents and other tangible items which contain any of PSS' Confidential Information are PSS' property exclusively, including those documents and items which Employee may have developed or contributed to developing while in PSS' employ, whether or not developed during regular working hours or on PSS' premises.

14. Employee recognizes that all materials, identification information, keys, computer software and hardware, manuals, data bases, samples, tapes, technical notes and equipment PSS provides for Employee are also the property of PSS exclusively. All items described in this and the preceding paragraph are hereafter collectively referred to as "PSS' Property."

15. Should Employee's employment be terminated for any reason, Employee shall:

- a. Refrain from taking any of PSS' Property or allowing any of PSS' Property to be taken from PSS' premises;
- b. Refrain from reproducing in any manner or allowing to be reproduced any of PSS' Property;
- c. Refrain from removing any such reproduction from PSS' premises; and
- d. Immediately return to PSS any original and reproduction of PSS' Property in his/her possession.

Non-Compete Covenant

16. During his/her employment with PSS and for a period of 18 months thereafter, (s)he shall not, absent a prior written waiver under paragraph no. 23 herein, either directly or indirectly and either on his/her own or another's behalf, engage in or assist others in any of the following activities:

- a. Hiring, recruiting, or attempting to recruit for any person or business entity which competes or plans to compete with PSS, any person employed by PSS at any time during the period of the 18 month covenant or during the 12-month period immediately preceding the termination of Employee's employment with PSS;
- b. Within the geographic area described below, soliciting from any of PSS' customers or prospective customers (as defined below), any business of the type provided or planned by PSS at the time of Employee's termination of employment with PSS;
- c. Within the geographic area described below, entering into, engaging in, being employed by, being connected to or consulting for any person or business entity which competes with or is similar to PSS' Business or business planned by PSS at the time of Employee's termination of employment from PSS.

Except for employees employed within the States of Georgia and Louisiana, for purposes of paragraph no. 16(b) and (c) above, the "geographic area" shall encompass any territory to which Employee has been assigned by PSS and actually serviced for PSS, and any area over which Employee has had sales or managerial responsibility for PSS. In the event Employee is transferred during his/her employment, the "geographic area" shall refer to all such territories or areas to which the Employee was assigned, serviced and/or had responsibility over during the twenty-four (24) month period directly preceding his/her termination of employment from PSS.

In the States of Georgia and Louisiana, the "geographic area" shall mean the following counties or parishes, respectively: _____

For purposes of paragraph no. 16(b) above, a prospective customer is defined as any person or entity PSS has actively solicited, planned to solicit, or provided its services to during the 12-month period immediately prior to the termination of Employee's employment with PSS.

Employee shall advise any prospective employer of his/her obligations under this Agreement and shall provide a copy of it to such prospective employer at the outset of any communications about employment with such prospective employer.

17. Employee further represents that if his/her employment with PSS terminates for any reason, he/she will be able to earn a livelihood and is agreeable to doing so without violating the foregoing restrictions, and is aware that PSS has relied upon this representation in offering employment to and in continuing to employ Employee. Employee agrees

that the Non-Compete Covenant is reasonable and shall apply both during the term of Employee's employment under this Agreement and thereafter, regardless of how said employment is terminated.

Remedies for Breach of Agreement

18. The parties to this Agreement recognize that irreparable harm would result from any breach by Employee of the covenants of this Agreement and that monetary damages alone would not provide adequate relief for any such breach. Accordingly, if Employee breaches a restrictive covenant of this Agreement, the parties acknowledge that injunctive relief in favor of PSS is proper. Moreover, the parties acknowledge and agree that any award of injunctive relief shall not preclude PSS from seeking or recovering any lawful compensatory damages which may have resulted from a breach of the covenants herein or any liquidated damages as provided in paragraph 19.

19. If Employee does not violate the general obligations of the non-competition provisions of this Agreement, but is hired by a competitor of PSS, pharmaceutical company, or by any company engaged in the sale or distribution of medical or pharmaceutical supplies or equipment within two (2) years of the end of any PSS training program in which Employee has participated, Employee agrees to pay PSS \$10,000.00 as reimbursement for the reasonable value of such training, which is the amount PSS currently estimates to be the cost of such training.

20. If PSS prevails in any action regarding this enforcement or breach of this Agreement or the employment relationship created or maintained hereunder, or if PSS retains an attorney to assist in the enforcement of this Agreement, whether or not suit is brought, Employee shall pay to PSS all costs and expenses PSS incurs, including PSS' court costs and attorney's fees.

21. If Employee breaches a covenant herein containing a specified term (e.g., Non-Compete Covenant), the term shall be extended by the period of time between Employee's termination of employment with PSS and the date a court of competent jurisdiction enters an injunction restraining further breach of the covenant.

22. If a court of competent jurisdiction determines that any of the restrictions in this Agreement are overbroad, Employee shall agree to modification of the affected restrictions(s) to permit enforcement to the maximum extent allowed by law.

23. A waiver of any of Employee's obligations under this Agreement or any other modification of this Agreement shall be ineffective unless it is set forth in writing and signed by PSS' President or his designee.

24. The parties acknowledge that the restrictive covenants in this Agreement are essential independent elements of this Agreement and that but for Employee agreeing to comply with them, PSS would not have employed or have continued to employ Employee. Accordingly, the existence of any claim by Employee against PSS, whether based on this Agreement or otherwise, shall not operate as a defense to PSS' enforcement of any restrictive covenant herein against Employee.

Competitor's Information

25. If Employee has been employed by a competitor of PSS prior to signing this Agreement, Employee agrees to immediately return to his/her former employer all confidential information and property in Employee's possession relating to that former employer. Such information includes, but is not limited to, computer data, price lists, customer lists, computer access, catalogs and any other information in any form whatsoever. Employee further agrees not to make any use of any previous employer's confidential information while an employee of PSS, to take no actions to further the business of PSS while an employee of another company, and not to make any attempt to obtain any further information from his/her present or former employer. Employee, by signing this Agreement, expressly represents to PSS that Employee has returned to Employee's former employer all confidential information and property associated with the former employer's business.

Term of Agreement

26. This Agreement shall be effective on this date, and Employee's employment shall terminate as set forth below.

27. With or without notice and for any or no reason, either party may terminate Employee's employment under this Agreement during the first year of employment. After one (1) year of employment hereunder, ten (10) days' notice shall be provided by either party for termination of Employee's employment for any or no reason. PSS shall have the option of providing pay in lieu of such notice.

28. Regardless of the length of Employee's employment, and notwithstanding anything in paragraph 26, PSS may terminate Employee's employment under this Agreement immediately without notice for what it, in its sole discretion, determines to be good cause, including without limitation, misconduct, unsatisfactory job performance, violation of any Company policy or work rule, or a breach of this Agreement. Except as otherwise expressly stated herein, Employee's employment shall be at will and terminable by either party at any time and for any reason.

29. If Employee's employment with PSS is terminated, Employee shall be paid all compensation earned through the effective date of termination at the time such compensation would normally be paid unless otherwise required by law, but no other compensation or bonus money shall be due Employee which is not earned as of the effective date of Employee's termination.

Assignment

30. PSS' rights and obligations under this Agreement shall inure to the benefit of and be binding upon PSS' assigns and successors. Any successor or assignee of PSS is authorized to enforce the restrictive covenants of this Agreement as if the name of such successor or assignee replaced PSS throughout this Agreement. Since this Agreement is personal to Employee, Employee's obligations under this Agreement may not be assigned or transferred to any other person or entity.

Savings Clause

31. If any provision(s) of this Agreement is declared invalid or unenforceable, the other provisions of this Agreement shall remain in full force and effect and shall be construed in a fashion which gives meaning to all of the other terms of this Agreement.

32. This Agreement and the employment relationship created and maintained hereunder shall be governed by the laws of the State of Florida.

Waiver of Jury Trial

33. PSS AND EMPLOYEE WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN PSS AND EMPLOYEE ARISING OUT OF THIS CONTRACT.

Entire Agreement

34. This Agreement expressly supersedes all practices, understandings, and agreements, whether written or oral, not specifically set forth in this Agreement. This Agreement constitutes the entire agreement between PSS and Employee, and there are no other agreements or understandings concerning this Agreement which are not fully set forth in this Agreement.

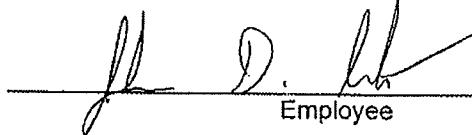
35. Employee hereby expressly warrants and represents that he/she has the right to enter into this Agreement and to perform the services hereunder without violating any obligations to any other person or entity. Employee further warrants and represents that he/she has provided to PSS copies of documentation of any agreement restricting or purporting to restrict Employee's right to perform services for PSS. Employee shall indemnify and hold PSS harmless for any breach of this warranty and representation, including reasonable attorney's fees and costs of suit.

36. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Contract or any exhibits or amendments hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement at _____
PSS on the 6 day of April, 19 98



Witness



Employee

PHYSICIAN SALES & SERVICE, INC.

Witness

By: _____
Its: _____